

Initiating and Navigating the Request for Proposal Process

**GENERAL SERVICES DIVISION
DEPARTMENT OF ADMINISTRATION
STATE OF MONTANA**

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GUARDIANS OF PUBLIC TRUST

The spending of public tax dollars is an issue close to everyone's wallet. An effective public procurement program reduces the cost of government and directly improves the quality and timeliness of services rendered by state agencies. For agencies, procurement is a service function, supporting programs by the acquisition of supplies and services. For potential offerors, it is an opportunity to provide supplies and services to government agencies.

Operating under the authority of the Montana Procurement Act, the Department of Administration has the responsibility of developing and administering a fair, legal, cost-effective procurement program. To meet this responsibility, the Department's goals are:

- To recognize our obligation to the taxpayers, the utilizing agencies, and the offerors to institute and maintain an effective and economical program for purchasing supplies and services.
- To obtain the needed supplies and services at favorable prices without compromise of suitability, appropriate quality, and reliable offeror performance.

THE TOOLS

In order to facilitate the procurement of supplies and services for public entities, the Montana Procurement Act provides certain tools for agencies to use to obtain the desired products. These tools are outlined in Title 18, chapter 4, of the Montana Code Annotated (MCA).

These tools include:

- ✓ Invitation for Bid
- ✓ Request for Proposal
- ✓ Small Purchase
- ✓ Limited Solicitation
- ✓ Sole Source
- ✓ Exigency Purchase

In addition, the State has enhanced several of these tools with:

- ✓ Term Contracts
- ✓ Requisition Time Schedule
- ✓ Cooperative Purchasing Agreements
- ✓ Pre-Qualification of Vendors

While most of these procurement options are relatively straightforward, the Request for Proposal process is a tool that has continued to evolve since its enactment in 1983. Subsequent legislatures and court rulings have continued to modify and define the RFP process. At its heart, however, is the premise that agencies need a procurement tool where factors other than price, such as service capabilities or technical components, can be considered.

WHO'S WHO?

Bidder? Offeror? Vendor? Which is which?

Bidder: A seller of goods and/or supplies who submits a *bid* to an Invitation for Bid.

Offeror: A seller of goods and/or supplies who provides a *response* to a Request for Proposal.

Vendor: A seller of supplies and/or services.

WHAT'S WHAT?

GSD: General Services Division, Department of Administration

SPB: State Procurement Bureau, General Services Division

Invitation for Bid: A written description that describes what the State is seeking; no negotiations are necessary or permitted; the award is made solely on the basis of the lowest cost; typically used for the purchase of supplies and equipment.

Request for Proposal: The solutions to a State need may not be concisely defined by the agency; negotiations may be necessary, and/or cost is just one of several criteria necessary to make a decision; typically used for the purchase of services and information technology systems.

WHAT IS A REQUEST FOR PROPOSAL?

A Request for Proposal (RFP) is a formal invitation to a potential offeror to submit a proposal to provide a solution to a problem or a need that the agency has identified. An RFP is also a procurement process where the State has the ability to judge if an offeror's qualifications, experience, and approach will provide the best solution to the State's needs.

WHEN IS AN RFP USED?

- The agency has defined a need and requests the offerors to propose the best method for accomplishing it;
- The agency would like to consider other factors in addition to cost when determining whether to make an award;
- The skills, expertise, or technical capability of the offerors will be evaluated;
- The problem or need is fairly detailed or complex;
- The problem or need involves services or a combination of supplies and services;
- The State may need the opportunity to ask offerors to clarify their proposals by issuing questions or to request revisions; or
- The specifications of the project cannot be clearly defined.

If your project fits any of these situations, then an RFP is most likely the best procurement tool for you to utilize. Generally, RFPs are a direct result of an agency's desire to secure a supply or service without having their choice limited to the lowest bidder.

