

Requests for Proposal:

# Considerations in Using RFPs to Procure Community Planning Services

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## Overview

This article summarizes the major considerations in preparing and issuing Requests for Proposal (RFPs) for the procurement of planning consulting services for local government projects. It explains:

- What an RFP is
- Why communities use RFPs
- The major steps in preparing RFPs
- The basic components of RFPs
- Issues and options in conducting the RFP process, and
- General recommendations for using RFPs.

## Online Procurement Resources:

[National Institute of Government Purchasing](#)

[State Procurement Websites \(NIGP\)](#)

[Inter-governmental purchasing enabling statutes by state \(U.S. Communities Government Purchasing Alliance\)](#)

## What is a Request for Proposal (RFP)?

An RFP is a document issued as part of the procurement process to retain professional consulting assistance. Proposals differ from quotes or bids in that they typically ask for a broader set of recommendations as to how to tackle and solve a problem, rather than merely asking for a price for meeting a specific set of specifications. State regulations typically require local governments to use procedures that ensure fair and competitive procurement practices. RFPs are particularly suitable for procuring professional services because they provide the necessary flexibility for judging offers to perform complex processes like public planning projects.

## Why Do Communities Issue RFPs for Planning Consulting Services?

There are two aspects to this question:

### 1) *Why use an RFP process for obtaining a planning consultant?*

Localities use the RFP process because they believe it is the best method for obtaining the services of the most qualified and cost-effective consultant, and/or because state or local procurement laws require it.

### 2) *Why hire a planning consultant at all?*

Localities hire planning consultants principally for one or both of two reasons: Either the local government staff does not have the expertise to conduct the planning work that is needed, and/or because the staff does not have the manpower (budgeted time) to do so.

A consultant often brings very specific and high-level technical expertise that wouldn't otherwise be available on such a short-term basis. Also, many planning projects are temporary assignments that only occur once every five or 10 years. Thus, it often doesn't make fiscal sense for a local government to hire permanent staff for such large but infrequent projects.

Related benefits of using a consultant include:

- Working with a consultant during the course of the project can be a useful learning experience for the local staff.
- A consultant can serve as an “outsider”, acting either as a “lightning rod” for contentious viewpoints within the community, and/or as a neutral, objective, “third-party” to help negotiate solutions among conflicting interest groups.

It is important to note, however, that even when a consultant is hired to do a major project - such as a comprehensive plan or a new zoning ordinance - the existing government staff must still allocate a significant amount of time to management tasks, including reviewing and coordinating the consultant's work.

## Steps in the RFP Process

The typical RFP procurement process has six basic steps. The entire process, from initiating the project to the signing of a consultant contract, can often take six to eight months and sometimes longer. These major steps, and approximate time frame for each, would typically be as follows:

1. *Prepare the RFP* – Months 1 and 2 (subsequent to formal allocation of funding).
2. *Issue RFP* – Month 3.
3. *Hold Pre-Proposal Meeting* – Month 3.
4. *Receive and Evaluate Proposals* – Month 4.
5. *Interview and Select Top Candidate* – Month 5.
6. *Negotiate and Award Contract* – Months 6 to 8.

The above timeline may vary substantially, depending on the need for interdepartmental coordination early in the process, and the need to fit the timing and agenda of the governing body's regular business meeting schedule, for final action on the contract.

Specific features of each major step are:

**1. Prepare the RFP.** The first step in preparing an RFP is obviously to make the decision to fund and obtain consulting assistance. This is a decision made by the governing body, often upon recommendation from the planning staff or chief administrative officer. The second step is to write the RFP. For local planning projects, the planning director usually has responsibility for preparing the RFP, but it is often a collaborative effort of an interdepartmental team of professionals who have relevant responsibilities

related to the project outcome (zoning administration, public works, economic development, etc.)

In addition to the technical elements of the RFP (scope of work, schedule, roles and responsibilities, etc.), there is a procurement element. This is usually prepared by the local government's procurement officer (purchasing manager) and includes all the contract requirements and expectations such as insurance requirements, procedural steps in the hiring process, etc.

