

# Considerations for a Successful Request for Proposal/Qualifications<sup>1</sup>

## RFP/RFQ PROCESS GOALS

1. Promote fairness, objectivity, transparency and competition
2. Create historical record on rationale for selection
3. Obtain comparative information on proposer's qualifications, experience, ideas, and price
4. Comply with state and local bidding requirements
5. Gain full confidence in team and uncover legal violations and conflicts of interest

## OPTIMIZING PROCESS

6. Consider page limitations
  - Remember that evaluation team members will need to review the proposals
  - Encourages proposers to be concise in response and limit bragging rights
7. Establish communication procedures
  - Determine how and when questions will be addressed
  - Determine contact restrictions
8. Develop RFP/RFQ schedule that provides enough time for proposers to prepare and submit responsive proposals
  - Be aware of holidays
  - Give at least 3 weeks or longer, depending on the nature of the RFP
9. Maximize the number of respondents through use of vendor databases, advertisements, mailing lists, networking contacts, and other sources (including municipal advisor)
10. Prepare a short list of best written proposals based on objective criteria
  - Quantitative scoring provides a margin of transparency
  - Interview firms on short list and require key personnel listed in the proposal to attend interviews
11. Document how the final selection was made, including rankings of proposers
  - Summarize in staff report for transparency

## SCOPE OF SERVICES

1. Define the required services clearly and concisely
  - Helps proposer determine and emphasize its qualifications
  - Helps proposer estimate costs
2. Have a clear understanding of your needs as an issuer
  - Transaction-specific or on-going

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<sup>1</sup> Includes suggestions from industry resources:

*Debt Issuance and Management: A Guide for Smaller Governments*, James Joseph (GFOA 1994); *A Guide for Selecting Financial Advisors and Underwriters: Writing RFPs and Evaluating Proposals*, Patricia Tighe (GFOA 1997); and *Preparing Requests for Proposals Issue Brief* (CDIAC October 1994)

## PROPOSAL CONTENT

1. Ask for information that will help evaluation of proposals
  - Avoid requests that encourage submission of “boiler-plate” materials
  - Include questions that will distinguish firms’ qualifications, experience and perspective
    - Relevant experience of firm and individuals assigned, identification of individual in charge of day-to-day management of issuer’s financing and percentage of time committed for individuals assigned to financing
    - Ideas for issuer’s approach to financing, including structuring alternatives and strengths/weaknesses of options, credit rating strategy, and investor marketing strategy
    - Perception of market for financing
    - Specific financing problem faced by issuer to assess firm’s knowledge of possible financing options and solution creativity
      - Does proposer approach problem on a unique basis or apply a template?
    - Analytic capability of firm and assigned individuals and training programs, if relevant
2. Be as flexible as possible in determining if proposal meets RFP requirements
  - Objective is to identify best qualified firm, not test ability to respond to RFPs/RFQs
  - Be clear on absolute requirements – identify the “red lines”
3. Use standard format for pricing and fee/expense structures
  - Allows comparability among proposers
  - If requesting a fixed fee, has sufficient information been provided and is project sufficiently defined to allow fair calculation of a fixed fee?

## EVALUATION PROCESS

1. Describe evaluation criteria to be used for selection of successful proposer
  - Helps proposers prepare good proposals if they understand what is most important to the issuer
  - Have one person check references to promote consistency
  - Reserve the right to reconsider weighting of evaluation criteria if in best interests of issuer
2. Make evaluation criteria as objective as possible and explain how proposals will be evaluated
  - Limit judgments as much as possible, although most services will involve some judgments by evaluators
  - Evaluation of written proposals tends to be more objective, while interviews may be more subjective
3. Include evaluators that have clear understanding of the desired services
  - Use procurement staff to facilitate the process, not as a voting member
  - Use municipal advisor as an advisor to the evaluation team for non-municipal advisory services, not a voting member
4. Avoid use of elected officials on evaluation team
  - Potential conflicts of interest if campaign contributions received or other associations with proposers
5. Ask each firm interviewed the same set of questions
  - Questions should address key financing concerns
    - Probe unclear or ambiguous responses
  - Limit individual questions to no more than two primarily for clarification purposes
  - Compare responses and match best overall responses to issuer’s interests