PROS AND CONS OF THE RFP

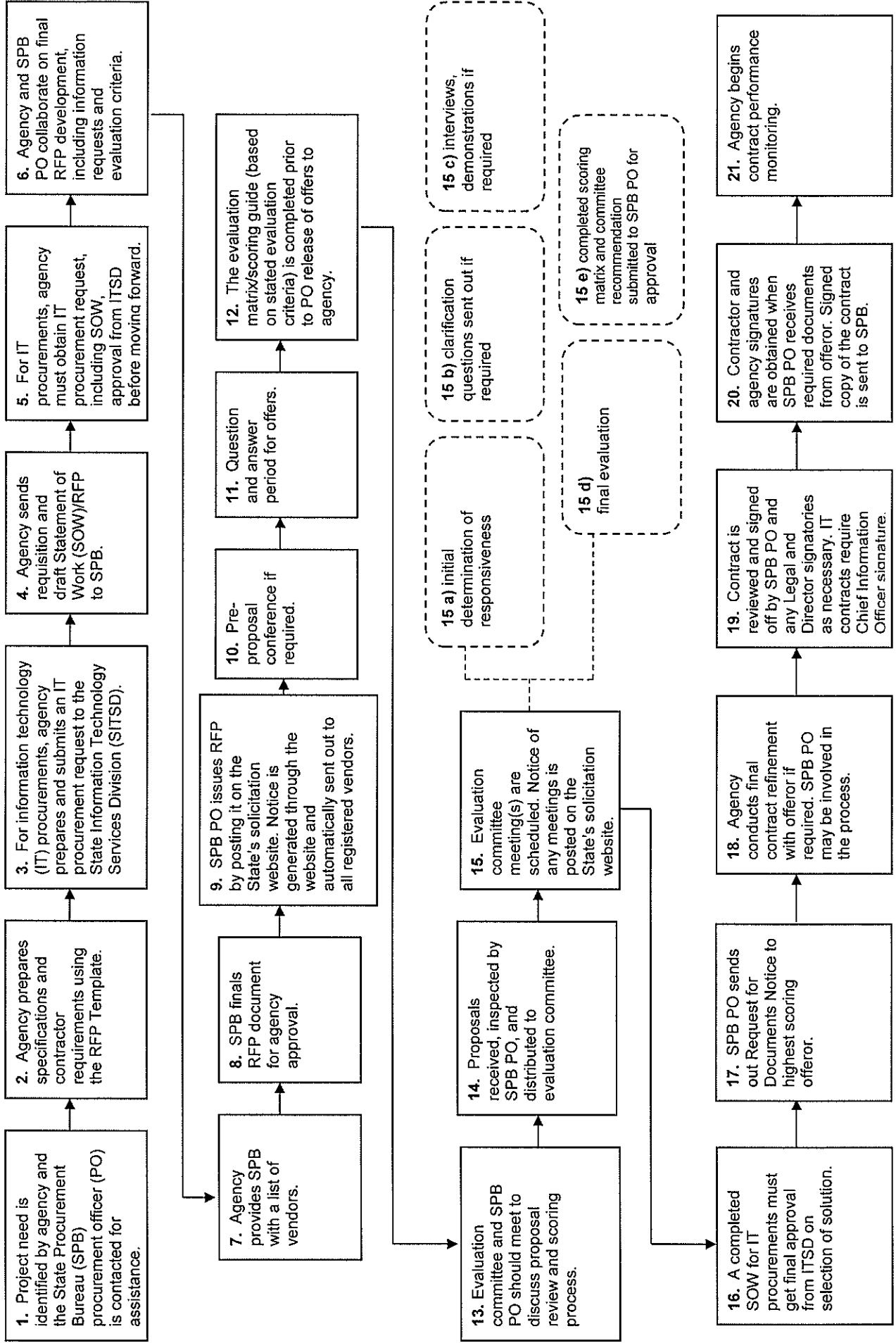
Some of the advantages of using an RFP can be:

- **Creative Competition.** The RFP process exposes the problem/need for a competitive solution. Competition promotes quality and generally results in lower prices, more value, greater flexibility in approaches, and more creative solutions.
- **All Things Considered.** The RFP process does not confine the selection process into the lowest possible price; rather, it allows for a comprehensive evaluation to usually complex problems.
- **Clear Information.** The RFP process keeps the playing field level by ensuring that all potential offerors get the same information. Putting a problem in writing ensures that all potential offerors receive the same information. It can also provide protection to the agency in the event of a protest.
- **Clear Solutions.** Preparing an RFP allows the agency to consider all of its options. In some circumstances, a problem appears to be obvious. By going through the RFP process, the agency will be compelled to define its needs in sufficient detail to allow potential offerors to provide realistic solutions at affordable prices.
- **Straight Format.** By requiring offerors to conform to the format specified in the RFP, the agency will be able to evaluate the proposals more efficiently, without wasting time searching for information.
- **Fair Evaluations.** Formalizing the requirements and the selection process produces better results. Having specific predetermined evaluation criteria simplifies the selection process and ensures that all offerors are evaluated fairly.

The major disadvantage of using an RFP can be:

- **Major Time Commitment.** The RFP process requires an extensive amount of time to define the requirements, prepare the RFP document, establish the evaluation process, perform the evaluations, and justify any award.

THE REQUEST FOR PROPOSAL FLOWCHART



THE REQUEST FOR PROPOSAL PROCESS

An RFP requires a multitude of steps, with each building toward the eventual awarding of a contract. Some steps are optional, depending on the nature of the project. Agencies should contact their agency purchasing officer or the State Procurement Bureau (SPB) early in the process and rely on the procurement officer assigned to their project to guide and assist them in making decisions on optional portions of the RFP process.

Initiate the Project

- Define the project goals
- Develop a plan for reaching the goals
- Evaluate if an RFP is the best procurement tool to use
- Obtain necessary management approvals
- Organize the manpower to carry out the RFP process
- Submit a requisition to SPB

Establish the Core Requirements

- Incorporate all special legal requirements (special licenses, certifications, etc.)
- Determine minimum standards that will be acceptable (pass/fail, must/may)
- Determine any special terms and conditions
- Establish budgetary constraints

Establish the Evaluation Criteria

WHAT ARE "EVALUATION CRITERIA"?

Evaluation criteria are the factors an agency uses to determine which of several competing proposals submitted in response to an RFP would best meet the agency's needs. In establishing effective evaluation criteria, an agency must clearly identify the factors relevant to its selection of a contractor and then prioritize these factors according to their importance in satisfying the agency's needs. Together, the proper identification and weighting of the evaluation criteria will form an evaluation plan that will provide the agency with a common standard by which they will judge the merit of competing proposals. This allows the agency to rank the proposals received while simultaneously providing offerors with a fair basis for comparison. Additionally, effective evaluation criteria will allow proposals to accurately reflect the offeror's understanding of – and ability to deliver – what the agency needs.

