

Bidder and Owner Perspectives on the Procurement Process

Lessons Learned

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Perspectives

- Owner:
 - “Process” and “end-result” objectives
 - Results are subject to public scrutiny
- Bidder:
 - Fair process
 - Reasonable “biddable” requirements
 - Reasonable chance of success
- RFP’s that cover a broad range of services and infrastructure:
 - Outsourced property / facilities management services, design-build, P3’s, technology, other services
 - Encouraging innovation is always a challenge

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Developing RFI/RFP Documents

- “Garbage in, garbage out”
- Consult with the supplier community if necessary
- Spend the time that is needed to produce comprehensive documents:
 - Incomplete documents generate a lot of questions – add delays to the process
 - Leaves a poor impression with the bidder community
 - Generates submissions that cannot be evaluated
- Develop the evaluation framework and criteria before the documents are released



Evaluation

- Be clear about the objectives:
 - Process objectives – avoid runaway process driven logic that drive a “garbage” result
 - End-result objectives – balance of public policy, financial, functional, common sense results; large number of stakeholders add complexity (incompatible objectives); often not clear
- Innovation can be difficult to evaluate:
 - By definition, you don’t know what you will get and therefore it is difficult to construct evaluation criteria



Evaluation

- Setting criteria:
 - Balance process and fairness objectives with flexibility
 - Use scenario analysis to understand what you might get
 - Multi-step evaluation and use of hurdles provide flexibility
- Normalizing bids:
 - “Apples and apples”
 - Clustering is positive
 - Intangibles
 - Financial modeling and deal valuation - can get complex when scope includes complex service contracts and termination options



Encouraging Innovation

- Multiple step processes
- Fix the smallest number of variables at each step
- Evaluation: “Hurdles”
- Process flexibility