

# REQUEST FOR PROPOSALS

## PROCUREMENT GUIDE



Purchasing Division  
General Services Department  
State of New Mexico

July 1999



## FORWARD

This is the sixth edition of this guide. The first was published in early 1988 and focused primarily on the construction of the RFP document, the foundation of every procurement. The guide was revised and expanded in 1990 with the addition of more procedural information, techniques and examples.

With the Model RFP document and an increasing number of example RFP's available from the library, the third edition was a nearly complete departure from the previous editions as it focused primarily on procedures and techniques which were expanded in editions four and five. This sixth edition expands upon the previous attempts to apply the proven procedures and techniques gained from the experience of over 350 technology procurements to other RFP-based procurements beyond the limits of the information system technologies. To date, the procedures and techniques presented in this guide have been used successfully on over 50 non-technology procurements.

Although there has been a significant effort to generalize and adapt the guide to other procurements, the origin is still apparent in much of the terminology. Please remember that such statements as "system requirements" may be read, when appropriate, as "design requirements or "study requirements" or any other statement relevant to the object of a particular procurement. Although many of the examples and narratives relate to the information system technologies, the discussions concerning hardware procurements apply to any RFP-based equipment acquisition. The discussions concerning professional services and services procurements are intended to apply to all such RFP-based procurements.

This RFP Procurement Guide is intended to be used in conjunction with the Model RFP. It is organized in three sections. Chapters One through Thirteen describe the procurement process from pre-procurement activities through the award. At the conclusion of each chapter there is a section containing the answers to the most commonly asked questions related to that step in the procurement process. Chapter Fourteen contains a recap of the Procurement Managers duties and responsibilities. Chapter Fifteen contains examples of forms and letters that the Procurement Manager will find useful during the process.

It takes time and effort to conduct a quality public procurement. This guide was produced to give the Procurement Manager a foundation upon which to conduct the procurement properly. It includes discussions of techniques and processes that will allow the procurement to be completed in minimum time with the highest quality results.

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# **CHAPTER ONE**

## **INTRODUCTION**

A procurement that results in the selection of the best-qualified contractor or most suitable product does not by itself guarantee a successful project. However, the selection of an unqualified contractor or unsuitable product is a guarantee of failure.



## **A. INTRODUCTION**

The intent of this Procurement Guide is to provide a framework for the development of Request For Proposals (RFP) documents and to guide the conduct of RFP-based procurements. The foundation for these procurements and this guide is section 13-1-1 through 13-1-199 NMSA 1978, generally referred to as the Procurement Code. Also addressed are the requirements set forth in Procurement Code Regulations, GSD rule 1NMAC5.2 which govern procurement conduct by Executive Branch State Agencies and many local public bodies who have adopted them as their own.

By necessity, RFP documents are highly tailored to meet the specific needs of the agency conducting the procurement. There are distinct differences in RFP content for the acquisition of various types of items of tangible property versus services and professional-services-only procurement documents. There are also distinct differences between the procurement documents for single agency one-time procurements versus multi-agency, multi-vendor, multi-year price agreements. Even with the distinctions noted, the process for each is the same and the majority of the procedures and techniques are identical.

The Procurement Code is the foundation for the acquisition of products and services for all governmental entities throughout the State with the sole exceptions set forth in section 13-1-98. The Code provides for various types of authorized procurement methods including competitive sealed bids, competitive sealed qualifications-based proposals as well as the competitive sealed proposals, RFP-based, procurements which are the subject of this Guide.

## **B. IFB OR RFP**

Section 13-1-111 sets forth the conditions for use of an invitation for bids (IFB) and competitive sealed proposal processes. The code states that the competitive sealed proposal process is to be used for the acquisition of professional services and for products and services when competitive sealed bidding is not practicable or advantageous. The words "practicable" and "advantageous" are to be given ordinary dictionary meanings. The term "practicable" denotes what may be accomplished or put into practical application. "Advantageous" denotes a judgmental assessment of what is in the agency's best interest. The use of competitive sealed bids may be practicable, that is, reasonably possible, but not necessarily advantageous, that is, in the agency's best interest.

In an IFB process the bidder who offers the product or service matching the specification at the lowest price wins the award. The IFB is the most effective procurement process for the acquisition of many commodities. However, it is not appropriate for the acquisition of professional services or other types of procurements where the evaluation components must be crafted and weighted or where the knowledge, skills, experience and prior performance are factors for consideration. For those acquisitions, an RFP-based procurement is clearly indicated. For this type of procurement, cost is of one several weighted evaluation factors. It has long been recognized that the lowest price computer system frequently is not the lowest cost computer system when operation, maintenance and support costs are included. Therefore, the vast majority of computer and other high technology systems are acquired through an RFP-based procurement process as opposed to an invitation for bids.

Please note that competitive qualifications-based procurements are also solicited through an RFP. Details can be found in sections 13-1-119 through 13-1-124 NMSA 1978.

The objective of any procurement is to award the contract to the offeror who best meets the requirements at the lowest cost. Procurements are open competitive processes where each offeror is given an equal opportunity to propose its products or services and the evaluation is completed in a fair, objective manner.

## C. TERMINOLOGY

The model RFP has a definitions paragraph in the introduction section. The objective of the RFP document is to convey accurate information concerning the procurement. The objective of this procurement guide is to convey accurate information about the procurement process. Therefore, the definitions of terminology used throughout this guide and most RFP's follow:

**"Agency"** means the State agency or local public body conducting the procurement. In the case of statewide procurements, the Purchasing Division is the agency.

**"Contract"** means an agreement for the procurement of items of tangible personal property or services.(13-1-41 NMSA 1978) This includes purchase, rental, lease and licensing agreements.

**"Contract/Agreement Administrator"** means the individual designated by the Agency to administer a price agreement or contract after the agreement has been executed. The procurement process has been concluded.

**"Contractor"** means successful offeror who enters into a binding, written agreement.

**"Determination"** means the written documentation of a decision of a Procurement Manager including findings of fact supporting a decision. A determination becomes part of the procurement file to which it pertains. (13-1-52 NMSA 1978)

**"Evaluation Committee"** means a body appointed by the Agency management to perform the evaluation of offeror proposals.

**"Evaluation Committee Report"** means a report prepared by the Procurement Manager and the Evaluation Committee for submission to the Agency management for contract award that contains all written determinations resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

**"Evaluation Methodology"** means a proven technique for conducting the evaluation of offeror proposals.

**"Multiple Source Award"** means an award of an indefinite quantity contract for one or more similar services or items of tangible personal property to more than one offeror. (13-1-69 NMSA 1978)

**"Offeror"** is any person, corporation, or partnership who chooses to submit a proposal.

**"Price Agreement"** means a definite quantity contract or indefinite quantity contract which requires the contractor to furnish items of tangible personal property or services to a State agency or local public body which issues a purchase order, if the purchase order is within the quantity limitations of the contract, if any. (13-1-71 NMSA 1978)

**"Professional Services"** means the services of architects, archaeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers and persons or businesses providing similar services (13-1-76 NMSA 1978).

**"Procurement Code"** means Chapter 13, Sections 13-1-28 through 13-1-199 NMSA 1978.

**"Procurement Code Regulations"** means General Services Department (GSD) Rule 1NMAC5.2.

**"Procurement Manager"** means the person or designee authorized by the Agency to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

**"Purchasing Division"** means the Purchasing Division of the General Services Department of the State of New Mexico.

**"Request for Proposals"** or **"RFP"** means all documents, including those attached or incorporated by reference, used for soliciting proposals. (13-1-81 NMSA 1978)

**"Responsible Offeror"** means an offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services or items of tangible personal property described in the proposal. (13-1-83 NMSA 1978)

**"Responsive Offer"** or **"Responsive Proposal"** means an offer or proposal which conforms in all material respects to the requirement set forth in the Request for Proposals. Material respects of a Request for Proposals include, but are not limited to price, quality, quantity or delivery requirements. (13-1-85 NMSA 1978)

*"State Purchasing Agent"* means the director of the Purchasing Division or a designated representative. (13-1-92 NMSA 1978)

## **D. PROCUREMENT PHILOSOPHY**

The New Mexico Procurement Code is based upon the American Bar Association Model Procurement Code. The foundation for the Procurement Code is the premise that the public is best served and public funds, over a specified level, are spent wisely only after being subjected to the rigors of competitive procurement. Among many other things and unlike the procurement statutes for governmental jurisdictions beyond the bounds of the State of New Mexico, the Procurement Code authorizes the agency to conduct a multiple step procurement for RFP-based procurements. This means that the agency can review the proposals submitted, select finalists offerors and solicit proposal improvements through amendments as part of a best and final offer(s). The Procurement Regulations have provisions for the revision of specifications and the solicitation of second best and final offers as well. The important aspect of these authorizations is the fact, unlike most governmental jurisdictions, the procuring agency has the capability of soliciting and obtaining improved proposals that truly offer the very best match to the agency's requirements at the lowest cost.

The procurement processes addressed and described in this guide take full advantage of the "best and final offer" opportunities provided in the Procurement Code by integrating appropriate steps in the procurement process with proven techniques which when properly implemented provide the maximum advantage to the procuring agency.

## **E. STRUCTURED EVALUATION METHODOLOGY**

For many years there have been only two traditional methodologies for the evaluation of offeror proposals. One methodology ranks the proposals against a uniform set of evaluation criteria. Each proposal is scored top to bottom for each evaluation factor, a vertical evaluation. This methodology works well for the very simple proposals. It has proven to be a very poor choice for complex procurements because it is extremely difficult for the Evaluation Committee to maintain focus and uniformity in the scoring across several complex proposals requiring several days of evaluation. There is also an Evaluation Committee fatigue factor that distorts the results. For these reasons, the second evaluation methodology is often employed.

The second methodology requires scoring the proposals against each other, a horizontal evaluation. All of the proposal responses for each factor are compared and the best response is awarded an "A" the highest score, with the next best response receiving a "B", a proportionally lower score, etc. For example, for a twenty-five-point factor the most responsive proposal would receive all twenty-five points. The next most responsive proposal may receive twenty points. The least responsive proposal may receive ten or fewer points depending upon the Evaluation Committee's established ground rules for point assignment. This methodology uniformly results in the identification of the most responsive proposal to the evaluation criteria. It works well for both simple and complex procurements. The

flaw in the methodology is the fact the most responsive proposal may, in fact, be a mediocre, high-risk response that could result in project failure.

The solution is the use of the Structured Evaluation Methodology (SEM) which was developed and proven on information systems procurements for the State since late 1980's. This methodology combines the best elements of both methodologies. It not only produces a uniform evaluation result identifying the most responsive proposal but also scores the proposal against the evaluation criteria in a way that identifies relative risk.

The steps and techniques that comprise the SEM are thoroughly described in subsequent chapters of this guide. In summary, this methodology will result in identifying the superior proposal among many as well as measuring the quality of the proposal against the predetermined criteria and the other proposals. This is critical information for a governing body who has to make a decision to award or not to award a contract. If, for example, out of 1000 possible points the highest ranked proposal received 950 points and the next highest ranked proposal received only 800 points, the governing body knows that there was only one truly superior proposal among the many submitted and that the proposal is an excellent match to the procuring agency's requirements for products or services. It is a very low risk decision. On the other hand, if the highest ranking proposal received only 700 points and the next highest ranked proposal received only 600, the governing body knows that there is only one truly superior proposal but the product or services offered are a poor match to the procuring agency's requirements. Because of the risk, the governing body may decide not to award the contract and use the funds for some other project. If the highest ranked proposal received 950 point and the next highest proposal received 925 points, the governing body knows that there are two proposals that offer superior match to the requirements. The governing body may choose to seek additional contractual concessions from the highest ranked proposal before proceeding with an award. There are numerous scenarios that illustrate the benefits of using SEM over all other evaluation methodologies or variations thereof. It will suffice to state that successful acquisitions and projects are the direct result of choosing the best proposal submitted only if that proposal is a good to superior match to the requirements.

## **F. BEST VALUE PROCUREMENTS**

Even with the use of the SEM, the proposal that represents the best value to the procuring agency may not be selected unless the evaluation criteria includes evaluation metrics tuned for a "best value" selection. For example, the State has always tried to identify and include life cycle cost elements in the information system procurements as well as the offerors previous experience and past performance as factors to determine best value. The software licensing fees for computer software are frequently far lower than the associated operating and ownership expenses such as installation, training, conversion, hardware and operating systems including environmental requirements, and maintenance and upgrade fees. For software, a demonstration is always required to give the Evaluation Committee an opportunity to evaluate system functionality but also ease or non-ease of use as the case may be. One system may be more difficult to use and require more personnel to operate or support than another system. If ease of use and support is not included in the evaluation

criteria, the procurement may result in the selection of a system that does not represent the best value for the agency.

For professional services procurement, the knowledge and experience of the individuals who will be performing the services are the key elements that will determine best value. A knowledgeable and skilled professional who charges \$125 per hour may be able to accomplish in two hours what a less skilled professional charging \$75 per hour can accomplish in an entire day.

The essential element of this discussion is the fact that the governing body and the Procurement Manager must have "value based" objectives clearly established before the procurement is initiated and the cost evaluation should always be based on life cycle as opposed to acquisition costs.

## **G. PERFORMANCE BASED PROCUREMENT**

Several jurisdictions are experimenting with performance based, sometimes referred to as shared risk, procurements. For this type of procurement, the contractor's compensation is tied to a predetermined scale of improvements in a revenue stream. The contractor's compensation increases in direct relationship to the increase in performance against the scale. In effect, the contractor is compensated from the increase in revenue over and above the baseline. Obviously, the established baseline and the compensation metrics are the key elements of this somewhat revolutionary approach to governmental procurements. At the time of preparation of this edition of the Procurement Guide, no procurements of this type have been conducted for the State of New Mexico. To date, performance based procurements have taken a small army of CPA's to establish the baseline and compensation metrics. The concern is that if it takes that many CPA's to set up a performance based contract it will probably take an equal number of attorneys to handle the litigation that may result. Caution with this type of procurement is warranted.

## **H. USING THE GUIDE**

Use this guide in conjunction with the Model RFP. It has been designed to be used by the Procurement Manager and Evaluation Committee members throughout the procurement process. It has been purposefully organized according to the steps in the process. The example documents contained in the final chapter are also organized according to the steps in the procurement process. The guide is intended to be used as a convenient reference or resource document providing meaningful tips, techniques, guidance and direction for each step. The objective is to avoid procurement pitfalls and errors that can result in procurement failure or worse, the selection of an unqualified contractor or inadequate product.

## **CHAPTER TWO**

### **GETTING STARTED**

#### **PROCUREMENT OBJECTIVE:**

To conduct a fair, thorough and impartial evaluation of products or services from responsible offerors which results in the selection and acquisition of the product or service that best matches the needs of the agency at the lowest cost through a process that promotes improvements to offeror proposals.



## **A. CONCEPT MEMORANDUM**

The way to begin is to document the general outline of the procurement in a concept memorandum that is approved by the agency management, the governing authority or others who are defining the procurement. Take the concept memorandum and discuss the procurement with the line management who may have an interest or may be affected by the result of the procurement. This interaction and communication at the very beginning of the process can save months of work in document preparation.

For statewide procurements conducted under the auspices of the State Purchasing Agent, the concept memorandum is a work product of an inter-agency task force composed of appointed representatives from the various State agencies who will be using the price agreements. That document, which defines the scope of the procurement and expected results, is routed back through the Agency heads for comment before the RFP drafting process begins. This technique has proven to be extremely useful in insuring the appropriate procurement strategy and direction is established by the governing authority at the beginning of the process. Experience has shown that most of the procurements which are cancelled prior to award suffer from miscommunication or misdirection at the beginning of the procurement. Without a clearly defined objective and direction, the procurement results may differ significantly from management expectations, resources requirements or funding ability.

## **B. CHIEF INFORMATION OFFICER APPROVAL**

Effective July 1, 1999, all Executive Branch Agencies are required to obtain written approval from the Office of the CIO before an RFP-based technology procurement is initiated. Specifically, agencies must prepare and submit an approval document to the Office of the CIO that contains, at a minimum, the following procurement related items:

- Request for approval to conduct an RFP-based information technology procurement.
- The contract term and renewal options.
- The initial contract term amount.
- The total estimated contract amount including all renewals.
- The detailed statement/scope of work.
- A description of all contract deliverables.
- A statement describing contract protections (acceptance testing, retainage, bonding, other).