Establish how the proposals will be evaluated:

- Identify the major criteria that are critical for the success of the RFP
- Commonly used criteria are:
 - Company qualifications
 - Relevant experience
 - Quality of work
 - References
 - Service
 - Physical facilities
 - Key staff and support personnel
 - Cost
 - Technical capabilities
 - Proposed timelines

TIPS TO KEEP IN MIND:

- RFPs can *only* be evaluated on the stated criteria – include everything you want to measure.
- The evaluation criteria must be in terms that can be measured and evaluated – avoid words that are subjective, arbitrary, or too general.

Detail how much each criterion is worth.

- Each RFP section must be stated in the form of specific points and percentages.
- The importance of each criterion and the weight given to each criterion will largely depend on what the agency desires from the resulting contract.
- Cost Proposals must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the procurement officer.
- Time constraints may result in increased weight for the ability and the guarantee of the contractor to complete projects by specified dates.

Include the information in the RFP.

- Explain in the RFP how points will be awarded

EVALUATION CRITERIA: HOW MUCH DETAIL?

Identify the criteria that are critical to the success of the RFP. In most cases, this should correspond to the Offeror Qualifications set out Section 4. of the RFP. However, in some instances, the major criteria are set out in Section 3, the Project Specifications/Scope of Services section of the RFP. Commonly used criteria include: company qualifications, relevant experience, quality of work, references, service, physical facilities, key staff and support personnel, cost, technical capabilities, and proposed timelines. RFPs can only be evaluated on stated criteria; as such, all required criteria must be measurable and enumerated within the RFP. Once the major categories have been determined, reference to the specific sections of the RFP that set out the criteria that will be evaluated and determine point assignments. Use the following as an example:

Category	Section of RFP	Point Value
Ability to Meet Product Specifications _____% of points for a possible ___ points		
1.	3.#	
2.	3.#	
3.	3.#	
Provision of Services _____% of points for a possible ___ points		
4. Methods	3.#	
5. Work Plan	3.#	
6. Timeline	3.#	
References _____% of points for a possible ___ points		
7. References (Complete contact information provided)	4.2.1	Pass/Fail
OR		
Client Reference Forms _____% of points for a possible ___ points		
8. Client Reference Form #1	4.2.1	
9. Client Reference Form #2	4.2.1	
10. Client Reference Form #3	4.2.1	
Company Profile and Experience _____% of points for a possible ___ points		
11. Years of Relevant Experience	4.2.2	
12. Relevant Past Projects	4.2.2	
Resumes _____% of points for a possible ___ points		
13. Staff Qualifications	4.2.3	
Financial Stability _____% of points for a possible ___ points		

Category	Section of RFP	Point Value
14. Financial Stability	4.2.#	Pass/Fail

Internal Control Assessment	_____ % of points for a possible ___ points
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15. Internal Control Assessment	4.2.#	Pass/Fail
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Oral Presentations/Product Demonstrations/Oral Interviews	_____ % of points for a possible ___ points
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16. Oral Presentation	4.2.#
17. Product Demonstration	4.2.#
18. Oral Interview	

Cost Proposal	20% of points for a possible ___ points
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19. Cost Proposal	5
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NOTE: A Sample Scoring Guide is available on the GSD website at: <http://www.gsd.mt.gov/ProcurementServices/rfpprocess.mcp>. The Scoring Guide is an excellent tool for defining scoring assignments and it should be included in the RFP.

HOW DO YOU SCORE PRICE?

There are several different methods to award points based on the cost set out within each proposal. If cost is included as one of the evaluation factors for an RFP, the dollar amount must be converted into a score and awarded points. The Cost Proposal must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the Procurement Officer. The SPB suggests the following methods for scoring the cost portion of an RFP response.

1. Ratio Method.

With this method, the proposal with the lowest cost receives the maximum points allowed. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. This is determined by applying the following formula:

$$\frac{\text{Lowest Cost}}{\text{Cost Being Evaluated}} \times \text{Maximum Points Available} = \text{Awarded Points}$$

Example: The cost for the lowest proposal is \$100,000. The next lowest proposal has a cost of \$125,000. The total points available for cost = 100 points.

$$\frac{\$100,000}{\$125,000} = .80 \times 100 = 80 \text{ points}$$

2. Best Value Method.

The Best Value Method requires consultation with the State Procurement Bureau before it can be utilized. With this method, all factors, except cost, are considered and scored according to the established criteria. Once this is completed, the cost evaluation is computed by dividing the total points awarded to each proposal by its proposed cost. With the Best Value Method, a value is presented in the form of a cost-per-point. The proposal with the lowest cost-per-point represents the best value to the State and would receive the award. When using this method, the SPB suggests establishing a minimum acceptable score each proposal would have to achieve in order to move forward in the process. Proposals that do not meet the minimum level would not advance to the final evaluation step.

Example:

Category	Proposal A	Proposal B	Proposal C
Technical	400	590	700
Qualifications	240	280	230
Total Points	640	870	930
Cost	\$100,000	\$125,000	\$150,000

Proposal	Cost	/	Points	=	Cost per point
A	\$100,000		640		156
B	\$125,000		870		144
C	\$150,000		930		161

Proposal B would received the award because it provides the lowest cost per point, or best value to the State.

3. Two Step Method.

The Two Step Method is designed to reward the lowest cost proposal that meets specific qualifications. This is accomplished by first specifying the criteria that will be used to determine a "Qualified Proposal." Typically, a proposal is deemed qualified if it has passed all minimum criteria or scores established, and is within a certain percentage of the top scoring proposal, typically within 10 to 15 percent. All proposals that meet these criteria are deemed qualified, and the proposal with the lowest cost would receive the award.

