



Bid And Proposal Evaluation

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BID AND PROPOSAL EVALUATION



IF YOU ARE A BUYER, DO YOU KNOW HOW TO:

- Evaluate The Preferences ?
- Conduct A Two-Step Bid ?
- Determine That Your Prices Are Fair And Reasonable ?
- Set Up Value Effective Criteria That Can Be Easily Evaluated ?
- Establish A Scoring System That Reflects The Needs Of Your Agency ?



**REMEMBER, IT IS YOUR
RESPONSIBILITY TO SEE THE
TROUBLE COMING.**

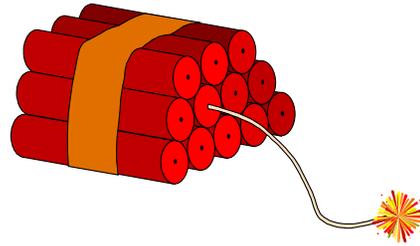
A Contract Is Only As Good As What You Have In Black And White

- Implied And “Understood” Arrangements Do Not Work For Contracts
- A Contract Is The Firm Offer By The Supplier And An Acceptance By The Government Agency; Therefore The RFP/BID Becomes The Contract



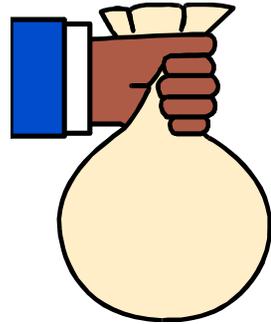
IF THE CONTRACTOR HAS THE ABILITY, PROVIDE HIM OR HER THE MEANS TO MAKE THE BEST OFFER POSSIBLE

- Evaluation Criteria Must Be Based Directly On The Bid's Requirement, Whether Pass/Fail Or Scored - Don't Evaluate Something That Is Unimportant And Don't Overlook Something That Has A Major Impact On A Price.
- Evaluate Or Give Weight To Those Things That Drive The Contract Based Both On The Need Of The Agency And Importance To The Bidder
- Bidders Want To Do A Good Job And Maintain Their Reputation But Profit Is Generally Motive Number One



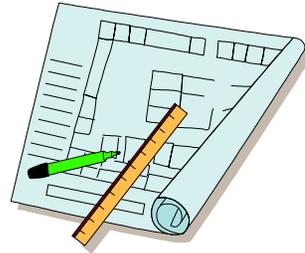
PASS/FAIL VERSUS SCORED REQUIREMENTS

- Responsive To Bid Requirements Means Submitting Everything Asked For In The Bid Without Changing Anything Important
- Responsible Means The Bidder Has The Wherewithal To Accomplish The Contract
 - Proven Experience In Personnel And For Similar Accounts
 - Reputation
 - Financial Resources
 - Facilities



SUPPLIERS WANT TO DO BUSINESS WITH GOVERNMENT AND MAKE A PROFIT - BOTTOM LINE CONSIDERATION ARE BUILT INTO EVERY CONTRACT

- To Succeed As A Contract, The Requirements Must Be Realistic And Readily Doable By A Supplier -- i.e., Something Already Out There In The Market Place Being Sold To Others
- Subjective Evaluation Criteria Should Be **Minimized** And **Objective** Criteria **Maximized** -- Allow The Bidder's Customers To Supply Subjective Information Concerning The Bidder's Capabilities

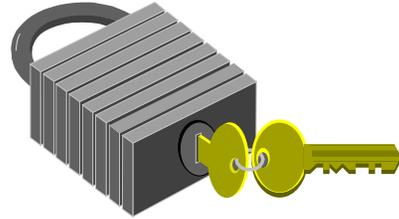


SCORED REQUIREMENTS

- Value Effective Criteria May Include:

- Total Cost Of Ownership
- Quality Of Product Or Technical Competency
- Reliability Of Delivery And Implementation Schedules
- Warranties, Guarantees And Return Policies
- Consistency With The Buyers Planning Documents And Strategic Direction

(See PCC 12100.7)



UNLOCKING THE BIDDER'S TRUE POTENTIAL

- The Statement Of Work Or Contract Performance Requirements Must Detail What The Bidder Is Expected To Do
- The Evaluation Of The Bidder's Ability To Actually Do These Things Can Be Evaluated On What The Bidder's Customers Say
- Relying On Statements By The Bidder Can Be Risky. Better To Rely On Statements From Satisfied Customers Of The Bidder
- Remember To Include Only Those Actual Important Performance Requirements As Scorable Items In The Client/Customer Reference History Requirements
- Score The Bidders Equally On Equal Experience And Allow The Customer To Rate The Bidder's Experience To Create The Difference In Subjective Scoring



HOW CAN YOU BE SURE THE BIDDER WILL PERFORM THE WAY THEY SAY IN THEIR BID?

- In Addition To Client History Of Proven Performance For Similar Accounts Certain Requirements Can Help Assure Performance:
 - ⇒ Bonds, Certificates Of Deposit, Letters Of Credit etc.
 - ⇒ Liquidated Damages For Damage To The Buyer
 - ⇒ Warrantees and Guarantees From Third Party Manufacturers
 - ⇒ Sampling and Testing Prior To Acceptance



- THE LAW REQUIRES THAT WHEN OTHER THAN COSTS ARE INVOLVED IN EVALUATION CRITERIA THE COSTS BE SEPARATELY SEALED UNTIL THE SUBJECTIVE EVALUATION IS COMPLETED [PCC 10344 & 12102 (b) (2)]
- To Substantiate That Prices Are **Fair and Reasonable** The Procurement Division Has Established Price Analysis Policies That Provide Procedures For Evaluating Prices
- All Bid Preferences Must Be Evaluated When Claimed By The Bidder. LAMBRA, TACPA, EZA And The Small Business Preference Have Specific Instructions As To How To Calculate The Preference Amounts.



HOW DO YOU KNOW IF YOU ARE NOT PAYING TOO MUCH ?

⌚ The Primary And Secondary Techniques Of Analyzing Prices Are As Follows:

💰 Primary Techniques

- ▶ Adequate Price Competition
- ▶ Catalog or Market Price
- ▶ Price Set By Law Or Regulation

💰 Secondary Techniques

- ▶ Historical Prices
- ▶ In-House Estimates
- ▶ Cost Estimating Relationships



PREFERENCE EVALUATION CAN BE ACCOMPLISHED IN A WAY THAT SHOWS THE CALCULATIONS WITH AN EXCEL SPREADSHEET



WWW.



 For Information About The Procurement Division On-line
www.dgs.ca.gov/pd

 The Procurement Division Home Page Has Information Concerning Policies
And Procedures (California Acquisition Manual) Including Procedures On:

-  Evaluating Solicitation Responses (CAM 3.5.3)
-  Assessing Supplier Responsiveness (CAM 3.5.4)
-  Major Acquisitions Awarded On Evaluated Bid Price (CAM 3.2.2.)
-  Acquisition Planning (CAM 3.3.3)
-  Value Effective Acquisitions (CAM 3.2.2)
-  Price Analysis (CAM 3.5.5)

 For Information About The State Contracting Manual Online Access The Office
Of Legal Services Home Page At www.dgs.ca.gov/ols