## **C. PRE-PROCUREMENT DATA GATHERING**

Pre-procurement data gathering should be conducted on two levels -- documents and materials that are the foundation for the procurement and documents and materials concerning the content of the procurement.

## FOUNDATION MATERIALS

Many jurisdictions have shell documents already prepared that contain the required format and much of the boilerplate for both the RFP and contract. The Purchasing Division maintains the Model RFP document on the Division's web site in an electronic form for use by Executive Branch agencies. Several useful example RFP's can be found there as well. Use of the Model RFP is required as it greatly speeds up the document creation and review process. In addition, the Purchasing Division maintains a library of RFP's and contracts, many of which are available on diskette. A good example from a previous, successful procurement is always a tremendous aid in jump starting the procurement process.

The Purchasing Division publishes procurement regulations that are the foundation for procurements conducted by the Executive Branch agencies, GSD Rule 1NMAC5.2. The document is referenced in all Executive Branch procurements that fall within the purview of the regulations. Other governmental jurisdictions have adopted those procurement regulations as their own or have adopted separate regulations that will govern the conduct of the procurement. If there are no published procurement regulations, obtain a copy of the relevant portions of the Procurement Code. Please be advised that the Procurement Code contains separate provisions for competitive sealed qualifications-based procurements. A copy of the appropriate procurement regulations or sections from the Procurement Code should be placed into the Procurement Library.

## CONTENT MATERIALS

Before a procurement of any size is undertaken, there should be a period of time where the Procurement Manager has an opportunity to become educated on the range of products or services that are available. Some years ago, there were unique offerors who were the only source for specific application systems or various types of hardware products. That is simply not the case any more and has not been the case for quite a few years.

All too often, someone from a State agency meets one offeror at a conference or show who possesses a viable solution or the agency staff views a single product demonstration and a decision is made to conduct a procurement for that solution. **Writing RFP specifications to match a specific offeror's product is a violation of the Procurement Code.**

The recommended approach is to contact a number of offerors who have viable products and to spend some time evaluating at least a cross-section of possible solutions so that an assessment is made of potential solutions that are available.

Obtain example RFP's and contracts from other governmental entities. Purchasing Division staff maintains a library of procurement documents and contracts. Frequently, one or more similar procurements have previously been conducted. If a similar procurement has been performed in the past, the best sources of information are the Procurement Manager and the contract file that should contain the RFP document, correspondence, the Evaluation Committee Report and list of sources. A review of the RFP documents along with a conversation with the prior Procurement Managers can

give the procurement a significant head start. Even a bad example is frequently useful. It will provide information on what not to do.

The following are places to begin looking for examples and a list of potential sources:

- Purchasing Division
- Published Product Evaluations
- Trade publications
- Other states, cities, counties with similar requirements
- National associations
- Other in-state entities with similar requirements
- Federal agencies
- Requests for Information

For first-time procurements of new technologies or services, the Request for Information (RFI) processes is recommended to make the initial assessment of potential solutions. An RFI is not a formal procurement. An RFI is a brief document describing needs that is released to all potential offerors that can be reasonably identified. The list of vendors registered with the Purchasing Division is a good place to start. Many governmental entities have their own separate vendor registration process and database as well. The RFI should be sent to other potential offerors who may have responded to similar procurements for other jurisdictions plus list gleaned from trade publications. Advertisements of the RFI may also be placed in local newspapers or national publications.

The RFI should result in a collection of offeror documentation that may be followed by systems overview presentations and/or demonstrations. The RFI results should also provide some idea of relative costs. The cost figures can be used for planning and budgeting purposes. The RFI results e.g., functional capabilities, can be used for the foundation of the specifications in the RFP document.

**Potential offerors should never be used as sources for on-site analysis or studies, paid or unpaid, unless the potential offeror agrees not to submit a proposal.**

Be sure to stop the offeror contact at the point that the RFP process begins. **If an offeror assists with the development of the of the RFP or solicitation document or provides specifications, that offeror MAY NOT submit a proposal.** However, keep the offerors informed. Tell them when the RFP is targeted for issue. Establish a list of potential offerors with contact names and addresses. This list will become the list of possible sources that is discussed later in this guide concerning the issuance documents.

## D. INITIATE THE PROCUREMENT

The procurement is initiated by obtaining the governing authority's authorization to conduct a procurement requiring the evaluations of competitive sealed proposals. Do not forget to update the Concept Memorandum with the new information that was obtained through data gathering.

Each governmental entity will have somewhat different approval procedures. For State Executive Branch agencies use of the RFP procurement method for anything other than professional services must be approved in advance by the State Purchasing Agent. At a minimum, the letter requesting approval should include the following items:

- a brief description of the items of tangible property or services to be acquired or the statement of work to be performed for professional services;
- a statement regarding proposed use of the price agreement or contract;
- a statement addressing the agreement term and renewal provisions;
- the estimated price of the products or cost of services to be acquired; and
- a copy of the updated Concept Memorandum;
- a specific request that the named individual be granted the authority to serve as the Procurement Manager on behalf of the governmental entity.

As noted previously, the Chief Information Officer's approval is required to information technology procurements.

The procurement Concept Memorandum and the results of any RFI processes should be provided. In the case of a multi-year price agreement, the estimated amount should be the annual estimated purchases against the agreement. If the procurement results in a fixed term contract, the estimated amount should be for the entire contract term.

After the procurement is approved and initiated, all contact with the potential offerors must be controlled. It is unacceptable for potential offerors to be roaming around the agency asking questions or meeting with members of management or worse yet members of the Evaluation Committee. All contact with potential offerors must be channeled through the Procurement Manager who will decide whether the contact is to be allowed or prohibited. The recommended procedure is for the Procurement Manager to draft a letter for the governing authority or agency head's signature advising all division directors and bureau chiefs that a procurement has been initiated and that all requests for information regarding the procurement must be directed to the Procurement Manager. Attempts by potential offerors to solicit information concerning the procurement are also to be reported to the Procurement Manager. Persistent abuse by an offeror may be grounds for disqualification. If this problem arises, bring it immediately to the attention of the purchasing staff member who is assigned to assist with the procurement.

## **E. ORGANIZE THE EVALUATION COMMITTEE**

There are several key points regarding the organization of the Evaluation Committee as follows:

- The committee size should be manageable. Five voting members are recommended. Three voting members are the recommended minimum and seven voting members are the recommended maximum. Experience has shown that larger committees lengthen the procurement process unnecessarily and reduce the quality of the process.

- The members of the committee should be identified as early as possible. Ideally, the entire Evaluation Committee would have participated in some of the pre-procurement activities. The committee must be in place prior to the pre-proposal conference.
- The Evaluation Committee composition should represent a cross-section including agency management, user management and technical support. The correct mix depends on the type of procurement. If the procurement is for an application system, there should be sufficient user representation to cover the functional areas of the application. If it is a technical procurement, the majority of the committee should be composed of technically qualified members.
- The Evaluation Committee members must make time in their individual schedules and workloads may have to be adjusted to provide time for the members to complete document drafting and the evaluation.
- The Procurement Manager may or may not be a voting member of the Evaluation Committee at the discretion of the Procurement Manager.

## F. QUESTIONS AND ANSWERS

### **Q. What is the most common error or mistake made by Procurement Managers?**

- A. The most common error is reading the appropriate section of the guide after a mistake has been made. The guide is written as an aid to avoiding serious problems. Problem avoidance is far easier than problem resolution. Use this guide.

### **Q. What is the role of the Purchasing Division and its staff?**

- A. The Purchasing Division staff provide three levels of support. Procurements under the authority of the State Purchasing Agent will be conducted in accordance with GSD Rule 1NMAC5.2 and successor regulations and in accordance with the procedures contained in this guide. In addition, the Purchasing Division staff will assist with the procurement by distributing the one-page notice, advertising the solicitation in the newspapers, reviewing the procurement document, assisting the Procurement Manager and Evaluation Committee throughout the process, conducting the quality assurance review and preparing an award recommendation for the State Purchasing Agent. The State Purchasing Agent will make the award. For other state agency procurements, the level of support is provided in response to specific requests for guidance or assistance. The level of support is generally limited to document preparation assistance and advertising. For those procurements, the agency head or governing authority makes the award. The level of support provided to jurisdictions outside of state government also depends upon a specific request. That support may be limited to the generation of address labels from the vendor registration database, procurement manager training, example RFP's and contracts and general advice.

**Q. Who is the State Purchasing Agent?**

A. The director of the Purchasing Division of the General Services Department.

**Q. Who resolves the protests?**

A. If the procurement was conducted under the authority of the State Purchasing Agent and awarded by the State Purchasing Agent, the protest will be submitted to the Purchasing Division for resolution. The GSD Procurement Regulations provide a variety of potential resolution approaches. If necessary, the State Purchasing Agent may appoint a hearing officer to conduct a formal hearing as a means to resolve the protest. For procurements not awarded by the State Purchasing Agent, the governing authority's applicable procurement regulations apply. The governing authority is responsible for the resolution of the protest as well as any law suits that may result. That is why the Procurement Manager must know which regulations govern the procurement.

**Q. How does the State's procurement philosophy differ from other jurisdictions?**

A. The thrust of the State's procurement philosophy is to improve the quality of the offeror proposals throughout the procurement process and to award the contract to the highest ranking proposal. The objective is to award the contract to an offeror who has obtained a minimum score of 900 out of the possible 1000 points. To obtain this objective, more offerors are kept in the process and there is more work required by the Procurement Manager and Evaluation Committee. Other jurisdictions have a philosophy that is geared to looking for reasons to eliminate offerors and award to a single survivor regardless of overall score. The latter is the-more-I-can-disqualify-the-less-I-have-to-evaluate approach to public procurement. Some jurisdictions do not allow or practice a multiple step procurement process whereby offeror proposals may be improved through the "best and final" step in the process.

**Q. Why is it important to understand the State's procurement philosophy?**

A. For procurements conducted under the authority of the State Purchasing Agent, the Procurement Manager is responsible for implementing the philosophy throughout the process and conveying the thrust of the philosophy to the potential offerors. Please remember that offerors compete in a variety of arenas and jurisdictions, both public and private sectors. For example, some jurisdictions will allow the offerors to improve only a limited portion of their proposals during a best and final process, if one is conducted. Offerors are encouraged to improve all aspects of their proposals during the State's best and final process that is a required step in the State's procurement process. There are provisions in the regulations for a second best and final process, if one is necessary, to establish and award the contract to a clearly superior offeror. This approach has proven to be very successful. Other jurisdictions are encouraged to follow it as well.

**Q. How are offeror proposals improved through the state's philosophy?**

- A. The proposals are improved through amendments to the RFP document and amendments of offeror proposals. The purpose of the pre-proposal conference is to not only answer offeror questions, but also to identify RFP document amendments that will result in improved offeror proposals. The written question and answer process is designed to achieve the same objective. The best-and-final offer step in the procurement process is targeted to specific improvements in each offeror proposal. Another technique to improve the quality of the proposals is to conduct a pre-release proposal conference. On statewide procurements it is a common practice to conduct a pre-procurement conference to collect input from the offerors concerning the procurement strategy in an effort to align the procurement with the direction of the underlying technology. If the Procurement Manager is not satisfied with the results of the best and final offers, there is a procedure available that will allow the collection of a second set of best and final offers.

**Q. What is the best advice for a first time Procurement Manager?**

- A. Be thorough, follow the guide and ask questions. There are no short cuts. Procurement Managers who attempt to take short cuts end up redoing the procurement from square one. The only dumb questions are the ones that were not asked and caused the procurement to be delayed or redone.

**Q. Do I really need to get a fresh copy of the Model RFP? I already have an electronic copy from a previous procurement.**

- A. Yes! The chances are that the paragraphs have been updated since your agency's previous procurement. The model is updated on a regular basis based upon statutory changes, protests or wording changes offered by various of the State's attorneys. It is generally faster to begin with a current, updated version than find and make the changes to an old electronic copy.

**Q. Do I really need an RFP from a previous procurement?**

- A. Yes! Previous examples will help in several ways. Separate and distinct RFP document formats and contents have evolved for hardware, software, services and professional services procurements. The organization of specifications and factors appropriate for a professional services procurement will not work for a hardware procurement. The same statement is true for a software procurement. That is why Purchasing Division staff maintains examples on the web site and procurement document library. Of course, the contracts resulting from the different RFP's are entirely different as well.

**Q. Can I hold potential offeror presentations and systems demonstrations as part of the pre-procurement data gathering?**

A. Yes! However, the offeror presentations should be for all offerors of the products and services not just one or two. All potential offerors should be given the same opportunity to present their system capabilities.

**Q. How much data gathering should I do? What about professional services?**

A. The point of the pre-procurement data gathering is to assess the capabilities of the marketplace so that the procurement document reflects the state-of-the-art in terms of system requirements and optional capabilities. The pre-procurement data gathering for professional services procurements is generally limited to sizing efforts. The size of the project and scope of work are crucial components of the professional services procurement. Helpful sources may include other State agencies, other states and contractors.

**Q. At what point does the pre-procurement data gathering end and the procurement begin?**

A. It is the Procurement Manger's responsibility to make this determination by issuing or having the agency head issue a procurement initiation memorandum. From that point onward all contact with potential offerors outside of the procurement process must be stopped. Typically, the pre-procurement data gathering ends with the governing authority's approval to conduct the procurement.

**Q. A current agency contractor is also a potential offeror. How is this contractor treated?**

A. The agency's business must continue as before. The contractor is treated in exactly the same manner as before the procurement was initiated. The contractor's actions and access are limited to the scope of the current contract. The access to information regarding the nature and scope of the procurement is channeled through the Procurement Manager. All potential offerors including the current contractor are given the same access and information.

**Q. Does the pre-procurement data gathering pose a difficulty with the conflict of interest statute?**

A. If handled properly, there is no conflict of interest. The statute states, in effect, that if an offeror directly or indirectly participates in the preparation of specifications, the offeror may not submit a proposal.

Assessing the capabilities of the market place are not the same thing as the RFP specifications. The specifications are to be based upon the needs of an agency not the specifications of a particular offeror's products. If an offeror's unique specifications appear in the RFP, that offeror is automatically excluded from the procurement process.

**Q. Is there a potential conflict of interest violation with professional services contracts?**

- A. Yes! The greatest potential for problems lie with the contract for needs analysis or a feasibility study that were entered into under the small purchases provisions of the Procurement Code, contracts under \$20,000. The results of these contracts frequently are included as part of the specifications or an RFP appendix. In either case the contractor is eliminated regardless of any agency assurances to the contrary. Even if the contract products are not a specification, the contractor through its access to agency personnel may have gained information and an unfair competitive advantage that also eliminates the contractor from participating in the procurement process. Problems of this type are impossible to solve after the fact. Don't let that happen in the first place.

**Q. How are multi-phased projects addressed?**

- A. The phases are carefully defined to prevent conflict of interest violations. The first phase contractor is acquired through an open competitive procurement. The relationship between phases and future procurements should be defined in the Concept Memorandum and presented to the governing authority and the governing authority's approval specifically indicates whether the contractor will be allowed or prevented from submitting a proposal to subsequent phases. If allowed, all potential offerors have an equal opportunity to gain a competitive advantage by winning the first phase contract. Additionally, the first phase deliverables are not in the form of RFP specifications. A team of procuring agency employees will have the task of developing the second phase RFP specifications without contractor involvement.

Another approach is to construct the procurement document, specifically the contract scope of work, to include multiple project phases. For this approach, the deliverables from each phase are used to guide the subsequent phase. Work may be performed either on a fixed rate, a time and materials basis, or a negotiated fee per phase basis. The Procurement Code allows professional services contracts for terms not to exceed four years in duration. This time frame should be sufficient for even the most complex projects.

**Q. When should the Evaluation Committee be organized?**

- A. As soon as possible. Ideally, at least some members of the Evaluation Committee should have participated in the pre-procurement activities. Put another way, people who participated actively in the pre-procurement activities are ideal candidates as members of the Evaluation Committee.

The Evaluation Committee must be designated prior to the pre-proposal conference and should be designated prior to the RFP issuance and they should have participated in the RFP drafting and review phases.