Example:

A proposal will be considered to be a "Qualified Proposal" if it meets the following criteria:

- a. The proposal has achieved a passing score for all parts; and
- b. The total point score for the proposal is greater than or equal to 90 percent of the highest scoring proposal.

All proposals meeting these criteria will be determined to be a "finalist." The finalist proposal that results in the lowest cost to the State will receive the

Select an Evaluation Committee

- Select a group of subject matter experts
- Explain time commitment
- Explain potential conflict of interest issues
- Have each committee member obtain necessary supervisory approval for participation and time commitment
- Select committee chairperson
- Decide if subcommittees will be used

Submit Required Materials to the Procurement Officer

Items to be submitted include:

- Completed requisition
- Electronic copy of the RFP in WORD format, Arial font
- List of potential offerors for notification

- Name and phone number of committee chairperson
- Names of committee members, if available
- Requested closing date (if any)

Note: *Two weeks please! For solicitations handled by the State Procurement Bureau, the package of materials should be delivered at least two weeks in advance of the desired RFP release date.*

Final Preparation of the RFP

To prepare the RFP for release, the procurement officer will:

- Add any additional required information
- Review the RFP for compliance with laws, rules, and policies
- Ensure the RFP is free from any ambiguities, inconsistencies, or unduly restrictive specifications, and all evaluation criteria are in a measurable format
- Establish the final project schedule with the project contact person

Issue the RFP

To issue the RFP, the procurement officer will:

- Send an electronic notification to all registered vendors and any agency-requested companies
- Post the RFP to the State's OneStop Vendor Information website:
<http://vendor.mt.gov/default.mcp.x>.

Pre-proposal Conference (Optional step)

- If desired, the State may conduct a face-to-face or conference call pre-proposal conference for potential offerors. This conference may either be *mandatory* or *optional* for the offerors to attend and must be stated as such in the RFP. Mandatory conferences should be used only when absolutely necessary.
- The committee chairperson and the procurement officer will conduct the pre-proposal conference.
- Agencies may choose to record the conference, but it is not required.
- A sign-in sheet should be collected at the conference (a sign-in sheet listing all attendees is *required* for mandatory conferences).
- Attendees must be aware that any oral responses to questions at a pre-proposal conference are not binding until they are in writing.
- Typically occurs 10-14 days after the RFP is issued.

Questions and Answers

- Typically, potential offerors are provided an opportunity to submit written questions concerning the RFP. A specific deadline for submission of questions must be set out in the RFP.
- Questions are submitted to the procurement officer and forwarded to the project contact person.

- The project contact person prepares answers and submits them to the procurement officer for review.
- The procurement officer posts the information to the State's OneStop Vendor Information website as a formal addendum by the stated deadline.
- Typically, questions should be submitted one or two days after a pre-proposal conference; if no pre-proposal conference is held, the questions should be submitted 10-14 days after the RFP issue date.

WHEN SETTING DEADLINES FOR CLARIFICATION QUESTIONS...

When setting the deadline for questions, be sure you allow enough time:

- ✓ For offerors to have received and read the RFP;
- ✓ For the project contact person to provide thoughtful answers to the questions;
- ✓ For the issuance of an addendum providing the written questions and answers; and
- ✓ Before the proposal receipt deadline for the offerors to incorporate the information from the addendum into their proposals.

Final Preparation of Evaluation Process

- Prior to the proposal receipt deadline, the RFP evaluation committee must make the final preparation for the evaluation process. Items to be completed include: a detailed evaluation matrix, a schedule of the evaluation meeting, and a decision on scoring method (consensus, average, or total.)
- The completed evaluation matrix must be submitted to the procurement officer for review.
- Distribution of the proposals to the evaluation committee will not take place until the final evaluation matrix has been approved by the procurement officer. See page 45 for sample scoring matrices.

Receipt of Proposals.

- The procurement officer must receive proposals by the designated deadline. *Late proposals will not be accepted, regardless of cause.* Late proposals will be destroyed or returned to the offeror at the expense of the offeror.
- The proposals will be available for public inspection: (1) after the formal due date; (2) after trade secret or other confidential information has been removed; and (3) after the procurement officer has approved the evaluation matrix and/or scoring methodology submitted by the evaluation committee.

HOW LATE IS LATE?

Any proposal not received by the designated time and date at the designated final destination will be rejected as late. Even if the proposal is a single minute late, it will be rejected, regardless of the cause.

Inspection of Proposals for Trade Secrets or other Protected Materials

- Upon receipt of proposals, the procurement officer will examine the proposals for any claims of trade secrets, including the required affidavit, or other protected materials.
- If such contents are present and valid, the procurement officer will remove the protected materials while making the remainder of the proposal available for public inspection.
- The evaluation committee will receive its required copies, including the protected materials, after the procurement officer has discussed the implications of the presence of such materials with the committee chairperson.
- Advice from agency legal counsel may be necessary in determining the validity of the trade secret claims.
- If a trade secret claim is submitted without the required affidavit, the offeror may be contacted and provided the opportunity to either withdraw the proposal or release the information for public inspection.
- If the trade secret claim is found to be invalid by agency legal counsel, the offeror will be contacted and provided the opportunity to *either withdraw* the proposal or *release* the information for public inspection.

TRADE SECRET OR PROPRIETARY INFORMATION??

According to Montana law, only "trade secrets" meeting the test of the "Uniform Trade Secrets Act," Title 30, chapter 14, part 4, MCA, are *not* open to public inspection. (Mont. Code Ann. § 18-4-304.) All other information included in a response to an RFP, including what businesses typically refer to as "proprietary business information" is open for public inspection. Offerors claiming trade secret status for any part of their response must fill out a special affidavit and clearly mark and separate out all alleged bona fide trade secret material.

