

“Fair and Accurate RFPs – A Rehab Contractor’s Perspective”

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Sometimes Requests for Proposal (RFPs) or tenders are clear, detailed and provide the right scope of information to attract great vendors. Others are more challenging. Writing an RFP or tender can be a daunting task. You need to ensure that bidders have the capability to complete the job properly, on time and at a competitive cost. This presentation will identify 12 tips to writing an effective RFP or tender to ensure you get a fair and accurate price from qualified bidders.

The more detailed the scope of work, the more complete and accurate the bids will be from submitting contractors. Identify and list all aspects of the project pitfalls that might affect the job. Downloading risk results in higher prices. Including reasonable risk limits, you can expect bids to be adjusted accordingly. When all the risk falls on the bidder, bids are inflated to cover the risk.

When there is history of a large pricing variation, it's likely that different contractors are interpreting different levels of risk, or are simply not understanding what you want done. When there is a large spread in bid prices, awarding the contract to the lowest bidder is risky and often means someone is going to lose out. Sometimes insurance needs aren't clearly stated in an RFP or tender. You must be clear on which insurance you need and what type of coverage is required to match the risk of the project.

Regarding holdback requirements, you must accept that the infrastructure will get older, dirtier and be harder to confirm that the work done is still in order. It's important to review the entire RFP document for inconsistencies of technical specifications. Often an RFP or tender will have very specific requirements that are unique to a product or process, and that will limit the competition, resulting in very few bids.

Consider looking at technical submissions that accompany bid documents and incorporate these as part of the evaluation criteria. Product manufacturers spend a lot of time and effort meeting industry specifications and Contractors often choose products for their services based on ability to meet these criteria. Go for multi-year RFPs or tenders that extend the period of a contract based on performance, not for just one year but a longer term. The contractor will be able to amortize equipment costs over a longer period of time and be able to offer better pricing. An RFP or tender should include a minimum bar to qualify to bid. Specify the payment structure and how many days it's going to take to pay.

After you have closed the bidding, keep communication channels open. By communicating with bidders, you can give feedback on whether they are still being considered, and perhaps even give them a deadline, so when selected they can get to work on your project in the timeframe you need. Compiling an effective and accurate RFP or tender is an intensive exercise but you will get a fair and accurate price from qualified bidders.