**Q. Who should serve on the Evaluation Committee?**

- A. Agency heads, division directors and bureau chiefs do not usually have the time to devote as a voting member of the Evaluation Committee. Therefore, they should not serve. They may participate as an interested observer, but they may not serve as a full voting member.

For most application systems, the Evaluation Committee should be composed primarily of users. For example, in a five member committee, three members would represent various user central and field office interests, one member would be provided from the information systems organization and one member may be from purchasing, auditing, legal or the Office of the Secretary. It is essential that at least one member of the committee have a thorough understanding of the technology. For the technical procurements, the majority of the Evaluation Committee should be composed of technically qualified members.

**Q. Does the Procurement Manager vote?**

- A. The Procurement Manager may chose to be either a full voting or non-voting member of the Evaluation Committee. Some Procurement Managers believe that they can do a better job of managing the procurement as a non-voting participant.

**Q. What is the best size for the Evaluation Committee?**

- A. Five voting members has worked the best. Seven is the absolute maximum. Three is the minimum. An uneven number is necessary to avoid “tie” vote situations.

**Q. When do I stop contact with potential offerors? How do I prevent further contact?**

- A. Contact with potential offerors must be stopped when the procurement is initiated. The approval of the governing authority is the normal initiation point. The procurement initiation letter should be prepared and distributed as soon as possible after the governing authority’s approval is granted. If a potential offeror calls, simply explain that a public procurement process has been initiated and any contact outside of the process could jeopardize the potential offeror's ability to submit a proposal. Most company representatives have been involved in public procurement situations and will be very understanding and helpful. If the representative is persistent or abusive, follow up the contact with a strongly worded letter, copy to the purchasing staff. That will usually solve the problem. For extreme cases, the Procurement Code provides for debarment that bars the potential offeror from submitting a proposal.

**Q. Who should serve as the Procurement Manager?**

- A. Any responsible person who is able and willing to conduct a thorough, impartial procurement may serve. Some individuals who are willing may not be able to serve because of competing workload, projects or assignments. The Procurement Manager must have control of her/her time to perform the job duties in a timely manner to keep the procurement on track and on

schedule. Again, agency heads, division directors and bureau chiefs are not acceptable choices because they typically do not have the time to devote to the procurement. It is unacceptable for the Procurement Manager to delegate procurement responsibilities to support personnel.



## **CHAPTER THREE**

### **DRAFT THE RFP**

If you don't know what you want,  
how do you know when you have it?



For procurements conducted under the authority of the State Purchasing Agent, begin the drafting process by using the latest version of the Model RFP document or a good electronic example RFP and contract that was provided by Purchasing Division staff. For other procurements and jurisdictions, find an electronic copy of the required boilerplate and contract. It may take some effort to find them, but they exist somewhere in the organization. Start with the purchasing and legal sections.

If the entity conducting the procurement has not developed a model RFP document, use the one prepared by the Purchasing Division as a place to begin. The Model RFP document contains the RFP format and all the required paragraphs. Follow the format. Background information belongs in the paragraph titled "Background Information". The specifications belong in Section IV and the evaluation factors in Section V. Write it only once in the correct section and paragraph.

Over the years and numerous procurements, different techniques have evolved for structuring the specifications for software, hardware, services and professional services procurements. That is why an example from a previous successful procurement is very valuable.

## **A. ESTABLISH THE PROCUREMENT SCHEDULE**

The procurement schedule depends upon many factors including the length of the offeror response period, holidays, leave and individual commitments of the members of the Evaluation Committee. Select the target award date and work back toward the issue date.

The following paragraphs contain some of the considerations for each step in the evaluation process. An example schedule is on the diskette containing the shell RFP document.

- **Protest Deadline**

The protest period ends fifteen calendar days after the award unless the deadline day is on a weekend or holiday in which case the protest period expires at close of business on the first working day following the weekend or holiday. The day after the award is day one of the period. Check local regulations and procedures for local deviations.

- **Contract Award**

The State Purchasing Agent awards contracts and price agreements every day. However, it takes at least one day to complete the quality assurance review after the award materials are delivered to the Purchasing Division. Therefore, it is prudent to leave three working days in the schedule for the review and award. Check local regulations and procedures for local deviations. The award materials for awards by the State Purchasing Agent include Evaluation Committee Report, the Management Recommendation Letter, the signed

contracts or price agreements and one copy of each offeror proposal including any “best and final offers”.

- **Finalize Contract**

Since the contract negotiations are overlapped with the procurement process it should only take a few days to finalize the contract with the selected offeror. However, this step is dependent on a management review and approval of the contents of the Evaluation Committee Report. That event may take several days to conclude after the Evaluation Committee Report has been prepared, signed by the members of the Evaluation Committee and presented to management for review and approval. At least two working days should be reserved for the completion of the Evaluation Committee Report after the oral presentation and/or product demonstrations. For complex procurements that require an extensive Evaluation Committee Report, leave more time in the schedule.

- **Oral Presentation and/or Product Demonstration**

The length of time required for the oral presentations and/or product demonstrations is determined primarily by the time to complete the event for each finalist. Remember only the finalists complete this step of the procurement and rarely are there more than four finalists selected for a procurement. For a relatively simple professional services procurement, the oral presentation including a period for Evaluation Committee questions, can reasonably be completed within two hours. Therefore, two presentations can be scheduled for a day. For the more complex technology procurements or the large scale system procurements that include product or system demonstrations, one full day is the recommended minimum period for each finalist offeror.

- **Best and Final Offers**

The Procurement Manager must establish a common due date and time for the receipt of best and final offers. They must be submitted prior to the initiation of oral presentations and/or product demonstrations. The Procurement Manager should have time to make copies of the offers and distribute them to the Evaluation Committee for their review prior to the first presentation and/or demonstration. Appropriate instructions should be included in the best and final letters. It is unreasonable to expect any responsible offeror to produce a meaningful best and final offer in less than one week. Therefore, one week in the recommended minimum time period for the schedule. For the simple professional procurement, a response period of only a day or two may suffice. However, for the complex, large-scale procurement, ten days is the recommended minimum.

- **Selection of Finalists**

The selection of finalists concludes the proposal evaluation. Since finalist notification requires the preparation and distribution of the finalist notification letters, the Procurement Manager must include time in the procurement schedule for that activity. The time required is dependent on the number of finalists selected and the complexity of the procurement. For the simple professional services procurement, the notification letters may be completed in a single day. For the complex, large-procurements it may take several days to complete the letters. In addition, the letters may have to be reviewed by an attorney before distribution.

- **Proposal Evaluation**

The length of time for the proposal evaluation depends on the number of proposals expected and the availability of the Evaluation Committee. How many hours a day can the Evaluation Committee devote to working on the evaluation? Experience has shown that six hours is the maximum to be expected. Most Procurement Managers require at least one-half day to prepare and set up the proposals for the Evaluation Committee. The Evaluation Committee members should be allowed at least two days to review the proposals and prepare for the Evaluation. During the review period, the proposals should be validated for compliance with the mandatory requirements. If the Evaluation Committee as a whole is to perform the mandatory requirements validation, then additional time will have to be placed in the schedule for that activity.

- **Demonstration Agenda**

Experience has shown that although any two systems may have equivalent functions, the ease of use and other characteristics of the systems may vary widely. Therefore, a system demonstration is a part of the typical procurement process. Although only the finalist offerors will conduct demonstration, the agenda should be distributed to all offerors who submit proposals. This will ensure that each offeror has adequate time for preparation. Most Procurement Managers have chosen to distribute the demonstration agenda on the date that proposals are due. They simply hand the demonstration agenda to the offeror's representative when the proposal is delivered. The general demonstration requirements should be included in the RFP document and available at issuance. Demonstrations are also recommended for professional services and services procurements that allow or encourage offerors to utilize computer system software or other specialized tools in the performance of services. This is particularly true if procuring agency staff will be expected to utilize the specialized tools.

- **Submission of Proposals**

The offerors must be given adequate time to prepare their proposals. If the procurement is running behind schedule, there is a tendency to cut time out of the response period. This is a mistake. Experience has shown that the quality of the proposals suffer if the response period is too short. Some viable offerors may choose not to submit a proposal and the proposed costs tend to be higher. In addition, poorly prepared proposals are far more difficult and time consuming to properly evaluate. Therefore, cutting the response period is often a self-defeating strategy. Establish the length of the response period based upon the level of effort that is required to evaluate the requirements, prepare and submit a quality proposal. The typical response period for a complex, large-scale procurement is three months.

**A THIRTY-DAY PERIOD FROM ISSUANCE TO PROPOSAL SUBMISSION IS THE RECOMMENDED MINIMUM DURATION. MOST PROCUREMENTS HAVE A LONGER RESPONSE PERIOD.**

Offerors are generally still working on their proposals the weekend prior to the submission deadline. The executive management must review the proposal and sign it before submission. Therefore, a Monday should never be the submission due day. The afternoons of Tuesday through Thursday are recommended.

The recommended time of day is 2:00 or 3:00 p.m. Noon is a poor choice because most agencies are not staffed at noon, and there is frequently a lot of traffic out of the building both at noon and at the close of business day. Mornings are not recommended because the offeror's staff will frequently have to fly with their proposal to Albuquerque, rent a car, drive to Santa Fe or some other city and find the appropriate building to deliver the response. The Procurement Manager must insure that someone is designated to receive the proposals, date and time stamp each one. **NEVER ACCEPT OR TAKE PHYSICAL POSSESSION OF A LATE PROPOSAL.** To prevent protests on late proposals, the language in the required paragraph contains the wording "Mountain Standard Time" or "Mountain Daylight Time". It is essential to make the correct time designation. A federal law, administered by the U.S. Transportation Department, specifies that daylight time applies from 2:00 a.m. on the first Sunday of April until 2:00 a.m. on the last Sunday of October.

- **Response to Written Questions/RFP Amendments**

The written response to questions and/or RFP amendments are to be sent to all organizations on the procurement distribution list. Since the response to questions may have a significant impact on an offeror's proposal there must be adequate time allowed between the distribution and the proposal due date

for the offerors to finish their proposal based on the response to the questions and RFP amendments. If, after issuance of an RFP, there is a significant change in RFP requirements, the Procurement Manager should amend the procurement schedule and delay the proposal due date at this point in the process. However, an adequate response period is critical. For the simple procurements a minimum of two weeks in the procurement schedule between the written response and the proposal due date is recommended. For the complex, large scale procurements a much longer period is recommended. For the latter case, potential offerors are typically given seven days from the date of distribution to ask follow-up questions on the published answers and amendments. This iterative process must be taken into consideration in the procurement schedule.

- **Deadline to Submit Additional Questions**

Experience has shown that this is an important step in the procurement process. Potential offerors may not have been able to assign staff in time for attendance at the pre-proposal conference or mail delays may have resulted in the receipt of the RFP after the pre-proposal conference was held. Potential offeror representatives frequently report back to their management after the pre-proposal conference and additional questions arise. The procurement schedule should have a minimum of five working days between the pre-proposal conference and the deadline for submission of additional questions.

- **Distribution List Response**

There are two practical reasons for using an Acknowledgement of Receipt Form. It is not practical or cost-effective to send answers to questions or RFP amendments to all the potential offerors who are registered with the State Purchasing Division of other governmental entity. An Acknowledgement of Receipt Form (see final Chapter) is used to develop a distribution list of organizations that have expressed interest in submitting a proposal. The second practical reason is to prevent protests from claims of missing RFP pages. Potential offerors are requested to confirm that they received the RFP containing a specified number of pages.

Most Procurement Managers collect the Acknowledgement of Receipt Forms at the pre-proposal conference. The recommended due date for the Acknowledgement of Receipt Form is the same date as the deadline to submit additional questions. It is not necessary or desirable to put additional time in the schedule for this event.

- **Pre-Proposal Conference**

Be sure to provide ample time in the schedule between the RFP issue date and the pre-proposal conference. Potential offerors must receive the RFP, review the RFP, assign staff and make travel and other arrangements to attend the pre-proposal conference. If one-page notice procedure is being utilized, the pre-proposal conference may be within a week of the RFP issuance date. The one-page notice that was distributed to the potential offerors one week prior to the RFP issuance date contains the information about the pre-proposal conference. Potential offerors may make their travel arrangements well in advance of receipt of the RFP document. Otherwise, ten calendar days is the recommended minimum.

If out-of-state offerors are expected to attend the conference, then an after lunch 1:30 p.m. start is recommended for the conference.

- **Issue the RFP**

The issuance procedures for procurements under the authority of the State Purchasing Agent require that the issuance package be delivered to the Purchasing Division fifteen (15) days in advance of the issue date. This period of time may be used for the final Purchasing Division staff review of the RFP, in-house legal counsel review of the RFP, final document formatting, last minute editing, and making copies for distribution. In addition, the Purchasing Division uses this time to arrange for advertising the procurement and for the distribution of the one-page notices which includes posting on the Internet.

Target dates may now be established for the completion of the drafting phase. Experience has shown that at least three drafts of the RFP are required before it is ready for issue. Deliver the initial complete draft RFP to the Purchasing Division staff as soon as it is complete. Do not wait for the fifteen (15) day cut off.

## **B. SCOPE OF WORK**

After the procurement schedule has been defined, the next most important element to draft is the detailed scope of work.

The location for the detailed scope of work is in the contract which is included as part of the solicitation as appendix B. Here again, examples used in similar previous procurements may be of considerable assistance.

The detailed scope of work describes what the contractor is to accomplish. It should address what, who, when, where, and how.

- What is to be done? What are the deliverables?
- Who is going to do it?
- When it is going to be done?
- Where will it be done?
- How it will be done and how you can tell when it is done.

The following are some additional suggestions regarding the scope of work:

- For procurements that will result in a price agreement, the detailed scope is generally limited to a sentence or two describing the products or services that will be supplied under the terms of the agreement.
- For software procurements the scope of work may include the software, software configuration, installation or installation guides, implementation plans, acceptance testing, user and technical training, user and technical demonstration, additional software modules or routines, remote technical support and maintenance.
- For hardware procurements the scope of work may include site preparation, wiring and cabling, installation or installation guides, implementation plans, acceptance testing, user training, user documentation, additional hardware features or components, remote technical support and maintenance.
- For professional services the scope of work should be defined by phases with the deliverable work products defined within each phase. For information system application development procurements, the phases should follow the approved application development guidelines or some type of industry recognized application development methodology. For other professional services procurements use industry recognized standards and terminology. Again, define the scope of work in terms of deliverables.

**The only way to end well is to start well.** The detailed scope of work is the foundation for the entire procurement. It is built around the definition of the in-house resources -- such as human, hardware, and software, etc. -- that in combination with the contractor's resources will result in a successful project or product. For example, the scope of work for an application development professional services procurement should complement in-house resources including office space, clerical support, telephone, copy machine, supplies, personal computer, hardware machine resources, technicians, users, management and any other resources that may be required to complete the project.

A procurement for training resources may include in-house resources for a training facility or classroom, projection equipment, the use of a copy machine for handouts, telephone, training workstations, and supplies.

A procurement for hardware should include in-house resources for power, cooling, cabling, raised floors, conduits, interfaces, and floor space.

The point of this discussion is that the detailed scope of work must be built around the availability of in-house resources. Therefore, the in-house resources must be defined as part of the scope of work. In-house resources are defined and included in the specifications section of the RFP as information.

### **C. SCOPE OF PROCUREMENT**

The wording in the Scope of Procurement paragraph is extremely important as it is the foundation for all contract extensions or renewals that may result from the procurement. Under the Procurement Code, it is not acceptable to enter into contracts for products or services that are beyond the scope of the procurement as defined in the procurement document. For example, a procurement for software will not support contracts for hardware or professional services such as training or software modifications unless specified in the scope of the procurement. A one-time professional services contract may not be extended beyond the initial contract term even though the contractor may meet the DFA Rule 2NMAC40.2 definition for "best source". A procurement for a product that results in a one-year price agreement may not be extended for a second year. A professional services procurement to perform a needs assessment may not be expanded at a later date to include program modifications.

The scope of the procurement is frequently broader than the initial scope of work or specifications defined in the procurement document. The Procurement Code provides for contract terms of up to eight years for items of tangible personal property or services values at more than \$25,000 per year. Contract terms for professional services and for items of tangible personal property in an amount less than \$25,000 per year may not exceed four years including all contract renewals and extensions. A contract duration longer than four years is generally acceptable for software products or services that an agency intends to use for a long period of time.

