

Shortlisting in an RFP

Matt Limoges

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Introduction

Matt Limoges

- Deputy Bureau Director of the State Bureau of Procurement
- Previously the Enterprise IT Sourcing Section Chief
- Previous experience at the Department of Health Services



AGENDA

- The Problem
- What is Shortlisting
- Shortlisting Process
- Questions



The Problem

There is, almost always, an inverse relationship between technical scores and cost scores when evaluating an RFP

Cost scores are all measured against the lowest cost across all Proposals, which can disrupt results of the RFP



The Problem Continued

Vendor	Technical Score	Cost	Cost Score	Final Score
Vendor A	624	\$2,800,000	10.71	634.71
Vendor B	423	\$867,000	34.6	457.60
Vendor C	464	\$126,000	238.1	702.09
Vendor D	542	\$783,000	38.31	580.31
Vendor E	234	\$99,999	300	534

Category	Pts
Technical	700
Cost	300
Total	1000



Lowest Cost

Because of how low the lowest cost proposal was, it drastically impacts the rest of the proposal scores due to how cost is calculated.

This can be fixed to more appropriately allocate cost scores.



SHORTLISTING



Authority for Shortlisting

Wisconsin Admin Code 10.08 (5) reads:

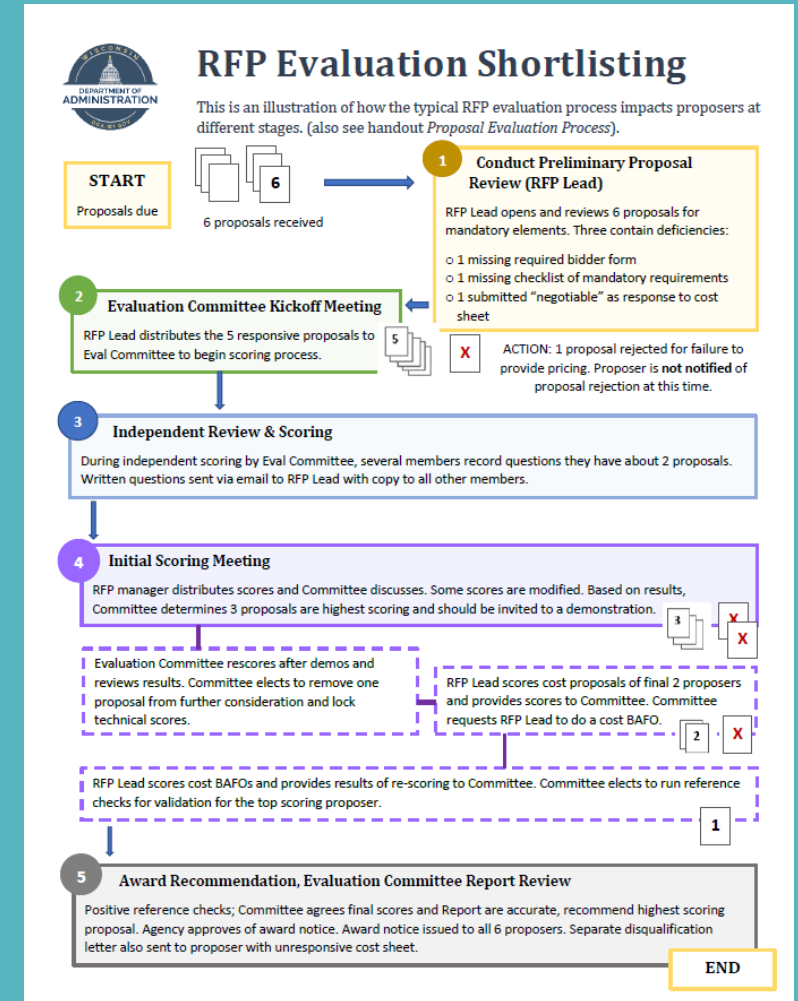
“Fair and equal discussions may be conducted with all proposers for the purpose of clarification, and with proposers whose proposals are **REASONABLY APT TO BE AWARDED** the contract for the purpose of negotiating the best offer.”



Shortlisting Diagram

The State Bureau of Procurement has developed a diagram that expresses the process to shortlist proposals during an RFP evaluation.

Diagram can be found as a handout on the [Conference website](#).



Rules for Shortlisting

1. Must shortlist vendors in the order in which they rank.
2. Once vendors are determined to not reasonably apt to be awarded, they are out of the process. They are eliminated from consideration.
3. Setting aside proposers is solely the Evaluation Committee's decision.



Shortlist in Order

Vendor	Technical Score
Vendor A	624
Vendor B	423
Vendor C	464
Vendor D	542
Vendor E	234

In this scenario, the Evaluation Committee can't move forward with Proposals A, B, and D.