The Trade Secret Affidavit is available on the GSD website at:
<http://www.gsd.mt.gov/ProcurementServices/rfpprocess.mcp>.

Information on identifying and handling confidential materials can be found in the *Identifying and Managing Confidential Information in Procurement* document posted to the GSD website.

Distribution of RFPs

- RFPs will be distributed to the evaluation committee after:
- The procurement officer has reviewed and approved the agency's evaluation matrix; and
 - The procurement officer and the committee chairperson have discussed all issues of trade secret claims as necessary.

Declaration Form

- After the proposals have been received and it is clear which offerors are involved in the RFP, each member of the evaluation committee – as well as any subject matter experts used – must sign a Declaration Form. Either the committee chairperson or the procurement officer will distribute these forms to the committee members.
- The purpose of the form is twofold: first, it ensures that there is no conflict of interest with any person participating as a member of the evaluation committee; and second, if materials are received in response to an RFP that must be protected from public view under the provisions of section 18-4-304, MCA, the form advises the evaluation committee members that they must maintain the confidentiality of these documents during and after the RFP evaluation process.
- If there are any questions about a potential conflict of interest, legal counsel should be consulted.
- Release of confidential information may lead to disciplinary action or monetary damages against any individual who fails to keep the information confidential pursuant to section 2-2-136, MCA.
- These forms must be signed, collected, and returned to the procurement officer prior to the beginning of the evaluation process.
- The "Declaration Form can be found on the GSD website at: <http://www.gsd.mt.gov/ProcurementServices/rfpprocess.mcp.x>.

Proposal Evaluation Process

- Prior to scoring of the individual proposals, the evaluation committee should meet to discuss the proposal evaluation process and what scoring methods will be used (average, consensus or total). Each committee member should have a clear understanding of the scoring process and how points will be assigned.
- Proposals should be distributed and reviewed individually by committee members. Committee members must be given sufficient time to read and evaluate each proposal prior to meeting as a group to score the proposals.
- Any questions regarding the scoring process should be addressed to the procurement officer or committee chairperson.

HOW SHOULD THE FINAL POINT ASSIGNMENTS BE TALLIED?

Committees have several options on how to tally their final point assignments: (1) consensus score; (2) a total of all of the points given by individual committee members; or (3) an average of the individual scores. ***The SPB strongly recommends the use of consensus scoring.***

WHAT IS A "RESPONSIBLE OFFEROR"?

A responsible offeror means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability, which will assure good faith performance. (Mont. Code Ann. § 18-4-301(10).)

Any determination of responsibility must be approved by the State Procurement Bureau. The determination of responsibility must be consistent with ARM 2.5.407.

Factors that may be considered in determining whether the standard of responsibility has been met include:

1) whether the offeror has available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate capability to meet all contractual requirements;

2) has a satisfactory record of integrity;

3) is qualified legally to contract with the agency;

4) has not failed to supply any necessary information in connection with the inquiry concerning the responsibility; and

5) has a satisfactory record of past performance. Nothing shall prevent the procurement officer from establishing additional responsibility standards for a particular procurement, provided that these additional standards are set forth in the solicitation, or from using past performance with the state of Montana as a reference.

A determination of nonresponsibility may be made at any time during the procurement process. A written determination of nonresponsibility setting forth the basis of the finding is mandatory and will be included in the final procurement file. The affected offeror will receive a copy of the written determination.

RESPONSIVE OR NONRESPONSIVE??

One of the first steps of every evaluation process is to determine if the proposals are "responsive" or "non-responsive" to the Request for Proposal. "Responsive" means that the proposal conforms in all material respects to the Request for Proposal. The evaluation committee will make the initial determination of whether a proposal is responsive. This determination is subject to change as information is revealed during the course of the evaluation process, or anytime up to contract execution, and must be corroborated by the procurement officer. The procurement officer has the final authority to find a proposal nonresponsive.

What determines if a proposal is nonresponsive?

At times, an evaluation committee may determine that a proposal simply does not warrant further consideration because of the inadequacy of the submitted proposal and will proceed to deem these proposals "nonresponsive" with the concurrence of the procurement officer. *However, extreme care should be used when making this decision because of the time and cost that a potential offeror has put into submitting a proposal.* Proposals may be deemed "nonresponsive" for the following reasons:

- If any of the required information is not provided;
- If the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or
- If the proposal is clearly not within the plans or specifications described and required in the RFP.

What determines if a price listed in an RFP is "excessive"?

As stated, a proposal may be found to be nonresponsive due to excessive cost if the proposed price does not meet the criteria defining "excessive" in the RFP. This could be accomplished by options such as:

- Explicitly stating a budget or budget range in the RFP; or
- Stating an objective method clearly defining how proposals could be eliminated due to price.

Is there anything a potential offeror can do to make their nonresponsive proposal "responsive"?

No. Proposals must be accepted "as is" by the evaluation committee and the initial screening must be conducted on that basis. The committee has the option of later requesting clarification information, but only if the proposal was initially found to be "responsive."

Who can deem an offeror "nonresponsive"?

Only the Procurement Officer has the authority to deem an offeror as nonresponsive, pursuant to ARM 2.5.407.