Experience has shown that procurements that result in a multi-year contract should provide for renewal options for a period of less than one full year. There may be a valid reason for extending the contract for a period of six months.

### **D. TERMINOLOGY**

Complete the terminology section and clearly define the terms. This saves defining what a term means every time the term is used in the document. Use the appropriate terms consistently throughout

the document. All technical terms should be defined as well as terms such as "user friendly", "functionally complete", "integrated", etc. if they are being used in the document.

## **E. PROCUREMENT LIBRARY**

One of the most useful procurement techniques is to establish a procurement library that may contain a wide variety of documents for use by the potential offerors. Since documents contained in the library do not have to be reproduced and distributed with the RFP, much more background and other material may be made available to the potential offerors. Such materials may include the GSD rule 1NMAC5.2 or appropriate procurement regulations, agency organization, systems descriptions, needs analysis, design documentation, program listings, flow charts, floor plans etc.

Access to the library is controlled by the Procurement Manager. Place appropriate instructions in the RFP. The Procurement Manager may also specify what materials may be reproduced as well as the cost for reproductions. Some material may be subject to non-disclosure agreements. It is essential that the Procurement Manager obtain appropriate written authorizations from the manufacturer or owner of the materials prior to their availability in the library. Documents may be added to the library via RFP amendments.

Some Procurement Managers have made multiple sets of the documents so that potential offerors may check a complete set for a specified period of time. The potential offeror may reproduce the documents. Another option is to request that the potential offerors bring a personal copier with them for reproduction of selected materials from the library.

Potential offerors are given equal access to the library.

For the very large, complex procurements the Procurement Library is created first and made available for review by potential offerors before the RFP document is issued. The notification procedure is identical to the issuance procedure except the content of the one-page notice is different. This technique is used to provide the potential offerors an adequate time to study the systems documentation and materials contained in the library in an effort to keep the proposal response period at a reasonable length.

## **F. EVALUATION FACTORS**

Evaluation factors are the criteria that will be used for the evaluation of proposals. The weighted factors must be defined in the RFP as required by the GSD procurement regulations and the Procurement Code.

The weighted factors communicate to the offerors the relative importance of a specific criterion to the agency conducting the procurement. The evaluation factors are contained in Section V of the RFP document. Again, an example from a previous similar procurement may be helpful.

**A 1000 point numerical system is required for procurements conducted under the authority of the State Purchasing Agent.**

The following paragraphs contain discussions about specific factors.

- **Cost**

There is a substantial difference between system costs and purchase price for most hardware or software procurements. Professional services procurements are treated somewhat differently as described in subsequent paragraphs.

Think “Best Value”. Include in the cost model all life cycle costs as well as potential saving elements that may be used to distinguish one potential product or contractor from another. “Life cycle” are ownership costs associated with the product or system including maintenance and operational costs all of which should be reflected in the model even if they are not going to be provided by the contractor. In-house resource costs are costs which must also be included.

- **Technical Procurement**

For technical procurements, the cost model should be for the maximum period of time for which there are valid predictable costs or projected growth statistics. For example, system maintenance costs are becoming an increasingly larger percentage of overall system operational costs. If the system is going to be kept under a maintenance contract for several years, then the procurement cost model should also include several years of costs so that actual costs can be evaluated properly. If a proposed piece of equipment is expected to support an initial volume of activity with a projected volume growth over several years of operation, then the cost model should encompass enough years to include the required hardware upgrades to support the projected growth.

A three-year minimum cost model is recommended for most technical procurements. The point of this discussion is the fact that the system with the lowest purchase price may not be the system with the lowest overall cost when operational considerations and required upgrades are included. A “life cycle” approach can identify the true costs of ownership.

- **Professional Services**

The cost model for professional services procurements should match the scope of work. The key element is the definition of the scope of work. If the scope of work encompasses four project phases over a nine-month period, the cost model should also be based on the nine-month period. If the project is for two years, then the cost model should be for two years.

There is a serious pitfall to be avoided regarding professional services cost models. That pitfall is the proposed number of hours. Without a detailed scope of work for a given procurement, one offeror may propose 500 hours while another may propose 1000. If the hourly rates are similar, then the offeror who proposed the fewer hours will be awarded the most points. This could result in awarding the most points to the offeror who did the poorest job of estimating the size of the project. Worse yet, the offeror may have deliberately submitted an unrealistic, low-ball offer.

This problem can be avoided in two ways. For project oriented procurements, the scope of work must be sufficiently detailed with requirements including phase deliverables that the offeror can evaluate, size and propose a fixed cost for the project completion. The issue of the number of hours is not a factor because the agency is going to pay based on fixed-price deliverables not hours. Therefore, proposed costs can be properly evaluated. Most RFP's of this type should also require that the offeror propose a fixed hourly rate for additional work that may arise that is beyond the project scope of work as defined in the procurement document.

For support oriented procurements, the cost evaluation should be based upon the hourly rate and an agency specified minimum number of hours. Once again the proposed costs can be properly evaluated.

**If the scope of work has been thoroughly defined and sized, use the fixed price basis for evaluation. Otherwise use the fixed hourly rate basis for evaluation.**

- **Cost Formula**

The use of a cost formula is required and must be included with the evaluation factors. The standard evaluation formula is required for procurement conducted under the authority of the State Purchasing Agent. It produces a simple mathematical proration. It is easy to understand and use. It has gained widespread acceptance as a standard. It does not severely penalize for cost differences. The evaluation factors documented in the following section of the guide have been established based upon the use of the standard formula.

If an alternate formula is desired for a procurement not under the authority of the State Purchasing Agent, the formula along with examples illustrating its use should be carefully evaluated before the RFP is issued. It is noteworthy the various cost evaluation formulas were tried before the now standard formula was adopted. It is equally noteworthy that most of the alternate formulas produced undesirable results.

$$\text{Offeror's Points} = \frac{\text{Lowest Responsive Offer Cost}}{\text{This Offeror's Cost}} \times \text{Maximum Points}$$

For ease of evaluation, a pricing sheet should always be included in the solicitation as an appendix. The grand total on the pricing sheet provides the input for the formula.

- **Balancing the Base Evaluation Factors**

The evaluation factors and their weights vary depending upon the type of the procurement. The following are the established base factors and their weights which have produced the best result. These recommended base factors and weights are the result of several hundred RFP based procurements:

- Professional Services - Firm Fixed Price Contract
 

Experience	
- Corporate	175
- Key Personnel	125
Methodology/Tools Employed	50
Technical Merit of Proposed Solution	50
References	
- Corporate	50
- Key Personnel	50
Project Plan	100
Cost	300
Oral Presentation	100

The base factors for this type of procurement strike a balance between quality, knowledge and experience of the offeror and key personnel versus cost and proposal work products. The base factors of Methodology and Technical Merit are established for the assessment of “best value” for the procuring agency. For contracts for amounts in excess of \$500,000 a performance bond is recommended for this type of procurement instead of an evaluation of financial stability or retainage as the primary performance protection. The cost factor may be increased to 350 points with a corresponding 50 point total reduction to the other factors. Higher cost factors have produced undesirable results. Compensation is based upon receipt and approval of deliverables in accordance with the approved project plan. The oral presentation should cover all aspects of the offeror’s proposal.

- Professional Services - Fixed Hourly Rate
 

Corporate Experience	100
Proposed Personnel Experience/Knowledge	300
Work Product Examples	100
References	
- Corporate	50
- Proposed Personnel	50
Cost	300
Oral Presentation	100

The base factors for this procurement focus primarily on the quality, knowledge and experience of the proposed personnel. Obviously, the contract must contain provisions that bind the contractor to assign the proposed personnel or their knowledge and experience equivalents to the contract. Compensation is based upon the receipt and approval of identified deliverables or task orders. If a series of deliverables are required to complete a project or system, a minimum level of retainage is recommended as a contractual performance protection. The “best value” factor for this procurement is the quality of the proposed personnel. The oral presentation should focus on the knowledge, skills and experience of the proposed personnel.

- Services

Experience	
- Corporate	200
- Key Personnel	50
References	
- Corporate	100
- Key Personnel	50
Cost	400
Technical Merit of the Proposed Solution	100
Proposed Transition/Work Plan	100
Oral Presentation	0

This type of procurement is based upon a foundation of contractual performance guarantees. Given the underlying performance guarantees, cost is the “best value” determinant. The cost factor may be increased to 500 points and the Technical Merit eliminated if there are no other anticipated “best value” aspects to offeror proposals. Financial stability is a critical mandatory pass/fail evaluation requirement for which no points are awarded and appropriate liquidated damages paragraphs are required contractual protections against unsatisfactory performance. The oral presentation should be used to validate the evaluation scoring by factor.

- Small Hardware

Desirable Functional Capabilities	200
Maintenance and Support	100
References	100
Cost	400
Demonstration	200

Cost and functional capabilities are the key, “best value” determinants for this type of procurement. As always, the cost model should include life cycle costs with at least three years of maintenance and operational expenses. The demonstration is focused on the core mandatory functional capabilities of the

proposed hardware followed by a demonstration of the desirable functional capabilities. The purpose of the demonstration is to validate offeror claims of functionality and to assess the ease of use and other aspects (ease of maintenance, upgrade ability, training, etc) of the product that may represent the best value to the procuring agency.

- Large Hardware
 

Desirable Functional Capabilities	300
Maintenance and Support	100
References	100
Cost	400
Acceptance Test Plan	100

As in the case of the small hardware procurement, the cost and functional capabilities are the key, “best value” determinants for this type of procurement. The primary difference between the two procurements is the demonstration. It is frequently impossible to demonstrate the equipment in a large hardware procurement. Therefore, the acceptance test contractual requirement is inserted in place of the demonstration. The procurement principle is to thoroughly test the equipment before it is purchased. For the small hardware procurement, the principle is addressed with the demonstration. For the large hardware procurement the principle is addressed by conducting a thorough on-site acceptance test after the equipment is installed but before any payments are made to the selected contractor. The offerors are required to include an acceptance test plan as part of their proposals. The plan should address both core mandatory functional requirements as well as the desirable functional capabilities. The typical acceptance test period is thirty to sixty days.

- Software
 

Desirable Functional Capabilities	250
Maintenance and Support	100
References	100
Cost	350
Demonstration	200
Project Plan (optional)	

The cost and functional capabilities are the key, “best value” determinants for this type of procurement with the functional capabilities weighted slightly over cost. Again, the cost evaluation model should include the life cycle costs for both maintenance and operation of the system for at least three years. In addition, the cost of in-house maintenance and operation expense should be included. Software must always be thoroughly demonstrated as part of the procurement and the demonstration should be conducted using the procuring agency’s data. Software always works well on canned offeror data that has

been selected to highlight offeror selected features of the system. Caution! The software may not work at all with your data. As in the case of the small hardware procurement, the demonstration should focus on the core, mandatory functional capabilities followed by a demonstration of the desirable functional capabilities. The purpose of the demonstration is to validate offeror claims for functionality and to access ease of use attributes of the system. Depending on the value of the acquisition and the complexity of the implementation, the project plan may be an important base evaluation factor.

- **Qualification Based**

Section 13-1-120 of the Procurement Code establishes the six base evaluation factors for “competitive sealed qualifications-based” procurements for architects, engineers, landscape architects and surveyors. The Property Control Division of the General Services Department has considerable experience with this type of procurement. The following is a list of base evaluation factors with the recommended weighing based upon experience.

Specialized Design/Technical Competence	25
Capability/Capacity	15
Record of Performance	15
Proximity/Familiarity	10
Design in New Mexico	10
Volume of Work	5
Understanding the Scope of Work	20

Based upon the experience of the Property Control Division, a 100 point scale works well for the routine qualifications-based procurement. For the large, complex projects, the 1000 point scale is recommended. Since the total amount of the proposed contract is stated in the RFP document, cost is not an evaluation factor. The weighted base evaluation factors listed above have consistently resulted in the selection of the contractor that represents the “best value” for the project.

- **Example Factors**

The following are some example evaluation factors:

- Proposed Methodology (100 points)

The offeror's proposed methodology, including examples, will be evaluated for thoroughness and applicability to the project.

- Experience (300 points)

Points for offeror's experience will be awarded based on the evaluation of: Offeror's relevant organizational experience in developing and analyzing automated systems for collection and analysis of health status and environmental health data, based on descriptions of similar prior projects of the offeror. (150 points)

Experience of project staff members in the development and analysis of automated systems for collection and analysis of health care, health status and environmental health data, as indicated by resumes submitted in the proposal. (150 points)

- References (100 points)

Points for references will be awarded based upon an evaluation of offeror's work for previous external clients receiving similar services to those proposed by the offeror for this project.

- Project Plan (100 points)

Points will be awarded based upon the quality, efficiency, and thoroughness of the project plan submitted as part of the offeror's proposal.

**IF THE EVALUATION FACTORS ARE ESTABLISHED FIRST, THE SPECIFICATION SECTION BECOMES FAR EASIER TO CONSTRUCT.**

## **G. MANDATORY TECHNICAL SPECIFICATIONS**

Offerors are not awarded points for meeting mandatory specifications. The failure of an offeror to meet a mandatory specification will result in disqualification of the proposal. For some specifications, points may be awarded for the quality of the response. Mandatory specifications must be clear, concise and contain the terms "must", "shall", "will", "is required", or "are required". It is always preferable to use the same term for all of the mandatory specifications. It is also preferable to divide mandatory and desirable technical specification into clearly labeled separate sub-sections whenever possible.

**Each specification must answer the following three questions.**

- **What is the offeror to propose, provide or describe?**
- **What parameters or restrictions apply?**
- **How is the response to be provided?**

The following are examples of properly worded mandatory specifications:

- Offerors must propose a DASD subsystem which is IBM plug-to-plug compatible to IBM's 43XX series of processors and must not require any hardware or software modifications. Documentation is required.
- Offerors must possess all required licenses at the time of proposal submission. Evidence of this fact must be submitted as part of the proposal.
- Offerors must explicitly warrant that their proposed DASD subsystem is capable of normal function at a 7,000 foot elevation. A statement to this effect is required.
- The system must create a permanent audit trail of each addition, deletion, or modification to every record in the system. The audit trail must identify what was added, changed or deleted in any system file by individual name, date and time of day. Appropriate documentation describing this required system functionality must be submitted as part of the proposal
- Offerors must submit resumes of proposed project staff members, including proposed project staff of joint venture members or sub-contractors.
- The offeror must submit a statement of relevant corporate experience, including the relevant experience of joint venture members or sub-contractors. The statement must contain, at a minimum, .....
- Offerors must submit a thorough project plan. At a minimum the project plan must include a Gantt chart including tasks to be performed and the timeframe for the completion of each task.
- Offerors must include in their proposals three external customer references from large private or governmental organizations. Customers submitted as references must have acquired products from the offeror equivalent to those proposed for the procurement. The following information must be provided for each customer reference:
  - Name of customer's organization
  - Mailing address
  - Contact name
  - Telephone number of contact (including area code and extension)  
Product(s) used, cost and number

Please note that the quality of the responses of the last two examples are evaluated and awarded points accordingly.

Licensing and certification requirements are always mandatory specifications. Require evidence to be submitted with the proposal.

## **KEEP THE NUMBER OF MANDATORY SPECIFICATIONS TO AN ABSOLUTE MINIMUM.**

### **H. DESIRABLE TECHNICAL SPECIFICATIONS**

Desirable or optional specifications are always awarded points in the evaluation process. The desirable specification must be clear, concise and contain the terms "*can*", "*may*", "*should*", "*preferably*", or "*prefers*". It is always preferable to use the same term for all of the desirable specifications.

**Each specification must answer the following three questions.**

- **What is the offeror to propose, provide or describe?**
- **What parameters or restrictions apply?**
- **How is the response to be provided?**

The following are examples of properly worded desirable specifications:

- Offerors should include in their proposals citations from articles and reviews from nationally recognized technical publications which have evaluated the performance and reliability of their proposed systems.
- The Agency is interested in providing cost-effective long distance services to all State agencies and all their locations throughout the State. Offerors should thoroughly describe how they would provide these services and the areas of the State where the services would be available.
- Offerors should provide a training plan including the training approach, topics covered, and the timing of the training. This plan should cover both training conducted prior to the installation, as well as follow-up training during the warranty period and thereafter. This plan will be evaluated for appropriateness, quality, and completeness.