- C has a higher score than B
- It cannot be said that B is reasonably apt to be awarded, and C is not.

O-U-T means OUT!!

It is the procurement manager's responsibility to counsel the evaluation committee through its options on Shortlisting.

It is critical that the procurement manager reiterate with the evaluation committee that once a vendor is set aside, they cannot be brought back into the process.



Decision is Evaluation Committee's

The decision to set aside proposers from consideration is solely the evaluation committees. Influence from the procurement manager is unethical and violates the integrity of the RFP process.

This is important because the procurement manager has access to the cost proposals.



Shortlisting Process



Preliminary Review

- Mandatory Requirements review
- Submittal format review
- Review proposals to ensure cost is not embedded
- OPEN COST!
- Start your evaluation committee report

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Conduct Preliminary Proposal Review (RFP Lead)

RFP Lead opens and reviews 6 proposals for mandatory elements. Three contain deficiencies:

- 1 missing required bidder form
- 1 missing checklist of mandatory requirements
- 1 submitted “negotiable” as response to cost sheet

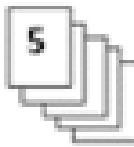


Evaluation Committee Kickoff

2

Evaluation Committee Kickoff Meeting

RFP Lead distributes the 5 responsive proposals to Eval Committee to begin scoring process.



- Follow the evaluation committee checklist ([DOA-3721](#))
- Ensure all evaluators sign the Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation ([DOA-3780](#))
- Distribute proposal materials



First Round of Scoring

- Evaluators score the proposals using the predetermined criteria and benchmarks
- All questions should be routed through the procurement manager for distribution to the entire committee

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Independent Review & Scoring

During independent scoring by Eval Committee, several members record questions they have about 2 proposals. Written questions sent via email to RFP Lead with copy to all other members.

Initial Scoring Meeting

4 Initial Scoring Meeting

RFP manager distributes scores and Committee discusses. Some scores are modified. Based on results, Committee determines 3 proposals are highest scoring and should be invited to a demonstration.



- Procurement manager guides this conversation
- Its imperative that the procurement manager receives scores from evaluators prior to this meeting
- Min/Max/Delta Exercise – Demonstration
- After the discussion, the procurement manager counsels through options for next steps



Possible Next Steps

Open up a 2nd round of scoring

Ask the eval committee if they would like to set aside some proposers at this time

Run Reference Checks

Ask the eval committee if they would like to set aside some proposers at this time

Conduct presentations/ demonstrations

Ask the eval committee if they would like to set aside some proposers at this time

Lock Technical Scores

If no further action is required, it is allowable to run cost on proposals that the eval committee determines to be considered for award



Second Round of Scoring

- Identify if any proposers would be set aside
- Issue a new score sheet to the evaluators with sheets for each proposer still left in the evaluation
- Compile scores and counsel the evaluation committee through their options for next steps



Presentations/Demonstrations

Should follow a script that ties to scored requirements

Try to protect evaluator's identity

After the presentations, ask the evaluation committee if they would like to open up a new round of scoring to amend their scores

Reference Checks

- Determine how reference checks will be used
 - To amend scoring; or
 - Identify issues for Contract Negotiation



Finalizing Technical Scoring

- Counsel the evaluation committee on their options with locking technical scores
- Remind the evaluation Committee that once technical scoring is locked, it cannot be re opened
- Identify how many vendors to run cost scores on (Common issues)

Calculating Cost Scores

Remember to follow the equation that should be established in the RFP

Low cost for vendors still in consideration/Proposer
 $\text{Cost} \times \text{max Cost Points}$



Example Before Shortlisting

Vendor	Technical Score	Cost	Cost Score	Final Score
Vendor A	624	\$2,800,000	10.71	634.71
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Vendor C	464	\$126,000	238.1	702.09
Vendor D	542	\$783,000	38.31	580.31
Vendor E	234	\$99,999	300	534

Category	Pts
Technical	700
Cost	300
Total	1000



Example After Shortlisting

Vendor	Technical Score	Cost	Cost Score	Final Score
Vendor A	624	\$2,800,000	83.89	707.89
Vendor D	542	\$783,000	300	842

Category	Pts
Technical	700
Cost	300
Total	1000



Best and Final Offers

- Reminder to issue a Best and Final Offer (BAFO) to every vendor you wish to assign a cost score
- Cost BAFOs can be initiated by the Procurement Manager without the Evaluation Committee's input (sharpen the pencil)

Benefits of Shortlisting

- Allows for refinement of proposal options to ensure the State gets what it needs
- Minimizes the risk of getting a low scoring technical proposal being the highest scoring proposer
- Reminder to consider having multiple options at the end of the RFP process in case Contract Negotiations don't work out



Questions



Thank you!

Matt Limoges, Deputy Bureau Director

MatthewJ.Limoges@wisconsin.gov

