

## RFP, RFI, RFQ

# Say What?

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What is an RFP and why do I need one?

An RFP is a formal request for proposal from prospective vendors or consultants. It is frequently used when there are a number of specific criteria that must be met and when you want to evaluate competing proposals fairly.

The proposal can be very simple, a page or less, or very complex, laying out numerous submittal requirements and specifications. RFP's are frequently used to ensure competitive pricing on products and services and are often required as a matter of law and contract when federal or state funds are being expended.

The RFP, when properly drafted, makes the comparison of similar products or services much easier by requiring the proposer (vender) to price only the product specified in the RFP, allowing you to readily determine if the RFP meets or exceeds the required specifications and allows for proper ranking of the proposal.

Whether an RFP is simple or complex it should contain the following basic elements. The overall length will vary depending on the complexity of the good or service being requested and hence the amount of information that must be contained within the proposal.

### Resources:

Simple (5 pages or less, minimum information):

Hills Water Rehab RRP (Simple)

Complex

Recodification of Town of Christiansburg Code RFP (complex)

Installation and Support of Private Fiber RFP (complex)

- **An Introduction** which simply states who you are and what you are requesting a proposal for.
- **Organization and Background:** This section should explain the size and structure of the jurisdiction, the business organization, or the government to assist the vender in understanding the place, the organization and size of the business entity they will be dealing with.
- **Scope:** Outlines the scope of services or use of the product.
- **Specifications:** Outlines all of the specifications required of the product or the services to be rendered.
- **Submittal requirements:** Sets forth the manner in which the proposal should be presented as well as when and where to submit the document.
- **Evaluation Criteria:** Explains to the proposer the primary criteria by which the proposal will be evaluated, ranked, and scored.
- **Award:** Tells the proposer when the award will be made.

In preparing the RFP, it is critical to prepare the evaluation criteria and scoring process in conjunction with the specifications and the requirements for submission. For example if one of the evaluation criteria is length of warranty or number of years in business then the submission requirements and or the specification requirements must have this outlined. Failure to prepare evaluation criteria simultaneously will likely result in an inability to evaluate all proposals on the same basis.

It is important to remember that one of the primary reasons for using an RFP process rather than just seeking price quotes is that a properly prepared RFP document will result in more proposals that are comparable on an apples to apples basis.

## **Side Notes: A very brief history of competitive bidding.**

Have you ever wondered, as you are grappling with the finer details of an rfp, who to blame for the competitive bidding process and all of the rules and regulations? If so, you can thank Boss Tweed, or more precisely the folks who, in the 1870s, dismantled the Tweed Machine in New York City and sent Boss Tweed to the state penitentiary.

Competitive bidding has long been seen as an anti-corruption method, and its use in the United States dates back to the Revolutionary War, but the federal, state, and local governments didn't take it to heart until machine politics and cronyism overran political ethics in the years following the Civil War. Reformers believed if governments required sealed bids that were publicly opened and publicly announced and were awarded to the "lowest responsible bidder" (a phrase that appears in the vast majority of state procurement acts), it would minimize the politicians' opportunities to give often lucrative contracts to their best buddies. As the anti-government corruption movement expanded, the federal government and the states adopted anti-racquetting laws and stricter procurement rules designed to circumvent the kind of corruption found in the machine run cities, like New York, Philadelphia, and Chicago. It should be noted that the same movement that cleaned up government procurement also spawned the Municipal Civic Leagues and other municipal reform movements, including planning.

Despite the reformers' best efforts, however, competitive bidding requirements were not always a guarantee of corruption-free procurement. Corporations and banks found ways around the competitive sealed bid requirements by reaching price-fixing agreements with their competitors before the sealed bids were given to the requisite public agencies. For an example, see the General Electric, Westinghouse, and Allis-Chambers price fixing scheme in 1960. (mhd)

So what do you do if you don't know what the specifications are to put into an RFP? You can use an RFI or Request For Information. This can be a very brief request to potential providers of the goods and or services that generally will provide you with sufficient information to prepare a more detailed RFP. Occasionally the results of the RFI provide sufficient information and pricing to evaluate the proposers and choose a successful bidder.

When seeking professional services such as engineering or architectural work where the pricing, rate per hour of service and estimated number of hours needed are known or easy to acquire, an RFQ or Request for Qualifications may be more appropriate. The RFQ will allow you to select 2 or 3 qualified bidders before requesting bids for a specified service. In some circumstances, pricing is not the most important criteria but rather the qualifications and reliability of the proposer are the primary concern. Price will always still play a role in the selection process but will be weighed less heavily as an evaluation criteria than qualifications. Once the results of the RFQ are reviewed and 2 or 3 qualified bidders are selected, than a less formal process of receiving price quotes for the services to be rendered can be obtained.

Now that you know what you want to write that RFP, RFI, or RFQ for, what do you do with it? Governments usually are required to post them in the newspaper and in the government offices, but sometimes that is not enough reach potential bidders or to ensure enough proposals will be received. There are a variety of resources

available to research goods and services, but the easiest methods are 1) to check the government offices, but sometimes that is not enough reach potential bidders or to ensure enough proposals will be received. There are a variety of resources available to research goods and services, but the easiest methods are 1) to check the internet for companies and make sure they are aware of the RFP or other requests and 2) network with other colleagues and professional groups that may be purchasing the goods or services to get leads and references on potential bidders.

Good Luck to you in your pursuit for best pricing, product and services.



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