The key point to remember while drafting the technical specifications of the RFP is to strike a balance between a thorough description of what the system is required to do without restricting an offeror's ability to offer the best solution.

### **I. MANDATORY BUSINESS SPECIFICATIONS**

Once again, this sub-section of the RFP is highly tailored to the specific procurement. There may be both mandatory and desirable specifications. The business sub-section is the intended location of a thorough description of the cost and other financial related requirements. **IT IS IMPERATIVE THAT ALL OF THE OFFERORS ARE PROPOSING COSTS ON THE SAME BASIS.**

Elements of this sub-section may include:

- Total cash purchase price
- Total cash purchase price with warranty and maintenance for a specified period
- Lease for a specified term and specified purchase option, if any
- Rental
- License fees and maintenance costs for a specified period
- Training costs
- Shipping
- Destination charges
- Conversion costs
- Travel and living costs for the contractor's employees
- Building or modifications to the physical environment
- Work space requirements or costs
- Support requirements - clerical, etc.
- Installation costs
- Acceptance testing requirements
- Proposal bonding requirement
- Performance bonding requirement
- Fixed rates for technical support
- Additional hourly rates for technical support
- Any other element of cost that is appropriate for the procurement

Travel and temporary living expenses are cost elements that must be specifically addressed for all procurements. There are several alternatives. Travel and temporary living expenses may be included in the contractor's firm, fixed cost or firm, fixed hourly rate proposals. The expenses may be reimbursed based upon actual expenditures with appropriated documentation. The expenses may be limited to the state's published per diem rates. There are advantages and disadvantages to each approach. Since most contract administrators do not want to manage or otherwise approve expense reports for contractor personnel, most procurements require that travel and temporary living expenses be included in the firm, fixed cost or hourly rate.

The following are examples of mandatory business specifications:

- Cost

Offerors must propose a firm, fixed hourly rate for the completion of the first four phases of the project on the "Proposed Cost" form in Appendix \_\_. The proposed hourly rate must include:

- A fully-loaded hourly rate for personnel services to include fringe benefits and any overhead costs.
- Travel and lodging expenses.
- New Mexico Gross Receipts Tax at the applicable rate:
  - Out-of-State companies at 5%.
  - Companies with nexus in NM at the appropriate local rate.

- Clerical support.
- Equipment and software.

- Cost Proposal

The offerors must complete the Proposal Cost Summary Schedule found in Appendix \_\_\_\_ in accordance with the following instructions and return it with the proposal.

- Core system license - cash purchase price.
- Installation - cost for initial software as well as any planned up-grades.
- System Interfaces - to existing applications that currently use or provide fiscal information.
- Conversion - existing data, files, documentation.
- Pre-Implementation Consulting Services - will be required to prepare systems and personnel for installation of offered system.
- Training - in-depth training for approximately sixty (60) persons.
- Software Maintenance - support for software upkeep and upgrades.
- Travel - air fare, private auto mileage, rental car fare.
- Training Materials - contractor must provide training materials, manuals, work books, and/or user guides as appropriate for number of people to be trained.
- Per diem - meals, lodging.
- Other module licenses - as recommended by offeror.
- Warranty period - contractor must identify core system warranty period.

- Financial Stability

Offerors must complete the Three Year Financial History Form provided in Appendix \_\_\_\_ and return it with their proposal. Offerors must submit adequate evidence of financial stability with the form. The evidence should be in the form of audited financial statements for the three most recent fiscal years for which financial statements are available. Other evidence in the form of letters from banks and creditors may be submitted. The Procurement Manager reserves the right to request that the offeror provide adequate evidence of financial stability.

- Financial Statements

Offerors must include in their proposals, if they exist, copies of the most recent year's independently audited financial statements, as well as those for the preceding three years. These should include the audit opinion, the balance sheet, statements of income, retained earnings, and cash flows, and the notes to the financial statements. If independently audited financial statements do not exist for the offeror's firm, the offeror shall state the reason and instead submit sufficient information to enable the evaluation committee to determine the financial stability of the offeror.

Procurement Managers should take care that the financial stability documentation requested in the RFP is appropriate to the offerors likely to compete in the procurement. Audited financial statements

will usually be available only from corporations in the form of an annual report. Other business forms such as proprietorships and partnerships generally do not have a need for audited financial statements and rarely, if ever, can provide them. Major ("Big Six") international accounting firms, for instance, are organized as partnerships and do not prepare annual reports.

Do not expect potential offerors to generate audited financial statements solely for the purpose of competing in a procurement. Producing audited financial statements is an expensive and time consuming effort that businesses do not undertake lightly; they will usually withdraw from the procurement rather than prepare financial statements.

In addition, Procurement Managers must be aware that financial statements are not available until some months after the completion of a fiscal year, and that corporations' fiscal years are not uniform. (Fiscal years are usually set up for taxation or operating cycle reasons.) Furthermore, there are legal restrictions on the release of preliminary operating results, so the RFP should not require offerors to supply information on very recent time periods. The final chapter contains a Three Year Financial History form that may be used for evaluation purposes.

- Performance Bond

A performance bond is a critical contractual protection for large-scale fixed price contracts of both products and services. Appropriate language must appear in the specifications section of the RFP document and in the contract. The mandatory business specification language follows:

Offerors must include with their proposal evidence of their ability to provide an acceptable performance (surety) bond as specified in paragraph \_\_ of Appendix B, Contract Terms and Conditions.

An example contract paragraph follows:

Within ten (10) days of the effective date of the contract, the contractor shall procure and submit to procuring agency name and maintain a performance bond in the name of the named governmental entity insuring the contractor's performance under the contract. The performance bond shall be in a form approved by the procuring agency name in the amount of \_\_\_\_ million dollars (\$\_,000.000) for a period of number months from the effective date of the contract. The performance bond shall be obtained through any surety licensed to do business in New Mexico and with all fees current.

## **J. DESIRABLE BUSINESS SPECIFICATIONS**

Desirable business specifications are rarely used as the requirements for cost, bonding, acceptance testing, and financial stability are treated as mandatory specifications. Of course, there are points associated with the cost factor via the cost formula. Experience has shown that there is essentially no value to assigning points to financial stability. If the offeror does not have sufficient financial

resources to perform the work, it is clearly not in the best interest of the State or the agency to contract with them. After a thorough investigation, the offeror should be designated as non-responsible and eliminated from further consideration or not selected as a finalist.

## K. THE CONTRACT

The Procurement Code requires that the RFP document contain all of the relevant terms and conditions. For a number of important reasons including the fact that the Structured Evaluation Methodology requires a uniform foundation set of terms and conditions for the evaluation, the actual contract must be included as a part of the solicitation as an appendix. Yes! The actual contract must be included. The only exception is small software licensing agreements.

The inclusion of the actual contract meets the Procurement Code requirements and allows for the contract negotiation process to be overlapped with the conduct of the procurement. This significant change from the more traditional approach of negotiating the contract after the award resulted from a number of very bad experiences when the contracts could not be negotiated or they took an extended period of time to complete, or the agency ended up with substantially less than what was proposed at the time of the award.

The inclusion of the contract with the RFP requires some up front investment in time but that investment has proven time after time to be worth every minute through the avoidance of negotiation problems and other lengthy delays. **The objective of this approach is to have the contractor's signature on the contract prior to the award.** Some of the important benefits include the following:

- The negotiation is based upon the agency's contract not some 50 page document prepared by a battery of corporate attorneys that no one assigned to the procurement can understand. In-house governmental counsels can not be experts on the underlying law or other relevant provisions for every type of product or service a procuring agency may require. However, corporate attorneys focus only on a narrow segment of law that pertains to the products and services that they offer. Remember, a contract is generally biased in favor of the side who drafted the contract. Do not be tempted to use the offeror's "standard" contract form.
- The negotiation is overlapped with the procurement process where limited in-house legal resources can be scheduled and utilized efficiently and effectively. Most in-house governmental counsels are stretched thinly across all the functions and activities of the procuring agency's activities. This allows the in-house counsel to schedule and allocate specific blocks of time to the procurement activity.
- The resulting contract matches the contractor's proposal.

- The agency is in a position to maximize its negotiating position. That position deteriorates substantially after the award.
- It reduces the involvement and compresses the time frame for corporate counsels. This generally produces a more favorable contract for the procuring agency.
- It allows the proposal evaluation to be completed on a truly apples-to-apples comparison basis.

For many procurements it is equally important for the offerors to respond in their proposals to the wording of the scope of work or other material contract provisions as their response to the content of the scope of work. This is extremely important to procurements for services. By placing the contract in the RFP document, offerors have an opportunity to carefully review all elements of the contract and respond with alternate wording as may be appropriate.

There are many sources for the contract. The Purchasing Division staff maintains example contracts in the RFP Library. Most agencies with in-house legal resources have examples as well. The Model RFP document includes the required paragraphs for professional services. The point here is that the creation of the contract is not nearly as difficult as it was several years ago when each contract was developed from scratch.

Another significant point about the contract is the fact that the contract document is highest on the order of precedence in the case of any disputes. That means the contract document governs. It also means that the document should be thorough with sufficient integrity that it can stand alone for the resolution of disputes etc. Other documents including the RFP and the contractor's proposal should be included by reference, but the contract should not rely upon them for such major areas as scope of work, payment provisions, warranties, contract protections, performance measurements, etc. The point here is that the Contract Administrator should have to rely upon only the contract for effective administration.

Small software licensing procurements do not need to contain a complete contract as an RFP appendix. This is a practical exception to the standard rule. Software houses have standard licensing agreements that protect their proprietary interests in the software. These agreements are not usually troublesome. The RFP will generally request that the offeror include a copy of the license agreement with the proposal with the understanding that the agency will require the agreement to be modified for the provisions of acceptance, appropriations and governing law. The agreement should include the phrase that gives the agency a "non-exclusive, non-transferable, perpetual license to use the software". For larger software acquisitions there should be source code escrow agreement or other provisions whereby the agency may be given access to the source code.

## L. CONTRACT PROTECTIONS AND MANAGEMENT

The purpose of a contract is to document the basis of the agreement between the parties and protect the interests of those parties. Therefore, it is imperative to understand the key elements of a properly prepared contract that affords appropriate protections for the governmental entity.

The first and most important protection is a clearly defined statement of work and clearly defined deliverables. The second most important protection is payment after review and approval of each deliverable. The Procurement Code provides and the Model RFP contains language whereby the contractor is paid only after acceptance of a product or services. An invoice is not a product or service. Pay only after the deliverable, a product or service, meets the requirements.

Experience has shown that the next most important protection is the duties and responsibilities of a contract administrator or project manager clearly defined in the contract. Having a single point of contact to provide direction and approvals aids both the contractor and the governmental entity in the performance of the contract. Communication errors and misunderstandings are virtually eliminated as well as deliverable acceptance and payment issues.

The use of retainage, performance and proposal bonds are useful additional contract protections. However, they are not an adequate substitute for the primary protections discussed in the previous paragraphs. Proposal bonds should not be necessary if the procedures in this guide are followed.

## M. QUESTIONS AND ANSWERS

**Q. Chapter Three of the guide contains a recommendation that the evaluation factors be drafted before the specifications. Why?**

A. It just works out better that way. Given a choice, most application users will say that everything is mandatory. By beginning with an agreement on the evaluation factors, including the desirable system features, the drafting process goes far more smoothly and the actual mandatory specifications are easily identified.

**Q. When does Daylight Saving Time begin? End?**

A. Daylight Savings Time begins at 2 a.m. on the first Sunday of April and ends at 2 a.m. on the last Sunday of October.

**Q. What is the difference between an ESS, a PSS and an SSS?**

A. An Equipment and Services Schedule (ESS) has hardware products whereas a Product and Services Schedule (PSS) or Software and Services Schedule (SSS) does not. They are required only for procurements that result in price agreements. Through this technique the contractor and the procuring agency can easily update the supporting schedule of products

and prices without amending the price agreement document itself. Variations on this approach can be devised for many different RFP based procurements that result in price agreements.

**Q. What is the difference between the terms "bidder" and "offeror"?**

A. The terms are defined in the Procurement Code. A bidder is one who responds to an invitation for bids and an offeror is one who responds to a Request for Proposals. The Procurement Code and the GSD procurement regulations and requirements are substantially different for the two types of public procurements. Therefore, it is essential that the appropriate terminology be used. The terms "bid" and "bidder" must not be used in a Request for Proposals document or in any correspondence regarding the procurement. The correct terminology is "offer" and "offeror".

**Q. What is the difference between the terms "*potential offeror*", "*offeror*" and "*contractor*"?**

A. All of the terms are appropriate for the RFP document. All interested parties are "*potential offerors*" until the proposals are submitted. Those who submit proposals are "*offerors*". The contract is awarded to a "*contractor*". The appropriate term depends on the context and step in the procurement process. "*Contractor*" is always the appropriate term used in the body of the contract or price agreement.

**Q. Is there any way to employ the services of a contractor for a procurement?**

A. Yes! Contractors may be effectively used as staff resources to the Procurement Manager or Evaluation Committee. For example, the Procurement Manager may use contractor personnel for technical analysis of options or alternatives, technical analysis of system capabilities, quality of the system architecture or code, etc. The contractor personnel may make recommendations but they should not write RFP specifications or evaluation factors or serve as a member of the Evaluation Committee. To date we have not found a contractor who has the requisite knowledge or experience to serve as the Procurement Manager.

**Q. What is the difference between a statewide procurement and an agency procurement?**

A. The differences lie in the scope of the procurement and the contract provisions. The Procurement Code allows for certain types of agreements to apply to all governmental entities throughout the entire State. This promotes increased purchasing power and greater volume discounted prices. As a matter of policy, the State Purchasing Agent establishes price agreements that may be used by all branches of government plus cities, counties, the public schools and the institutions of higher education. The Executive Branch agencies are required to use the price agreements whereas the other governmental entities may choose to do so at their discretion. Many statewide procurements result in multi-source awards. The price agreement establishes the capability and provisions for procuring agencies' use through the issuance of purchase orders. On the other hand, agency procurements generally result in the

direct acquisitions of products or services. A multi-year, agency-use-only price agreement may be a by-product.

**Q. Chapter Three states that evaluation points are not awarded for mandatory specifications yet points are indicated for references, cost, project plan, and some other mandatory requirements.**

A. Points are not awarded for meeting the mandatory specifications. In the case of references, no points are awarded for having submitted the required number of references. However, points are awarded based upon the responses of these references to questions concerning the quality of the contractor's project plan. Points are awarded based upon the amount of the proposal costs, not the fact that costs were proposed.

**Q. Do I have to use the mandatory and desirable defined terms?**

A. No! The Procurement Manger may use any terms to distinguish mandatory from desirable specifications. The terms must be defined in the definition section and they must be used consistently throughout the document. Most Procurement Managers prefer the term "*must*" for mandatory and "*should*" for desirable requirements and specifications.

**Q. When do I need legal assistance?**

A. Although there are some differences between State agencies as some require a legal review of the entire RFP prior to issuance, some require legal review of the proposed contract form only, and some require legal review of the final contract only; the best approach is to have legal assistance identified early in the RFP drafting process. In-house legal staff should review the final draft of the RFP and contract prior to issuance. Do not waste their valuable time reviewing preliminary drafts. For many State agencies, the Department of Finance and Administration (DFA) requires that a professional services contract for an aggregate contract amount in excess of \$200,000 be approved by the Attorney General's office prior to contract execution by DFA. If that case applies, it is recommended the Attorney General's designee review the RFP and contract prior to issuance. This will save a lot of time later.

**Q. What are the most common drafting errors?**

A. The two most common errors are scattering RFP specifications throughout the document and distributing incomplete drafts for comment. If you are writing a sentence beginning with the words "*The offeror must*" or the "*offerors should*", you better be working on Section IV of the RFP. Distributing incomplete initial drafts for comment raises apprehension about the procurement and the Procurement Manager and wastes everyone's time. Only the final draft should be distributed for review and comments prior to issuance.

**Q. Why is an Acknowledgement of Receipt Form required?**

- A. The Acknowledgement of Receipt Form does three important things. It establishes the procurement distribution list. Otherwise, the questions, answers and RFP amendments would have to be sent to everyone on State Purchasing Division's vendor registration list. The form gives the Procurement Manager some up front direct feedback on the number of proposals expected and who they are coming from. This allows the Procurement Manager to readjust the procurement schedule or make other changes that will insure participation. Why wait until the proposal due date to find out that no one is going to submit a proposal because of some problem with the procurement document or schedule? The Procurement Manager may have to get on the telephone and sell the procurement.