Depending on the capabilities of the staff, jurisdictions sometimes hire a consultant to prepare or assist with the preparation of the RFP, because defining the scope of work is a major part of writing the RFP, and it requires technical expertise in planning. A variation on this approach is to begin with a Request for Qualifications (RFQ), and then select several consultants to submit detailed proposals for a scope of work.

**2. Issue the RFP.** An RFP is usually issued by publishing a notice in the local newspaper. Local governments will also often advertise in trade publications or in large, regional newspapers, and sometimes in national publications. Most localities also maintain vendor lists for specific kinds of work. These lists can be a prime source of potential respondents. Most consultants these days also subscribe to an on-line service such as Onvia, which tracks the issuance of government RFPs. Also, once an RFP is "on the street", word of mouth in the consultant community will also help generate responses.

For local planning projects, it is very common today – maybe even typical – that several consultant firms will form a "team" to respond to a proposal. This is particularly common for large, complex tasks like comprehensive plans, which often require several distinct professional disciplines to carry out the work (land use planning, transportation, engineering, economics, law, etc.)

**3. Hold a Pre-Proposal Meeting.** The locality may hold a pre-proposal information meeting in which interested consultants are invited to meet with the client staff for a briefing about the project, and an opportunity to ask questions to clarify the requirements, constraints, and expectations for the project. This is an optional step, but is particularly common for large, complex projects. If there is to be a pre-proposal meeting, the date, time, and place is specified in the initial RFP. If changes or additions are made to the RFP in response to issues raised at the pre-proposal meeting, an addendum to the proposal is issued by the locality.

**4. Evaluate the Proposals.** When the RFP is issued, it contains a due date, usually three to six weeks from the date of issuance. After proposals are collected, they are reviewed and scored by a "selection committee" – typically a small group of staff from several relevant departments, which sometimes include representatives from the Planning Commission and/or local governing body. Scores and rankings are normally based on defined evaluation criteria that are set forth in the RFP.

**5. Interview Candidates and Select Top Candidate.** The selection committee will create a "short list" of candidates to interview – usually three or four firms and/or teams. Interviews are typically conducted a few weeks after the submission deadline. Shortly after the interviews are complete, the committee makes a formal recommendation to the governing body. Typically, all of the firms interviewed are ranked in order of preference in accord with the collective evaluation by the committee. Note that some states have

particular laws governing this process. For example, Florida requires that all proposals be made public, and that all selection processes use formal point systems and rankings that are also made public. It is helpful to “debrief” the winning and losing teams after consultant selection.

**6. Negotiate and Award the Contract.** The selection committee submits its ranking and preferred candidate to the governing body for approval. Subsequently, the staff begins negotiations with the top-ranked firm, usually with the understanding that if a contract cannot be successfully negotiated with that firm, the staff will begin negotiations with the second-ranked firm. Negotiations usually focus on the price and the specific schedule or timing of deliverables. Once a contract has been negotiated, it is typically approved formally by the governing body at its next regular business meeting.

## Typical Components of an RFP

Every RFP is unique, and is based on the particular needs and style of the locality that prepares it. However, the following elements are examples of typical components of most RFPs issued for planning services.

**Purpose.** This section provides a definition of the problem and the general nature of the work to be performed. It describes the general type, scale, and scope of work desired, the major issues and concerns involved with it, and some basic history about what has led to the need for the project.

**Background Information.** This section contains basic information about the locality – location, population size and demographic characteristics, type of government, staff resources, important infrastructure and environmental features, the major economic base elements, etc.

**Qualifications Required of the Consultant.** This section summarizes the type of skills and capabilities the locality believes are necessary for the consultant to successfully perform the work.

**Scope of Services.** This section describes the tasks to be performed and the products to be completed. It is often the most detailed, yet it also is one of the most variable elements in an RFP. The amount of detail depends on the style and approach selected by the locality. For some projects, the scope of services is a very detailed and prescribed work program. For others, it may simply be an outline of major objectives, leaving more room for the respondents to propose customized approaches to the work.

Regardless of the style chosen for this section, it should set forth clear objectives for the project, and products to be prepared by the consultant (“deliverables”).

**Schedule.** This section provides at least a general idea of the expected timeline, sequence of tasks, and completion date. Some RFPs also provide a more detailed schedule of deadlines for specific deliverable products and key meetings.