Evaluation Committee Meetings

Once the proposals have been evaluated and scored by individual committee members, the next step is for the entire committee to get together to discuss the proposals and arrive at a final score. At this point, several factors need to be considered:

- Meetings of an evaluation committee that involve an evaluation process of competing offers where the award of a contract is being considered must be electronically posted to the State's OneStop Vendor Information website 72 hours in advance of the meeting.
- Minutes must be kept at each meeting.
- A quorum of the committee must be present to take any official actions.
- The meetings must take place in an ADA accessible location.
- All members of the public are welcome to attend the evaluation committee meeting; however, they may not participate in the evaluation process. Comments from attending public must be directed to the procurement officer alone as the evaluation committee members cannot be influenced by any comments or opinions offered by the public. When sections of the proposals involving confidential materials are discussed, the meeting must be temporarily closed to the public.
- A master-scoring sheet should be compiled with the total score for each proposal.

OPEN FOR PUBLIC INSPECTION?

The "right to know" provision of Montana's Constitution, Article II, § 9, and section 18-4-304, MCA, allow the contents of submitted proposals to be open to public inspection, including competing offerors and the media, shortly after the time set for the receipt of proposals and once the procurement officer has had the opportunity to inspect the proposals and remove any materials protected from public disclosure, i.e., trade secret materials. In addition, all meetings involving the evaluation of RFPs, are open to the public and subject to the open meeting laws. Agencies should review the latest version of the "RFP Process Q & As" on the GSD website at: <http://www.gsd.mt.gov/ProcurementServices/rfpprocess.mcp>x. This list of questions and answers is updated as additional issues arise.

CAN A COMMITTEE RECEIVE EVALUATION ASSISTANCE FROM OUTSIDE OF THE COMMITTEE MEMBERSHIP?

Yes. If technical assistance will enhance the decision-making of the committee, outside assistance should be used. However, only committee members may assign or vote on points.

Clarification Process (Optional step)

- The committee may choose to seek written clarification from particular offerors. A time and date for receipt of clarifying responses should be set by the committee.
- The procurement officer will issue any clarification questions. Responses will be returned to the procurement officer and submitted to the evaluation committee.

TIPS FOR HANDLING THE CLARIFICATION PROCESS

- Formal questions asked of offerors as part of the clarification process become a permanent part of the official procurement file.
- It is important to establish a deadline beyond which answers to these questions will not be accepted.

Oral Presentations/Interviews/Discussions (Optional step)

The committee may choose to ask certain offerors to make an oral presentation to the committee.

- Oral presentations by offerors must be open to the public and must be noticed to the public at least 72 hours in advance of the presentation.
- All offerors must be afforded equal time in making their presentation.
- Time slots for oral presentations should be established by the drawing of lots or by any other objective method as determined by the procurement officer.
- Interviews are to be conducted and controlled by the committee chairperson. The procurement officer may attend such presentations if deemed necessary.
- All members of the evaluation committee should be present at the oral presentations.
- If oral presentations/interviews are anticipated at the outset of the RFP process, include anticipated dates, evaluation criteria and scoring methodology in the RFP.
- If a decision to hold oral presentations/interviews is made during the RFP process, the evaluation must be based solely on existing stated criteria with scores adjusted accordingly.

Site Visits (Optional step)

In rare circumstances, the committee may choose to visit the offerors' work sites.

- Site visits must be open to the public and must be publicly noticed at least 72 hours in advance if a quorum of the evaluation committee will be attending. Offerors must be notified in the RFP that site visits may be conducted and that the visits must be open to the public if a quorum of the evaluation committee will be attending.
- If the option of requiring a site visit is pursued, evaluation criteria and/or scoring methodology must be set out for scoring the site visit in the RFP.

References

- Prior to the final evaluation, references should be checked if requested in the RFP.
- The State has the right to deem an offeror nonresponsible based on negative references.

Final Evaluation and Selection

- Final evaluation must take into consideration all submitted information and must be completed *using only the evaluation criteria defined in the RFP*.
- Final committee scores must be documented in a scoring matrix.
- The highest scoring proposal must be selected unless the agency decides to cancel the entire RFP.

Selection Recommendation

- The chairperson of the evaluation committee must submit documentation of the evaluation process to the procurement officer *prior* to the announcement of the selection.
- The documentation to be submitted must include the evaluation meeting minutes, final scoring worksheets and matrices, and a written recommendation of the selected offeror.
- Copies of the committee's master scoring sheets and information regarding non-responsive proposals must also be submitted to the procurement officer.
- The procurement officer must approve the committee's selection process prior to notifying all offerors of the selection.

Request for Documents

- A letter will be sent by the procurement officer to each offeror indicating the outcome of the proposal evaluation process.
- A request for documents letter will be sent to the highest scoring offeror requesting the insurance, contract security and/or worker's compensation documents required by the RFP.
- Tentative contract award will be posted to the State's website the same day as the letters are sent out. Final contract award is dependent on the issuance of a purchase order or receipt of a fully executed contract.

Contract Refinement

- Contract refinement may begin once the highest scoring offeror has been selected and the committee's selection process has been approved by the procurement officer.
- Refinement is limited to such things as the specifics of the supplies or services contained in the RFP, payment schedules or project deadlines.

Document Gathering

- The procurement officer will work with the highest scoring offeror to collect all required documents such as Workers' Compensation, insurance requirements, contract security, contractor's license, etc.
- A contract may not be signed, nor a purchase order issued, until the procurement officer indicates that all required documents have been received and are valid.
- Work may not commence until a contract is fully executed or a purchase order is issued.