Finally, the form is an acknowledgement that the offeror received a complete copy. Therefore, they can not protest the award by alleging that pages were omitted from their copy of the RFP.

**Q. What are the recommended techniques for handling the reproduction of the material in the procurement library?**

- A. Several techniques have been used successfully. Potential offerors are allowed to check out a set of the materials for a limited period of time, 24 hours. They may make their own copies. Potential offerors are instructed to bring a personal copier with them when they review the procurement library. Once again, they make their own copies. The agency may charge the potential offerors a reasonable price per page and the agency staff makes the copies for the potential offerors.

**Q. What is a reasonable price per page to charge potential offerors for copies?**

- A. Ten or fifteen cents per page should cover the costs of producing the copies. The entire point of putting material in the procurement library is to make information concerning the procurement available to the potential offerors. There is no point in putting material in the library and charging an exorbitant price per page that discourages the potential offerors from requesting copies.

**Q. Is a 1,000 point evaluation basis required?**

- A. For procurements conducted under the authority of the State Purchasing Agent, the answer is Yes! That total works best with the Structured Evaluation Methodology. It is clearly superior to a 100 point basis for most procurements and anything larger produces a meaningless result. It is difficult or impossible to balance the factors. One draft RFP was submitted for review with a total of 23,173 points. Dumb!

**Q. Is the use of a cost evaluation formula required?**

- A. For procurements conducted under the authority of the State Purchasing Agent, the answer is Yes! The standard cost evaluation factor has been used in nearly every information system resource procurement since 1983. It produces a simple mathematical proration of the relationship between an offeror's proposed cost to the lowest responsive offeror cost. The lowest responsive offer receives the maximum points. This formula has the advantage of having gained very broad acceptance by the offerors, the courts and the federal approval authorities. It is not as severe as other cost evaluation formulas. If an alternate formula is being used be sure to carefully adjust the cost evaluation factor. The base factors discussed in this chapter assume use of the standard cost evaluation formula.

**Q. Who should review the draft RFP?**

- A. The draft RFP should be reviewed, at a minimum, by a representative of agency management, the Evaluation Committee, and legal counsel. Do not waste their time reviewing a preliminary draft. The draft should be complete and in nearly final form before it is distributed for review. For procurements conducted under the authority of the State Purchasing Agent, the Purchasing Division staff will review and approve the RFP draft prior to issuance. In fact, the Purchasing Division staff may assist with the document drafting and editing process depending on the level of assistance needed or requested for the procurement.

**Q. Who has to approve the document before it is issued?**

- A. For procurements conducted under the authority of the State Purchasing Agent, the Purchasing Division staff must approve the document prior to issuance.

**Q. What steps in the procurement process may be eliminated from the procurement schedule?**

- A. For some large hardware procurements the demonstration agenda and system demonstration may be eliminated. A specified acceptance test period is usually substituted in the place of the demonstration. All other steps are always required.

**Q. Why is it recommended that the scope of work appear in the contract?**

- A. The contract document typically has the highest order of precedence among the various procurement documents including the contractor's proposal. If the contract is going to be enforced in a court of law, then the agreed scope of work should be in the contract which can be revised only through a formal written amendment process. This fact virtually eliminates contractor claims that someone orally authorized deviations from the scope of work and a wide variety of other potential problems.

**Q. What is meant by the term “best value determinant”**

- A. The Procurement Code is based on the assumption that public funds are spent wisely only after being subjected to the rigors of a public procurement. For most purchases the lowest price product meeting specifications represents the best value to the procuring agency. The Procurement Code prefers the invitation for bids type of competitive procurements for that reason. However, for some procurements the lowest purchase price does not represent the lowest cost for the procuring agency. That is why the Procurement Code provides for the competitive sealed proposals procurement whereby the evaluation factors may be weighted based upon the unique requirements of the procuring agency. The evaluation factors and their relative weight should recognize and reward the proposal that truly represents the “best value” product or service for the procuring agency. The life cycle cost of the product is always one of the determinants, but there are usually other equally important factors that should be evaluated as well. These factors in combination with the life cycle costs will identify the product or service that represents the “best value” to the procuring agency. Other important determinants may include training, conversion, ease of use, flexibility, upgrade ability and a wide variety of other possible elements.

**Q. What is retainage?**

- A. Retainage is a contractual protection whereby a portion is withheld or retained from each contractor payment pending receipt and acceptance of the final deliverable in a series of deliverables. When the final deliverable is accepted, all of the retainage is given to the contractor in the final payment. The typical retainage is ten (10) percent. It should never exceed twenty (20) percent. Retainage works well. It provides the procuring agency protection in the eventuality that the contractor does not produce quality deliverables. The procuring agency pays for only the deliverables that are of acceptable quality, but it may be difficult to make a good assessment until the entire system or product has been delivered and is operational. The use of retainage provides the contractor with progress payments while the procuring agency retains financial leverage over the contractor to help insure satisfactory completion of the project. If the contractor fails to perform satisfactorily, then the remaining contract funds plus the retainage may be used to hire another contractor to complete the project.

**Q. What are the most important considerations in drafting the contract?**

- A. The two most important elements of the contract are the scope of work and the contractual protections for the procuring agency. A thorough, clearly defined scope of work statement is the foundation upon which the procurement is conducted. The primary contractual protection is the acceptance clause whereby the procuring agency will pay for a contract deliverable only after it has been reviewed and accepted. Retainage and bonding are useful contractual protections for the larger, complex projects. However, these protections are not a substitute for a careful, thorough review and acceptance of each deliverable before payment is rendered.



## **CHAPTER FOUR**

### **ISSUE AND DISTRIBUTE**

They won't come to the party  
if they haven't received an invitation.



## **A. ISSUE THE RFP**

### **A1. State Purchasing Procurement**

The following procedures apply to procurements under the authority of the State Purchasing Agent which currently includes RFP's for anything other than professional services, as defined in Section 13-1-76, NMSA 1978. The Purchasing Division staff must approve the RFP document and the issuance package. The issuance package, containing the following four required documents, must be delivered to the Purchasing Division staff a minimum of fifteen (15) calendar days prior to the RFP issue date:

- One-page Notice
- Purchase Document (SPD-101A)
- List of Possible Sources
- Complete RFP Document
- CIO Approval Letter, (Technology Procurements Only)

The review serves two purposes. In accordance with the requirements set forth in the procurement regulations, the State Purchasing Agent must make a determination that competitive sealed bidding is not practical or advantageous for the RFP procurement to proceed. This determination requirement will be addressed by the Purchasing Division staff and will be based upon the contents of the RFP document. The second reason for the review is to insure that the RFP document follows the procurement guidelines for content and thoroughness. This is part of the quality assurance process.

The Procurement Manager should review offeror registration categories (commodity codes) with the Purchasing Division staff to insure that the notices are distributed by the appropriate categories.

The one-page notice must be suitable for reproduction and distribution. It must be submitted on diskette in Microsoft Word format. As part of the distribution process, an electronic copy will be placed on the State's Internet home page. The one-page notice must contain a title, a brief paragraph concerning the purpose of the procurement, the RFP issuance date, the name of the agency conducting the procurement, instructions for obtaining a copy of the RFP document, the date and location of the pre-proposal conference, a designated contact person's name, address and telephone number as well as the deadline and location for submission of proposals.

The Purchasing Division will advertise the RFP as required by the statute and distribute the notice to all the registered offerors in addition to the offerors on the list of possible sources provided by the Procurement Manager.

Find out when the notices will appear in the newspapers. Clip the notices from the newspapers and add them to the procurement file.

## **A2. Procurements For Other Jurisdictions**

Check the appropriate procurement regulations for notice requirements. The failure to follow notice requirements can be grounds to overturn an award. The one-page notice procedure used by the Purchasing Division works very well and it saves money in reproduction and distribution expenses.

## **B. DISTRIBUTE THE RFP**

On the RFP issue date the RFP document can be sent to potential offerors who are on the procurement distribution list. It is not necessary to wait for a request. It is not necessary to require a written request for a copy from other potential offerors who respond to the notice. The point is to make a timely distribution of the RFP to as wide a group of potential offerors as possible. Don't be bureaucratic. Record the name and address of everyone who received a copy on the procurement distribution list. Yes! This list is treated as a public document.

## **C. ESTABLISH PROCUREMENT LIBRARY**

If the procurement library has not been established, this is the time to do so. It is quite common for the Procurement Manager to receive requests to review the contents of the procurement library prior to the pre-proposal conference. Frequently, potential offerors will arrive the day before the pre-proposal conference for the sole purpose of reviewing the contents of the library.

## **D. QUESTIONS AND ANSWERS**

**Q. Is there an example completed purchase document and one-page notice?**

A. Examples may be found in the final chapter of this guide.

**Q. May I distribute the RFP to my list of possible sources?**

A. Yes! But not until the issue date and the notices must have been distributed by the local authority or State Purchasing. Check first.

**Q. Can I use federal express or some other courier service for delivering RFP's to potential offerors?**

A. Yes! But you must offer all potential offerors the same opportunity. Most procurement managers simply say that the potential offeror may:

1. Pick up a copy at....{location}.
2. Receive a copy via first class mail at the agency's expense.
3. Receive a copy via overnight courier at the expense of the potential offeror.

**Q. Is the initial RFP distribution list a public document?**

A. Yes! All of the procurement lists are public documents. Those lists include the initial distribution list, the pre-proposal conference attendance list, the procurement distribution list, the list of offerors who submitted proposals and the list of finalists.

**Q. Under what circumstances should the procurement library be established prior to the issue date?**

A. On some of the large fixed price procurements there is a requirement that the potential offerors be given an extensive period to review systems and other documentation that is in the procurement library. The procurement manager may establish a procurement schedule where the review period is included as part of the offeror period. That is, the period of time between issuance and the proposal due date may be several months in duration. Another technique is to establish the procurement library first so that potential offerors may review the library contracts in depth while procurement document is being developed. This technique saves considerable time in the procurement schedule, a procurement library availability letter describing the contents of the library and procedures for access to it is distributed to all potential offerors prior to issuance. It is a separate notice.

**Q. Do I really need a procurement Library?**

A. No! It is not a requirement for every procurement. However, it is an excellent technique for making relevant information and documentation concerning the procurement or the agency conducting the procurement available to the potential offerors. Otherwise the procurement manager and staff may be consumed answering questions or making and distributing copies of lengthy documents. For example, a copy of the governing procurement regulation, GSD Rule 1NMAC5.2, should be in the procurement library along with general background information describing the function or operation of the agency.

**Q. What is the last thing to do before sending out the RFP document?**

A. Check the dates. The dates in the procurement schedule must match the dates in the paragraph describing the events, the Acknowledgment of Receipt Form and contract.



## **CHAPTER FIVE**

### **SUBFACTORIZING**

Without a yardstick how do you know the difference  
between a foot and a yard?



## A. ESTABLISH THE SUBFACTORS

The success of the Structured Evaluation Methodology is based on establishing evaluation subfactors early in the procurement process and the horizontal evaluation of proposals as described in a later chapter of this guide. Subfactoring is an Evaluation Committee responsibility that accomplishes two critical objectives. It requires the Evaluation Committee to focus its collective attention on and validate the RFP specifications and base evaluation factors described in the RFP document. The subfactoring exercise is completed prior to the pre-proposal conference because it frequently results in RFP amendments that are issued at the pre-proposal conference.

The result of the subfactoring exercise is a document that describes how the points for each base evaluation factor will be divided into meaningful, discrete, objective, weighted subfactors that form the uniform measure for the evaluation of proposals.

The final chapter of this guide contains several subfactor examples from previous procurements. Each base evaluation factor described in the RFP document is directed into the meaningful components as defined by the Evaluation Committee. For example, given a 100 point base evaluation factor, “project plan”, the evaluation may be described in the RFP document as

“Points will be awarded for Project Plan based upon an evaluation of the quality, efficiency and thoroughness of the project plan submitted in the offeror’s proposal”. The evaluation subfactors may include the following:

### Plan Quality (40 points)

How well is the project plan presented? (5 points)

How well does the project plan address all of the required elements of the project? (10 points)

How well are the resource requirements presented? (10 points)

How well will the project plan work? Is it realistic? (10 points)

How well are the system interface requirements addressed? (5 points)

### Efficiency (20 points)

How well does the plan appear to utilize contractor and agency resources? (20 points)

### Thoroughness (40 points)

How well does the project plan address the required steps for quality control reviews and walk-throughs of deliverables? (10 points)

How well are project plan tasks described? (5 points)

How well are the task time lines established? (5 points)

How well are task deliverables described? (10 points)

How well are task dependencies portrayed? (10 points)

Depending upon the type of project, there are numerous variations of subfactors that would all fit under the general project plan evaluation criteria regarding quality, efficiency and thoroughness of the plan. Likewise, there are numerous variations of the weighting for the individual subfactors. For some projects, efficiency may receive a greater weight. These facts are the reason for conducting the subfactoring exercise. The evaluation of proposals is conducted at the lowest weighted subfactor.

## **B. SUBFACTORIZING EXERCISE**

The subfactoring exercise is conducted by the Evaluation Committee for all of the base evaluation factors, everything with points assigned. The best technique is to have someone prepare an initial draft of all the subfactors within each base evaluation factor and present it to the Evaluation Committee without the weights assigned. The committee can add or subtract subfactors, change the wording or the form in which the subfactors are presented. There is only one restriction of form of the written subfactors. That restriction is that the form must make sense to the members of the Evaluation Committee. Some committees use a bullet form with phrases describing the desirable characteristics within each subfactor, other committees use complete sentences. As long as the members understand and agree, any form will do. **A yardstick is useful only to the individual who knows what the lines on the stick mean.**

After the committee agrees to the descriptions of the evaluation subfactors, the committee assigns the weights to each subfactor within each base evaluation factor. This is a very useful validation process. The process may result in RFP amendments adjusting the initial weights of the base evaluation factors that were published in the RFP. It is equally likely that the validation process will result in an amendment to the base evaluation factor description and occasionally an entirely new base evaluation factor will be added to the RFP. All of these cases require the preparation and issuance of amendments to the RFP.

## **C. REFERENCE SUBFACTORS**

In the typical procurement, references may be awarded 100 points. The evaluation is not based on the number of references provided. Rather, the evaluation is focused on the quality of the products or services provided as reported by the references and others. The typical reference subfactors relate to the overall performance of the company (25 points), performance of the personnel assigned to the project or contract (25 points), the quality of the products and services offered (50 points). Other

related aspects may be responsiveness, the technical knowledge or skill of the personnel performing the services, the ability to meet deadlines, the ability to communicate, etc.

The recommended technique to evaluate references is through the use of a carefully crafted reference questionnaire that asks references to respond to a series of questions regarding the performance of the company. Another series of questions relate to the performance of the assigned personnel followed by a series of questions regarding the quality of the products or services.

There are several useful techniques concerning the preparation of the questions. For example, it is far better to phrase an open ended question that requires a thoughtful response as opposed to a question that may be answered with a simple "yes" or "no". Another useful technique is to establish a range of responses for the question such as the following:

"How would you rate quality of the user training product?"

- Thorough and effective
- Thorough but not effective
- Not thorough but adequate
- Ineffective

"How would you rate the contract deliverables?"

- Thorough and on time
- Thorough but usually late
- On time but incomplete
- Consistently late and incomplete

“On a scale of 1 to 10, how would you rate the quality of the product”

Some Procurement Managers have used an alphabetic scale where an "A" represents excellent performance and an "F" represents unacceptable performance. Please refer to the examples found in the final chapter of the guide.

The Evaluation Committee scoring for references is completed by subfactor just like every other base evaluation factor but it is based upon the recorded responses to completed reference questionnaires rather than the content of offeror proposals.

## **D. HARDWARE/SOFTWARE PROCUREMENTS**

The base evaluation factors for corporate experience and references are handled exactly like those for other procurements. However, hardware and software procurements require separate treatment of the evaluation factors for functional capabilities and the demonstration. Both of these special procurement types typically have a lengthy list of desirable functional capabilities with relative weights for each published in the RFP. It is not at all uncommon for the RFP to contain a list of fifty or more individually weighted desirable capabilities. No further subfactoring is required.