**Roles and Responsibilities.** This section outlines which tasks are to be performed by the consultant, and which are to be provided by the government staff. Staff capacities vary from jurisdiction to jurisdiction, and thus the staff role in supporting or working with consultants will vary. For example, in a comprehensive plan update project, some governments will be able to provide substantial technical support for Geographic Information System (GIS) data and analysis; some

jurisdictions have staff available to help facilitate public meetings, etc.

**Project Budget.** As noted above, one of the purposes of issuing an RFP rather than a request for a bid or price quote, is to avoid the problem of comparing “apples to oranges”, since each proposal may have a somewhat different approach or scope or work. By using the RFP process rather than a bid process, the firm is selected on the quality of its qualifications and proposed approach, and price is negotiated subsequent to the selection of the preferred firm.

Localities often deliberately avoid putting any information about the expected budget in the RFP. Although budget deliberations for public projects can usually be found in meeting minutes of the governing body, these are sometimes not totally clear or are not accessible to respondents in a timely manner. Further, if budgets are hidden, respondents are likely to end up with different levels of information about what the budget actually is (some may be find out the actual number, while others may not), which further increases the likelihood of “apples to oranges” comparisons.

Localities sometimes assume that if they do not reveal their proposed project budget they will get the best “price” or cost estimate from the proposing firms. This is not necessarily the case, however. Rather, firms need to know the magnitude of the budget so that they can fit their services to that budget, regardless of how much it is.

The locality does not get a better price by hiding the budget; rather, it simply creates uncertainty among the proposing firms and makes it that much harder for the locality to compare the submissions. It is much more efficient if the locality explicitly reveals at least an approximate budget range so that the proposing firms can tailor their proposals to the expectations of the locality. Further, as a practical matter, most localities allocate a certain amount of funding for a major upcoming planning project in a given fiscal year, so unless there is a major surprise during the procurement process, the budget is fairly well defined to begin with.

In effect, the question of price competition in an RFP process becomes: “*How much work can you do for ‘x’ dollars?*” as opposed to “*How much money will you charge to do “x” amount of work?*”

**Proposal Preparation.** This section specifies the information required to be included in the proposal and the deadline for submission. It also often specifies the minimum items required, and sometimes even the maximum number of pages permitted. The number of “hard copies” is specified, as well as a delivery location and deadline, which includes the date and time up to which proposals will be accepted. Deadlines for submission of proposals are absolute deadlines, which if not met, will disqualify the proposal immediately upon receipt.

Sometimes a cost estimate or cost breakdown is required; sometimes the RFP requires that cost *not* be included in the proposal or that it be submitted under separate cover.

**Evaluation Criteria.** Many RFPs include a list of criteria by which the selection committee will judge the proposals. Often each criterion is assigned a percentage of the total score that it will account for.

Note that while the evaluation criteria (next page) includes cost as a factor, it is “in relation to the services provided”. This is a practical approach to the potential variation in scope among the different proposals. Yet, as noted previously, many RFPs specifically exclude cost as a consideration. This depends on the preferences of the locality. The theory underlying the RFP approach is that the locality wishes to choose the best and most qualified firm, and address cost afterwards.

Some key advice on the selection process is to always check references - and best to do it before the initial selections of the top candidate.

Following is an example of criteria from a comprehensive plan proposal:

## Example of RFP Evaluation Criteria

Criteria	Weighting
Proposed Work Program	20%
Qualifications and Experience with Virginia Localities of the Firm and the Individuals Assigned to the Project Team	15%
Proposed Timeframe	10%
Proposed Cost in Relation to the Services Proposed	20%
Quality of the Submitted Work Samples Prepared by the Individuals Assigned to the Project Team	12%
References	10%
Proposal Presentation	8%
Firm's Accessibility and Familiarity with the Area	5%

***Schedule of Procurement Events.*** The RFP should contain a clear schedule of events, including:

- the precise due date, time and place for proposal submissions;
- the date, time and place for the pre-proposal meeting if one is planned;
- the general time period or “window” when interviews are expected to be conducted, and
- the expected start and end date for the consulting assignment.