Contract Signing or Issuance of Purchase Order

- If a purchase order is used, the procurement officer will issue it to the highest scoring offeror, at which point implementation of the project may begin.
- If a contract is used, the procurement officer must approve the contract as to form and the document must include a procurement officer signature.
- The State Procurement Bureau recommends contract signatures be obtained in the following order:
 - ✓ Procurement Officer - approver
 - ✓ Legal review if required – approver
 - ✓ CIO review if required - approver
 - ✓ Contractor - party
 - ✓ State - party. Always last

THE REQUEST FOR PROPOSAL FORMAT

The State Procurement Bureau has developed a format for agencies to follow when preparing an RFP. The basis for the format is the RFP Template posted on the GSD website at the following address:

<http://www.gsd.mt.gov/ProcurementServices/rfpprocess.mcp>.

Cover Page

Table of Contents

Instructions to Offerors

Schedule of Events

- This subsection will provide the offeror with a schedule of important dates in one concise table.
- The schedule should be as inclusive as possible, including:
 - ✓ RFP issue date
 - ✓ Pre-proposal conference and/or walk-through dates (if required)
 - ✓ Deadline for receipt of written questions
 - ✓ Deadline for issuance of State's written responses to questions
 - ✓ Proposal submission deadline
 - ✓ Oral presentations/interviews, if required
 - ✓ Tentative contract award date

The remainder of the RFP template is divided into six sections:

- **Section 1, Introduction and Instructions:** gives a brief overview of the project, names a single point of contact, and includes specific instructions on how to submit a response.
- **Section 2, RFP Standard Information:** explains the legal requirements of an RFP and clarifies potential issues within the process itself.
- **Section 3, Supply Specifications or Scope of Services:** the core of the RFP; where the "scope" of the project and the specifications are detailed.
- **Section 4, Offeror Qualifications:** where the specific qualifications necessary for the project and any requests for information are set out.
- **Section 5, Cost Proposal:** contains information on how much money is available for the project and/or sets out how the offeror must present its cost proposal.
- **Section 6, Evaluation Process:** states the evaluation criteria and their relative point values.

Appendix A, Standard Terms and Conditions: contains the "boilerplate" terms and conditions that apply to the solicitation and the eventual contract.

Appendix B, Contract: a representation of the legal clauses that will form the resulting contract.

Appendix C, RFP Response Form: can be used when working with smaller projects where a less sophisticated response is acceptable.

Appendix D, Client Reference Form: optional form that can be used to receive written references directly from the offeror's clients. There are optional forms available at <http://gsd.mt.gov/ProcurementServices/rfpprocess.mcpX>. Choose the form that works the best for your application and tailor it to fit your needs.

Appendix E, Montana Prevailing Wages Rates for Nonconstruction Services (20xx): must be included when the services you are seeking are covered by the Montana Prevailing Wage requirements. For all solicitations for which Prevailing Wage Rates will be paid, the applicable Prevailing Wage Booklet from the Department of Labor and Industry must be included as part of the solicitation. Current Prevailing Wage Booklets are available <http://erd.dli.mt.gov/labor-standards/state-prevailing-wage-information/current-prevailing-wage-rates.html>.

WHY SO MANY SUBSECTIONS?

Within each section are numerous subsections. We are often asked why there needs to be so many subsections. Agencies must remember that the RFP is the beginning of a contract. For this reason, the RFP is written in a point-by-point manner. This is the same format commonly utilized for contracts. The subsections are a simple way to direct offerors to specific parts of the document and eliminate potential points of confusion. It is possible to condense several of the subsections, but it is important to keep in mind that each subsection represents a unique point that may or may not become a focal point of the final contract.

SECTION 1: PROJECT OVERVIEW AND INSTRUCTIONS

1.1 Introduction

This subsection contains a brief narrative of agency/program missions, purpose, etc., in issuing an RFP, including:

- What the agency hopes to achieve through the RFP process;
- In general terms, agency's intents, goals and desires;
- In general terms, what the contractor will be required to do; and
- Why the agency is soliciting proposals.

1.2 Contract Period

- Term/duration of contract; and
- Renewal options.

1.3 Single Point of Contact

- The purpose of naming one contact person, usually the procurement officer who issues the RFP, is to:
 - ✓ Ensure that all questions will be routed through one person;
 - ✓ Provide the same information to all offerors;
 - ✓ Eliminate confusion ("Well, someone else said I could do it this way");
 - ✓ Inform potential offerors that they may not contact members of the evaluation committee or agency staff;
- This subsection must provide the department and phone number where the contact person works and a fax number and e-mail address where questions can be sent.

1.4 Required Review

This subsection instructs offerors to carefully review the RFP and submit any questions to the procurement officer by a certain date.

- Offerors must notify the State of any ambiguity, inconsistency or error they may find.
- Questions. Things to keep in mind concerning questions posed by offerors following the release of an RFP:
 - ✓ Questions must be marked as such and must identify the RFP number;
 - ✓ Establish a deadline beyond which questions will not be accepted;
 - ✓ Formal responses are posted on the State's website on or before close of business on the date stated;
 - ✓ Note that verbal answers from anyone are not legally binding.
- Addenda.
 - ✓ Any changes or corrections to the original RFP or any other information that will affect the completion of the award must be disseminated in the form of an addendum.
 - ✓ Addenda must be posted on the State's website.

1.5 Pre-Proposal Conference/Conference Call

This subsection contains instructions to the offeror regarding the pre-proposal conference.

- Pre-proposal conference and walk-through (if required).
 - ✓ List the date, time, and place of the pre-proposal conference or conference call information; and
 - ✓ State if the event is optional or mandatory (if mandatory, a sign-in sheet is required).