## **E. ORAL PRESENTATION/DEMONSTRATION**

Most procurements for services, professional services and items of tangible personal property assess points for oral presentation and/or demonstration. It is extremely important to assign weighted subfactors to this critical event. The subfactors should focus on content rather than the form of the presentation. The form or style of the presentation should receive no more than ten percent of the available points. The remaining ninety percent should focus on the quality, knowledge and experience of the personnel who will be performing the professional services. For services contracts, the ninety percent should focus on quality of the services offered in terms of the technical merit of the proposed solution, quality of the personnel who will be providing or supporting the services provided, the quality of the proposed tools or techniques that will be employed to measure and monitor the quality of the services provided and the level and type of performance guarantees offered. The subfactoring exercise for this base evaluation factor drives the oral presentation agenda that is prepared by the Procurement Manager for use by the finalist offerors during the oral presentation.

Hardware/software demonstrations are obviously conducted to assess the quality of the product being offered. Again, no more than ten percent of the demonstration points should be assigned to the form of the demonstration. The remaining ninety percent should focus on the functional capabilities of the product beginning with the mandatory functional requirements followed by the desirable functional requirements. The purpose of the demonstration is to provide the Evaluation Committee the opportunity to assess the ease of use of the product and the quality of the company personnel supporting the product to determine if the proposed product is a good match to the procuring agency's requirements.

## **F. QUESTIONS AND ANSWERS**

### **Q. When should the subfactoring exercise be completed?**

A. The most desirable time to complete the subfactoring exercise is before the RFP is issued. Any required changes can be made to the RFP before it is issued thereby avoiding the RFP amendment process after issuance. However, completing the exercise prior to the pre-proposal works equally as well. The absolute latest possible time to complete the exercise is prior to the scheduled deadline for the issuance of RFP amendments.

## **CHAPTER SIX**

### **PRE-PROPOSAL CONFERENCE AND QUESTIONS**

"Integrity" means an adherence to a code of values with utter sincerity, honesty.



## A. CONDUCT THE PRE-PROPOSAL CONFERENCE

A pre-proposal conference is required for most procurements. It is by far the best method to establish communications and some rapport with the potential offerors. The pre-proposal conference will answer numerous general questions about the procurement and agency requirements, and it will provide valuable feedback on the content of the procurement document itself.

The evaluation methodology requires that the published subjective evaluation factors be divided by the Evaluation Committee into discrete, meaningful subfactors as was described in the previous chapter. The time between the distribution of the RFP and the pre-proposal conference is the ideal time to perform that critical task. This step should uncover any flaws in the RFP narratives describing the factors or in the balance of the factors themselves. In this way RFP factor changes can be made in the form of RFP amendments prepared for and distributed at the pre-proposal conference. Potential offerors are much more receptive to this approach as opposed to receipt of undiscussed changes to the factors after the pre-proposal conference has been concluded.

Be advised that offerors have to compete in numerous jurisdictions that have widely varying procurement philosophies, regulations and procedures. Therefore, it is imperative that the Procurement Manager discuss the primary differences that distinguish this process from other jurisdictions. The following comments apply to procurements conducted under the authority of the State Purchasing Agent. There may be local variations.

Offerors should be acquainted with the organization of the RFP document. The model RFP or shell document provides a uniform organization for the content of the RFP beginning with the statement of the purpose, through the various appendices that comprise the solicitation. Begin with the scope of the procurement statement, address of the Procurement Manager and content of the Procurement Library. Highlight the procurement schedule, schedule of events, and point out critical dates. Point out the deadline for the submission of questions. Encourage potential offerors to submit questions concerning the specification, evaluation factors or any other aspect of the RFP document including the contract and forms. State that recommended changes concerning the wording of the specifications, evaluation factors of the scope or work are appreciated. Point out that the contract is part of the solicitation and proposed changes to the contract must be submitted with the proposal. In effect, the traditional contract negotiation step is overlapped with the evaluation to insure that the evaluation of proposals is being conducted based upon a uniform set of terms and conditions. Most jurisdictions do not follow this critical procedure. The primary critical date in the procurement schedule is the proposal due date. Stress the fact that late proposals cannot be accepted. Point out the response form and content contained in Section III of the RFP. Walk the conference attendees through the specifications section beginning with the information, mandatory and desirable requirements. Pause to get comments and reactions. Most jurisdictions fail to include the weighted evaluation factors in their RFP's. It should be pointed out to the potential offerors that the weighted factors are in Section V of the RFP document to give them a sense of the relative importance of the various specifications so that the offerors can prepare a proposal that is targeted to the needs of the procuring agency. Potential offerors should be encouraged to carefully review both the weighting and the description of the evaluation factors. Recommended changes both to the weights and the wording will be accepted for consideration.

The following are some Do's and Don'ts concerning the pre-proposal conference:

Do

- Take extra copies of the RFP to the conference.
- Encourage the potential offerors to submit written questions in advance of the pre-proposal conference.
- Present an overview of the document at the beginning of the meeting. Talk through the sections of the document highlighting the areas of the document as described in the preceding paragraph. This overview presentation should answer most of the general questions.
- Hand out written responses to written questions received prior to the conference.
- Have everyone who attends the conference sign an attendance sheet. Ask them to print as well as sign or submit a business card.
- Collect Acknowledgement of Receipt Forms.
- Collect and address additional written questions.
- State that all oral answers are unofficial. The official written answers will be distributed on   [ date ]   to the potential offerors who return an Acknowledgement of Receipt Form.
- Ask offeror representatives who ask oral questions or request clarifications to identify themselves and the company that they represent.
- Have someone at the conference record oral questions and requests for clarification.
- Be warm and friendly, but stay in control.
- Start the conference on time and end it on time if a time limit was established.
- Hand out supporting documentation.
- Hand out any RFP amendments.
- If you have or can borrow the equipment, tape the entire conference and keep the tape in the procurement file.

- If requested, distribute copies of the attendance list after the conference.
- Ask the offeror representatives to leave the room after the conference is concluded.

### Don't

- Don't lose control.
- Don't be pressured to provide an oral response to a question when you are not completely comfortable with the answer. Take the questions under consideration. Your response should be "The questions will be taken under consideration. The response will be included with the distribution of written answers to offeror questions."
- Don't accept or attempt to respond to oral legal questions. Have the questions submitted in writing and discuss the questions after the conference with legal counsel.
- Don't refer to one offeror's representative as Mr. Jones and another representative who you might have met previously as Joe. Be consistent.
- Regardless of the many ways that the questions may be phrased, do not tell anyone what your budget is for the procurement unless that information was disclosed in a public meeting or is disclosed in the RFP document. If approval was obtained from a governing body in a public meeting based upon estimates or ranges, restate what was disclosed at the public meeting.
- If there are several people conducting the conference, decide in advance who is going to respond for the procuring agency to which questions. Do not allow two members of the Evaluation Committee to contradict one another at the conference. If the question is difficult to answer, call time out. Hold a huddle and agree on the response.
- Do not get cornered by an offeror's representative in the room, hallway or elevator after the conference is concluded for the purpose of answering additional questions or providing additional clarifications.
- Do not go to lunch with any of the offeror representatives.
- Do not accept anything "free" from any offeror representative including demonstration software, samples or other materials.

## B. RESPOND TO QUESTIONS

The Procurement Manager is responsible for preparing and distributing written responses to questions to all potential offerors on the procurement distribution list.

The objective of this step in the process is to clarify aspects of the RFP document and the procurement process. The final chapter of this guide contains an example response to offeror questions. The following are some general guidelines.

Use a simple question followed by the answer format. It is not necessary or desirable to identify the name of the company that submitted the question. If several companies asked the same question, it is not necessary to repeat it. Once is enough. If the question is not clear, either call the company representative on the telephone and ask for a clarification, or phrase the answer in a way that clarifies the question. Another acceptable technique is to rephrase the question so that the answer results in a meaningful clarification to the RFP. Frequently, the Evaluation Committee can determine the intended meaning of the questions even though the question may, in fact, be poorly worded. Never respond with a flip answer as "question insufficiently stated", etc. A good technique is to refer to appropriate RFP paragraphs in the answer. However, that is not acceptable if the RFP paragraphs do not thoroughly answer the question. An answer such as "see specifications" is unacceptable. If the question is beyond the scope of the procurement state that fact with an explanation so that the offerors know where the boundary lies.

It is preferable that the questions and responses follow the RFP organization. Questions regarding the schedule should be grouped and answered before those concerning general requirements, specifications, factors or contract, etc.

Some questions may be addressed by referring the potential offerors to specified RFP amendments. There are basically two approaches to the treatment of RFP amendments. One method is to state that a particular sentence in a particular paragraph is amended to read as follows ".....". The other technique is to change the RFP pages and underline or otherwise highlight the changes on each page. Either technique works well but the latter is preferred.

An acknowledgement of receipt form must accompany the response to questions and RFP amendments. This procedure keeps the Procurement Manager in contact with potential offerors and prevents problems when potential offerors do not receive critical RFP amendments. Problem avoidance is the key to the Procurement Manager's success.

## C. QUESTIONS AND ANSWERS

**Q. Is a pre-proposal conference required for all procurements?**

A. No! It is not required for smaller procurements for hardware and software where the cost of travel etc. would be excessive in comparison to the cost of the product. Experience has shown that a pre-proposal conference is not justified for procurements for products where the

total acquisition cost is less than \$35,000. However, if site preparation is involved as part of the acquisition, a pre-proposal conference is required along with a facility tour. A pre-proposal conference is always recommended for all procurements of professional services regardless of size.

**Q. What is the best time of day to hold the pre-proposal conference?**

A. Although most procurement managers choose to begin the conference at 9:00 a.m., the best time is 1:30 p.m. An early afternoon start time allows potential offeror representatives to fly to the closest airport, rent a car, drive to the city and find the building prior to the conference. **If out-of-state participants are expected, the conference should be scheduled for early afternoon.**

**Q. Does the conference have to be recorded?**

A. No! But, it is a good idea to do so.

**Q. Is an Acknowledgement of Receipt Form required for the response to questions?**

A. Yes! The Procurement Manager needs to stay in positive contact with the potential offerors. More than one set of answers and amendments have been lost in the mail. If the receipt forms do not arrive on time, the Procurement Manager knows something has happened and corrective action can be taken. If the procurement goes to court; a thorough, well documented paper trail is essential.

**Q. Why are written answers prepared and distributed?**

A. The primary reason is communication. Attendance at the pre-proposal conference is not a prerequisite for the submission of a proposal. It is through the published list of questions and answers that offerors who were not able to attend the conference receive the same information as those who were able to attend. It also avoids misunderstandings and claims that the Procurement Manager said something at the conference that becomes the basis for a protest. The written record is the official record.

**Q. May I send out the answers to questions before the scheduled date in the RFP?**

A. Yes! The Procurement Manager should send the answers as soon as they are ready. The answers to a long list of questions may be distributed in batches. It makes no sense to hold up the distribution while awaiting legal or technical assistance with a few questions. Send them out. For large, complex procurements one hundred or more questions are not unusual. These are always answered and distributed in batches. An answer to one question may trigger another legitimate question. Clarity! Clarity! Clarity! That is the objective.

**Q. What about questions after the deadline for submission of questions?**

- A. Be careful here! You do not want to appear to show favoritism or preferential treatment for one offeror over another. On the other hand, if the question concerns a material error in the procurement document that could otherwise harm the procurement process or preparation of proposals, answer the question and send the answer as an amendment to everyone on the distribution list. For example, a procurement document contained a series of formulas for the award of points. After the deadline for the submission of questions, a potential offeror called the procurement manager concerned about one of the formulas. After further review it was determined that the formula in the RFP document was upside down, which would produce the exact opposite result to the one desired confusing the potential offerors. The appropriate action taken was to immediately issue an amendment correcting the inverted formula, thereby eliminating the confusion. Fax or e-mail the answers if the distribution list is of reasonable size. Otherwise, simply refer the offeror to the appropriate RFP paragraphs, answers to questions and amendments.

**Q. What about questions about answers to previous questions?**

- A. The model RFP document contains a boilerplate statement that potential offerors will be given some number of days to seek clarification of an answer or amendment after the date of distribution. The recommended number is seven to ten days.

**Q. How should I respond to telephone questions?**

- A. The recommended technique is to let the RFP do the talking. "Let us see what the RFP says about that." "Turn to paragraph....." "The RFP states that....."

**Q. How do I handle late requests for the RFP?**

- A. Even if it is only a few days prior to the due date for receipt of proposals, give the potential offeror a copy of the RFP, answers to questions and RFP amendments.

**Q. May I accept a request for a copy of the RFP after the deadline Acknowledgement of Receipt Forms?**

- A. Yes! Absolutely! The Acknowledgement of receipt form process is a procedure as opposed to a statutory bar to the submission of a proposal. You want as many qualified offerors to participate as possible. Send the RFP document with the list of previously distributed questions and answers.

**Q. What is the governing principle regarding questions?**

- A. It is the Procurement Manager's obligation to insure that all known potential offerors receive the same information.

**Q. May I distribute copies of the pre-proposal conference attendance sheet?**

A. Yes! The pre-proposal attendance sheet is treated as a public document as well as the procurement distribution list, not the completed Acknowledgement of Receipt forms, the list of offerors who submitted proposals and the list of finalist offerors. Experience has shown the many of the best proposals submitted were the result of partnerships among several offeror organizations. It is not at all uncommon for an offeror to gather resources from several sources to provide a comprehensive solution. Treating the procurement distribution list and pre-proposal conference attendance sheets as public documents fosters collaborative efforts. The other two procurement lists tend to maintain a competitive environment.

**Q. May I use e-mail for the distribution of questions, answers and amendments?**

A. Yes! Include and acknowledgement of receipt form with the e-mail that may be returned by facsimile.



## **CHAPTER SEVEN**

### **PREPARE THE DEMONSTRATION AGENDA**

You want this procurement to result in a successful project,  
don't you?



## **A. CAN IT BE DEMONSTRATED?**

Demonstrations have been an integral part of computer system hardware and software procurements for many, many years. They have been used as an aid for the evaluation of a wide variety of goods or items to tangible personal. Therefore, there is nothing new about demonstrations. Wrong! The use of computer technology is pervasive throughout the professions, management, and a wide variety of professional and other services. Personal computer software innovations are announced every day. New tools and techniques are available today that did not exist a couple of years ago. The Internet has provided access to an ever expanding collection of information resources, tools and techniques. Research and development is occurring at a similar rate in many segments of industry. Demonstrations are often the best way of determining usability and equivalence.

## **B. PREPARE DEMONSTRATION AGENDA**

The objective of the demonstration agenda is to provide a uniform guide that will graphically illustrate how the offeror's goods can perform relative to the RFP scope of work, show how it will be done (ease of use) and show how it will connect with goods, systems or practices already in place.

There are two key elements concerning the conduct of an information system demonstration and the preparation of the demonstration agenda.

- The demonstration agenda should include a list of core system functions that are to be demonstrated including a list of reports that are to be produced or other applicable requirements.
- Whenever possible, have the system demonstrated with your data. Provide the offerors a diskette or tape containing the data. Almost any system works well with canned demo data. It does not necessarily follow that the system will work well with your data.

For procurements for other types of goods build the demonstration agenda from the RFP scope of work statement followed by the mandatory and desirable specifications.

More than one Evaluation Committee has been fooled by an offeror controlled system demonstration. That is why the conduct of demonstrations is set by the Evaluation Committee not by the offerors. The demonstration agenda is the technique for this vital control. It should be very specific and include a system overview limited to 30 minutes followed by an orderly and thorough demonstration of each core system component and report. This should be followed by a demonstration of desirable functions documented in the RFP and offeror's proposal. The last portion should address additional optional programs or features that were a part of the offeror's proposal. The very last item on the agenda should allow for a discussion of the best and final offer.

It is far easier to evaluate different systems if the data is identical. For example, transaction processing and reports can be directly compared. The time spent in collecting and distributing common comprehensive data for the demonstrations has proven to be an excellent investment.

Software can always be demonstrated. Therefore, software should always be demonstrated.