***Contacts for Acquiring Further Information.*** The RFP should also include the contact data for obtaining additional information. Often, the RFP will have one contact for contractual questions (usually the procurement officer), and another for technical or substantive questions about the work itself (typically the planning director and/or the project manager).

***Contractual/Purchasing Requirements.*** This section outlines the contract provisions that will ultimately be used for the project. Contracts will typically include items such as reporting requirements, form and timing of invoices, basis and method of payment, insurance requirements, ownership of documents, etc.

Sometimes, a copy of the actual contract is included in the RFP so that all respondents know what terms and requirements they will be expected to meet. Normally, these provisions are standard elements to all vendor contracts of the locality and are not negotiable. However, since planning consulting work is somewhat unique, there are times when specific provisions may be modified upon mutual agreement of the parties. Typically, these contract provisions are written and managed by the procurement staff of the local government, not the planning department staff that manages the technical aspects of the project.

## **Issues and Options in Conducting the RFP Process**

***Generating Responses to the RFP.*** Local governments will do well to respect the time and cost to consultants of preparing responses to an RFP. For example, allowing a reasonable time to respond will produce the highest quality submissions. The minimum response time is typically three weeks, but four or even five weeks is helpful. Allow some flexibility in scheduling interviews. Consultants often have busy travel schedules and they need to be able to get their key people to the interview. (Each firm or team will often want to have three, four, or even more members of the team present for the presentation and interview). Having some choices of dates and times for interviews is helpful in allowing for the best and most accurate evaluation of the candidates. Further, the number of candidates (firms or teams) to be interviewed should be limited to a reasonable number –not more than three or four. This makes effective use not only of the consultant’s time but also that of the local government’s selection committee members.

***Determining the Budget.*** Whether or not a project budget is shown in the RFP or whether a price is requested as part of submitted proposals, the locality must budget a realistic amount for consultant services before issuing the RFP. Localities can get a general “ball park” idea of cost expectations by polling fellow localities who have recently used consulting services for similar projects, as well as by asking qualified consulting firms that have carried out similar projects.

The locality should try to get the most and best work for its money, but in estimating the project budget and in negotiating a contract amount, it should avoid pursuing a “lowball” price that can be counterproductive for the locality. Under-priced services can lead to misunderstandings about the deliverable products or other terms of the contract, which can in turn lead to dissatisfaction or de-motivation on the part of both parties. Achieving a fair price for the defined work products will help ensure a good client-consultant relationship, and ultimately a successful project. Also, it is important to be very clear on expectations for contact time - meetings, coordination, etc. Too much emphasis on deliverables can cause these key aspects of the project to be left out or underestimated.

Most local governments use “fixed-fee” budgets for consulting services. This helps ensure a cost-effective performance by the consultant, and the maximum value of services to the locality. The RFP should specify the method for billing, including which if any costs are reimbursable (such as travel, postage, etc). Often, the cost of services is specified as a fixed-fee per task or per deliverable, and reimbursable costs are identified separately. Yet even reimbursable costs can be specified as a fixed total amount or per-unit amount, based upon the number of expected trips, copies, etc. This is aimed at avoiding “surprise” cost overruns that are particularly problematic for local governments.

Another important consideration for the local government is the value of staff time and logistical costs for the project. The locality should budget for these separately, usually as part of the planning department’s annual budget. Logistical costs include in-house copying and printing, postage and delivery, meeting notices and advertisements, rental or janitorial costs for public meeting space, etc.

***Defining the Scope of Work.*** Probably the most challenging part of preparing an RFP is designing the scope of work and specifying the deliverable products required of the consultant. The challenge is to be detailed enough to provide the basis for the consultant to estimate his cost, but not so detailed that creative recommendations of expert consultants are not welcomed or elicited.

Another issue regarding the scope of work sometimes appears after the project is underway. This is known as “scope creep” – the tendency for the locality to expand

the desired scope of services, without changing the budget. This is particularly common with public planning projects because the need for new information needs or for additional public meetings often emerges during the course of the project. A well-designed scope of work can minimize these problems. Yet when additional needs do arise, the locality and consultant must balance the desire to accommodate extra work without allocating more funds, with the need to be reasonable about the actual cost to the consultant.