1.6 General Requirements

This subsection addresses general items that the offerors need to be aware of:

- Offerors are advised to notify the State of any terms and conditions that preclude them from responding or add unnecessary cost;
- The RFP, any addenda, the offeror's response, any best and final offers, and clarifications are included in the resulting contract;
- Advises offerors that they must meet all mandatory requirements;
- The offeror agrees to an understanding of and compliance with the specifications and requirements of the RFP;
- Proposals must be signed in ink; and
- The offeror's response will be valid for a stated period of time. The usual RFP time period is 120 days, but this may be adjusted to best suit the needs of the agency.

1.7 Submitting a Proposal

This subsection provides specific information on how to submit proposals noting:

- Organization of the proposal or use of RFP Response Form (see page 38).
 - ✓ Specify the exact format you would like the offerors to use to prepare their response to the RFP. For example, indicate where you want qualifications, resumes, price, etc., located throughout the document.
 - ✓ The specified format will assist committee members in easily locating certain information within each response.
- Failure to Comply with Instructions.
 - ✓ Offerors are notified that failure to comply with instructions may be subject to point deductions.
- Multiple proposal responses (optional).
 - ✓ The project may lend itself to several solutions. This option allows the offeror submit multiple solutions for the committee to evaluate without jeopardizing or confusing one solution for another.
- RFP Price Sheet or Pricing Scenario (optional).
 - ✓ Used in instances where costs are represented in a specific format or for ease of response comparison. A Sample Price Sheet and Pricing Scenario Samples are included on pages 42 and 43.

- Copies Required and Deadline for Receipt of Proposals.
 - ✓ Defines how many copies are required, i.e., "one original and four copies." (The number of copies should include one copy for each member of the evaluation committee, plus one copy is reserved for public inspection. The original is kept in the solicitation file);
 - ✓ If electronic copies are required specify the number (usually two – one for the procurement file and one for the evaluation committee), and the format that it must be submitted in;
 - ✓ Location, date, and time for return of proposals;
- Submitting a Proposal via an Electronic Portable Device (Use of iPads)
 - ✓ Calling for response submissions to be made via electronic portable devices requires prior approval by the SPB Chief. When making a request for approval, justification must be provided as to why utilizing electronic portable devices would be beneficial to BOTH the agency and the vendor and, if possible, what vendors the agency anticipates will be submitting responses to the proposal.
 - ✓ If use of electronic portable devices is approved, all device-specific training needed to adequately use the device and/or associated software is the responsibility of the agency, NOT the SPB.
 - ✓ To ensure adequate firewall protection is being provided, users will only be allowed to connect the electronic portable devices to the State's secured wireless network. *No outside wireless network connections will be permitted.* To connect the device to the State's secured network, contact SITSD.
 - ✓ The requesting agency is responsible for scrubbing each device of all information pertaining to the RFP at the end of the process. To ensure that the device is effectively scrubbed, consult your IT department.
 - ✓ When the RFP process is complete, all electronic portable devices MUST be returned to the issuing vendor at their expense.
- Facsimile submittals of the RFP response are acceptable on an exception basis only and must be approved by the procurement officer.
- Late Proposals.
 - ✓ Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It is the offeror's sole risk to assure delivery at the receptionist's desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the offeror at the expense of the offeror or destroyed if requested.

1.8 Cost/Ownership of Materials

This subsection advises offeror that:

- Costs of preparing the proposal and possible presentations are the responsibility of the offeror;
- With the exception of submitted electronic portable devices, such as iPads, the State shall own all materials submitted in response to the RFP.

SECTION 2: RFP STANDARD INFORMATION

2.1 Authority

This subsection sets out the legal authority for issuing an RFP.

2.2 Offeror Competition

This subsection provides a statement encouraging free and open competition and states that the offeror's signature on the RFP guarantees that no collusion has occurred.

2.3 Receipt of Proposals and Public Inspection

This subsection advises offeror that all information received in response to an RFP is deemed public information with few exceptions.

- The procurement officer is responsible for reviewing the proposals and separating out any information that is protected from public disclosure.
- The offerors are notified that they are responsible for the cost and labor involved in making copies.

2.4 Classification and Evaluation of Proposals

This subsection contains information concerning how proposals will be evaluated and how the contract award will be made, including:

- Initial Classification;
- Determination of Responsibility;
- Evaluation of Proposals;
- Completeness of Proposals;
- Achieving Passing Score (optional);
- Opportunity for Discussion/Negotiation and/or Oral Presentation/Product Demonstration;
 - ✓ This subsection notifies offerors that further presentations may be required prior to final selection. Costs of presentations are the offeror's responsibility.
- Best and Final Offer;
- Evaluator/Evaluation Committee Recommendation for Contract Award;
- Request for Documents Notice;
- Contract Execution.

2.5 State's Rights Reserved

This subsection contains a statement concerning the State's rights to:

- Cancel or terminate the RFP;
- Reject any or all proposals received;
- Waive any undesirable, inconsequential, or inconsistent provisions of the document; and
- Not award, or if awarded, terminate any contract for lack of funds.

2.6 Department of Administration Powers and Duties

This subsection is used in IT procurements and notifies the offerors of the powers and duties bestowed upon the Department of Administration by the Montana Information Technology Act (MITA).

2.7 Compliance with State of Montana IT Standards

This subsection contains instructions about compliance requirements for State of Montana IT procurements and lists resource websites.