In general, when more work is desired, more money is needed. However, as projects evolve and adjustments are made to the scope based on unforeseen events, small compromises are often made by both the locality and the consultant. If the original scope of work, price, and terms are reasonable, such adjustments can be made informally and smoothly so that both parties are happy with the outcome. While some consultants are willing to absorb reasonable additional costs in order to please the client, these must be limited if they are to remain in business.

Keep in mind that having flexibility in the scope is good but any “must haves” must be made very clear.

As noted above, one of the purposes and benefits of the RFP process is that the consultants help to define the problem and the scope of work. The locality should be open to adjusting its expectations, problem definition, approach, and deliverable products, based on ideas suggested by RFP respondents. In this regard, the locality should be careful about forcing “preconceived” solutions on the winning candidate. The locality can compare consultant proposals objectively with its own approach or scope of work, and merge the best ideas into a final scope.

**Contracts.** When the scope is well-defined and the agreed price strikes a reasonable balance, a project will usually go smoothly, and neither party has to ever look at the contract again after it is signed. As a practical matter, creating the contract serves primarily to *clarify mutual expectations*. Thus, other than simply checking off the deliverables according to schedule, a good contract will recede into the background as the project moves forward successfully.

**Scheduling the Work.** Be realistic about the timeline for the project. Often, public planning projects are initiated in the midst of great political pressure for rapid completion. However, if a controversial project is rushed, it can end up taking a longer time to complete due to the confusion and mistrust that can arise among key stakeholders and the public at large.

**Monitoring Performance.** The locality should establish a client staff project manager to coordinate and oversee the work of the consultant, and the consultant should do the same. One point of contract and responsibility for both parties is essential to smooth, well-coordinated project management.

Many localities call for regular status reports and/or evaluations – monthly, quarterly, or mid-point. Such reports can be helpful, but it’s important to keep them minimal and to avoid “make work” forms and reports. Usually, the monthly invoice from the consultant will detail the percentage completion of each task, the overall budget status, and deliverable product status/progress. This should be sufficient for the government project manager to monitor progress.

**Building the Client-Consultant Relationship.** Consultants are expected to be independent professionals with “thick skins” who do not require the same level of attention and sympathy that employees require. However, consultants are still human beings who respond to the same kinds of motivating and de-motivating factors that regular employees respond to. The key to getting good performance from consultants is to balance rigor and flexibility:

- treat them with respect
- be flexible in considering alternative solutions or processes
- be clear about roles and responsibilities, and
- be firm and reasonably demanding of high quality and timely work performance.

For a project to be successful, it is important for the client staff and the consultant to work together as a mutually supportive team of trusted partners. Most community planning projects do not result in products that “sit on the shelf” after the consultant’s work is done. Rather, the product is often a plan or ordinance that is later used daily by the local government staff. Thus, part of the project process is for the consultant and staff to develop an evolving work relationship during which the “torch is passed” from the consultant to the staff as the project moves toward completion, so that by the time the project is finished, and the consultant leaves, the staff can successfully implement or administer the plan or ordinance on its own.

### **General Recommendations**

***Establish Clear Objectives.*** The project needs clear objectives in order to define the consultant’s tasks and work products. The RFP should establish the general magnitude and scope of the project, and the nature of the end product(s). This includes distinguishing between the responsibilities of the local client staff and those of the consultant.

***Match the Budget Realistically with the Scope of Work.*** Realistic expectations of the number of person-hours required to do the desired work are needed in order to reasonably match the budget with the project objectives. Ideally, the RFP should provide information about the project budget so the consultant’s proposals avoid the problem of “apples to oranges” comparisons.

***Allow Adequate Time for Responses and For Project Completion.*** The RFP should allow at least three weeks, and preferably four weeks, for proposals to be submitted after the RFP is issued. Being realistic about the overall project process, including the nature and timing of public involvement, will help avoid “scope creep” and other unpleasant surprises.

***Be Firm but Reasonable, and Work as a Team.*** Once the RFP process is complete and a consultant has been hired, the client community’s staff should balance rigorous contract oversight with reasonable flexibility regarding unforeseen circumstances. This will allow the staff and consultant to work as a team to maximize productivity and prospects for success.



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