Because of size, complexity and cost, large hardware may not always be demonstrated. If that is the case for a particular procurement, skip the demonstration and insert an extended acceptance test phase of 30 days or more into the RFP as a business requirement. Require the offerors to submit a thorough acceptance test plan as part of the proposal. If the procurement is for a large amount or large physical size, then the procurement manager should conduct site visits where the equipment is in operation and can be inspected and tested. Conduct tests!

## **B. QUESTIONS AND ANSWERS**

**Q. When is the demonstration agenda distributed?**

A. The demonstration agenda is distributed to offerors who submit proposals at the time of submission or as soon as possible thereafter. This gives the offerors adequate time to prepare for the demonstration.

**Q. What are the key elements of a successful demonstration?**

A. A successful demonstration is one in which the Evaluation Committee is able to clearly evaluate the functional capabilities of the proposed system and the quality (knowledge, skills and experience) of the offeror staff who will be supporting the system and the project.

## **CHAPTER EIGHT**

### **PREPARE FOR THE EVALUATION**

It is the dog you don't see that bites you.



## A. MANDATORY REQUIREMENTS CHECKLIST

A Mandatory Requirements Checklist is required to verify compliance with the mandatory requirements. This is a simple but essential step in the process. Experience has shown that people forget items if they are not using a uniform checklist to guide the verification process. Prepare the checklist and have the Evaluation Committee validate it before proposals are due.

## B. RECEIVE PROPOSALS

It is vital that the Procurement Manager or responsible designee be available at the appointed time and location to receive, record and time stamp proposals. The clock or watch must be accurate. There should be a designated secure storage area in which to place proposals as they arrive.

**LATE PROPOSALS ARE NEVER ACCEPTED.** Do not accept or take possession of a late proposal. If the late proposal is being delivered by common carrier simply refuse to accept delivery.

## C. QUESTIONS AND ANSWERS

### Q. May I accept a faxed proposal?

A. No! A statement to that effect should appear in the RFP Submission of Proposal paragraph. Several potential offerors who were running late have attempted to beat the deadline for receipt of proposals by starting a facsimile transmission with the actual hard copy proposals arriving sometime after the deadline. If the machine is broken or occupied, potential offerors could claim that the proposal would have been timely. Therefore, it becomes the Procurement Manager's fault that the proposal was late. The solution to these and other potential problems is to prohibit faxed proposals.

### Q. What do I do with a late proposal?

A. Do not accept the proposal. Do not take possession of the proposal. Record the name of the company, the time the proposal was received and the name of the company representative or commercial carrier attempting to deliver the proposal.

### Q. What is the most important thing to do at this point in the process?

A. Depending upon the time of the year, the most important thing may be to reserve a room for the storage of the proposals and a place for the Evaluation Committee to meet and complete its work. The capitol building conference rooms are usually unavailable just prior to, during and just after a legislative session.

**Q. What is the next most important thing?**

- A. Make sure you still have an Evaluation Committee. Office priorities may have changed. Because of illness, jury duty or a wide variety of other reasons, one or more of the members of the Evaluation Committee may have to be replaced and a new member educated on the procurement.

**Q. What documents are required for the evaluation?**

- A. A mandatory requirements checklist, the list of weighted subfactors and the reference questionnaires.

## **CHAPTER NINE**

### **CONDUCT THE EVALUATION**

**DO RIGHT!!**

Do the right thing for your agency, the offerors  
who have submitted proposals, and yourself.



## A. CONDUCT THE EVALUATION

The following list of steps and procedures constitute the Structured Evaluation Methodology. **The Procurement Manager is responsible for insuring that the methodology is followed.** Several of the steps must be completed before the proposals are evaluated.

- **List of Offerors**

Prepare a list of the names of the companies who submitted proposals. This list is a public record.

- **Extract Cost Proposal**

The Procurement Manager must extract the financial portions from the proposals. After verifying that the costs are proposed in accordance with the requirements set forth in the RFP, the financial portions of the proposals are placed in a sealed envelope, locked cabinet or desk, or a safe. The financial evaluation is completed after all other evaluation factors, except for oral presentation/system documentation, are completed and agreed to by the Evaluation Committee.

If the financial portions of an offeror's proposal fails to meet the mandatory requirements, the proposal will be presented to the Evaluation Committee which will make a disqualification determination.

- **Mandatory Requirements**

The first step in the evaluation process is to verify conformance with mandatory requirements. Use the mandatory requirements checklist. This verification process may be completed by the Procurement Manager or a subcommittee of the Evaluation Committee. The completed checklists are placed in the procurement file. Areas of non-compliance are presented to the Evaluation Committee as a whole for a disqualification determination.

- **Non-Responsive Proposals Eliminated**

Non-compliance with mandatory requirements must be addressed by the Evaluation Committee as a whole. The non-compliance must be deemed **material** by the whole committee before the proposal is rejected as being non-responsive. The RFP document should have included the right of the Evaluation Committee to waive minor irregularities and the right to waive mandatory requirements under certain circumstances. Minor technicalities may be and should be waived. If the Evaluation Committee is not absolutely clear regarding the response, obtain a written clarification from the offeror before the determination is made. Don't guess.

Occasionally, a specification is poorly worded or confusing to the offerors. That fact may be apparent only after the proposals are submitted and reviewed. If it is obvious that the specification was confusing, the Evaluation Committee may waive the specification for all offerors. If there were points associated with the specification, the total points are reduced by the number of points assigned for the confusing specification. The procurement process continues as before. **The Evaluation Committee may not waive mandatory requirements selectively.** The Evaluation Committee may not waive different mandatory requirements for different offerors.

The Procurement Manager is responsible for the preparation of the non-responsive written determination as specified in the procurement regulations. A properly prepared letter will usually suffice. The Procurement Manager must write a letter to the non-responsive offeror at this point in the process. The letter must clearly state the grounds for the non-responsive determination.

- **Study the Proposals**

The Evaluation Committee must be given adequate time to study the proposals and prepare for the proposal evaluation. During this preparation time, Evaluation Committee members should be instructed to provide the Procurement Manager with requests for clarification.

- **Review Terms and Conditions**

While the Evaluation Committee is reviewing the proposals, the Procurement Manager should extract for separate review any offeror responses to the contract or price agreement terms and conditions that were included in the solicitation. For most procurements, this review is conducted by the purchasing personnel or legal counsel assigned to the procurement. Clarifications may be required. This review process is overlapped with the evaluation to insure that the evaluation is performed based upon a uniform set of terms and conditions. The results of the review are incorporated in the finalist notification letters as discussed in the next chapter.

- **Clarify Proposals**

Discussions are authorized and recommended for the purpose of clarifying aspects of the proposals. Proposals may be clarified, but not amended at this point in the procurement process. Discussions are initiated at the request of the Procurement Manager, not by offerors.

Telephone calls have resulted in more protests than any other cause. The following are some recommendations to prevent protests from this source:

- All calls to the offeror's representatives for clarification of proposal elements are handled through the Procurement Manager.

- The Procurement Manager or designee keeps a log of telephone calls placed and documents responses.
- The Procurement Manager or designee requires that the offeror submit the answers in writing if the question concerns a vital evaluation component that could determine the outcome of the evaluation or lead to a disqualification.
- When talking with an offeror representative use a conference call or speaker phone if possible and have someone write down the response.

Significant clarifications should be requested in writing with the offeror response faxed to the agency and added to the offeror's proposal. Never, never, never allow any offeror representatives to meet directly with the Evaluation Committee.

- **The Horizontal Evaluation**

The committee or team evaluation approach has worked extremely well to eliminate biases and to arrive at sound collective decisions. The Evaluation Committee members have had an opportunity to thoroughly review each offeror proposal and compare the responses by subfactor. Then the proposals are scored horizontally against each other as well as against the uniform criteria by subfactor in an Evaluation Committee meeting. That is, each proposal is scored verbally in turn against the sub-factor by each Evaluation Committee member with open discussion of the scoring after each proposal is scored. If there is a significant disparity in the scoring, the Procurement Manager will call for a discussion of the scoring with discussion provided by at least the members offering the highest and lowest scores. This focused discussion is followed by a rescore of the proposal against the subfactor. Based upon the discussion, Evaluation Committee members may change their initial scores or leave them unchanged. The results are recorded and the scoring is initiated for the next proposal for the subfactor. At the conclusion of each round of scoring by subfactor, the Procurement Manager will pause to give the Evaluation Committee time to reflect on the scoring results to the extent that Committee members are satisfied that the most responsive proposal received the most points and each proposal received proportionally fewer points in direct relationship of the quality of the response compared to the subfactor. In this methodology the best response does not necessarily receive all of the available points for the subfactor. The best response may receive only one-half of the points and the poorest response only one-third of the points. On the other hand, if all of the responses are excellent, then all of the proposals will receive all or nearly all of the points.

Since this step is critical to the effective use of the methodology, the process is re-described for clarity. Each member of the Evaluation Committee is given an opportunity to rate/evaluate each proposal by subfactor. All proposals are to be

evaluated in turn by evaluation sub-factor. That is, proposal one is evaluated for factor one sub-factor A. Proposal two is evaluated for factor one subfactor A, etc. Individual members scores are averaged and the averages recorded by the Procurement Manager. If there is a disparity between member ratings for a particular evaluation subfactor, then the Procurement Manager must give the highest and lowest rating members an opportunity to defend their ratings. Each member in turn is polled and the individual member ratings are averaged to obtain the consensus final score. The next round, proposal two is evaluated for factor one subfactor B, etc. and the evaluation is initiated by the next member of the Evaluation Committee. The proposals and initiating committee members are rotated in order. **The entire evaluation must be completed with the Evaluation Committee working as a group not as individuals working alone.**

If a member requests a clarification, the Procurement Manager will move the scoring process to another sub-factor until the clarification can be received and submitted to the Evaluation Committee at the scoring session.

In addition to recording the scores, the Procurement Manager should be taking notes of Evaluation Committee comments and concern for use in the Evaluation Committee Report and the finalist notification letters.

- **Call References**

Each reference will be asked the same questions and the answers recorded on the reference questionnaire. There are several acceptable approaches for contacting references. One member of the Evaluation Committee can call all of the references. Each member of the Evaluation Committee can call one reference from each proposal. The Evaluation Committee may appoint an individual outside of the committee to call the references. In any case, copies of the completed questionnaires are provided for all members of the Evaluation Committee and the points are awarded at a joint Committee meeting.

The evaluation subfactors were developed from the list of questions. The reference response to a series of questions, therefore, becomes a basis for evaluating that subfactor. The subfactor scores are determined by the Evaluation Committee as a whole similar to all other evaluation subfactors. The subfactor scores may be averaged across the references to obtain final scores for the offeror.

Most projects of any size involve more than a single party. For example, there is usually a project manager or contract manager, a user organization and technical support. Experience has shown that the three parties may have vastly different perspectives on the quality of the contractor's performance. The only way to obtain an accurate assessment is to contact all three parties for each reference. Simply ask the contact person for names and telephone numbers of the other parties.

Another useful technique is to daisy chain references. That means asking each reference for another reference. It is very likely that the reference also checked references before entering into the contract. This is an excellent technique for expanding the contractor's supplied list of references which often produces more accurate assessment of the offerors products and capabilities.

If an offeror is proposing the use of a subcontractor for a significant portion of the contract, then the subcontractor's references should be thoroughly checked as well. For professional services contracts, it is very useful to require and check both corporate and individual references of key personnel that will be assigned to the project.

When properly checked, references have proven to be a wealth of valuable information. Information supplied by references has frequently resulted in specific contract provisions designed to protect the interest of the agency and State. For example, if contractor personnel were frequently diverted to other business opportunities during a given contract, the agency may want to add a specific contract provision governing the reassignment of contractor personnel. Those who say that checking references is a waste of time simply don't know what they are talking about.

- **Assign Cost Points**

After all of the aspects of the proposals have been evaluated, the Procurement Manager discloses the offeror proposed costs to the Evaluation Committee. At that time points based on the formula contained the RFP are awarded. At this point in the process, the proposals have been thoroughly evaluated and all points awarded to each proposal except of the points that may be assigned for the oral presentation and demonstration.

- **Review Terms and Conditions**

The evaluation has been performed assuming a uniform set of terms and conditions. The results of the terms and conditions review that was conducted in parallel with the evaluation is presented to the Evaluation Committee at this time. Differences in proposed terms and conditions must be taken into consideration as part of the selection of finalists step in the process.

## **B. SELECT FINALISTS**

The model RFP paragraph concerning the notification of finalists does not indicate the number of finalists that will be selected. This omission is by design. The quality of the proposals submitted will determine the number of finalists. The evaluation should produce a ranking by points awarded and the point spread will determine the number of finalists to be selected. The following paragraphs discuss some examples that should illustrate the selection process.

There was a procurement where a total of four proposals were submitted and all were responsive but mediocre having received fewer than 700 points. In this case the Evaluation Committee designated all four proposals as finalists and specific instructions were included in the best and final letters requesting that significant areas of each proposal be readdressed as part of the best and final submission. All four offerors submitted substantial proposal amendments and all four proposals were significantly improved. All four amended proposals were reevaluated and the award was made to an offeror who scored over 900 points.

Several years ago four proposals were received in response to a professional services RFP. All four were responsive and the point spread ranged from a high of 850 points to a low of 655 points. With only 100 points remaining for the oral presentation, the Evaluation Committee was in a quandary regarding the selection of finalists. After considerable deliberation it was decided that all four offerors would be selected. That decision produced the following results. The highest-ranked proposal that was leading by 50 points finished a poor third. As it turned out, the offeror had highly-qualified proposal writers on its staff who were far more competent than the professionals proposed for the project. The proposal document was excellent, but the staff to perform the work was not knowledgeable in the application. They were weak technically as well. The offeror who was ranked second submitted an aggressive best and final offer and ended up winning the contract by a narrow margin over the fourth ranked proposal. The fourth ranked offeror had very knowledgeable staff who were involved in a critical phase of another engagement and were unavailable when the proposal was written. The proposed project staff had a significant level of application expertise and outstanding technical skills. The third ranked offeror did not submit a best and final offer and ended up in fourth place.

The previous examples illustrate the fact that through the “best and final offer” amendment process, offerors can improve their proposals and their scores. Based on the experience from numerous procurements, a general rule of thumb has been established concerning the selection of finalist. Take the remaining points for the oral presentation/demonstration and multiply by two. The highest ranked proposals within that point spread should be considered for selection as a finalist. Other proposals may also be selected if they have a reasonable chance to win the award. Over the years and after numerous procurements, that rule of thumb has proven to be a reasonable guide for single-source awards. Remember that offerors may amend all aspects of their proposals with their best and final offer.

For multiple-source awards and price agreements, another useful technique has evolved. The Evaluation Committee establishes a minimum criteria at some reasonable level, e.g. 700 points. Proposals that receive less than the minimum are not selected as finalists regardless of the point spread or number of finalists. If this technique is used, the minimum number of points should be documented in the RFP.

If the proposals were evaluated on widely varying terms and conditions, the Evaluation Committee must take this fact into consideration in the selection of finalists. Offerors who prepared their proposals based upon the terms and conditions must not be unfairly penalized when compared to another offeror who may have submitted a proposal based upon a more liberalized set of terms and

conditions. The following example illustrates the point. The contract included in the solicitation contained a warranty provision of one calendar year after acceptance. Several proposals were submitted based upon that warranty provision. However, two other proposals were also submitted. One with a six months warranty and the other for ninety days. The proposed cost for the latter proposal were substantially lower thereby earning them more points than the other proposals. A far fetched example? Not at all. The State has received proposals for no cost if the procuring agency would agree to the proposed terms and conditions which require that the product be designated as a standard or required product for other public or private sector entities to use. There are frequently proposed exceptions to the State's standard contract clauses for indemnification, limits of liability and payment terms.

Since the evaluation of proposals for the previous example was not performed on a uniform foundation, contract terms, the solution is to select all of the proposals who have a legitimate opportunity to win the award and have all of the finalist offerors submit best and final offers on a uniform basis, a minimum acceptable warranty period.

**IF AN OFFER HAS A REASONABLE CHANCE TO WIN THE AWARD THROUGH THE BEST AND FINAL OFFER PROCESS, THE OFFEROR SHOULD BE SELECTED AS A FINALIST.**

## **D. QUESTIONS AND ANSWERS**

**Q. Is the evaluation limited to only the references provided?**

A. No! Any legitimate source of information should be used to verify the quality of the offerors products or services. However, the source must be legitimate and the response like all other sources must be recorded on a completed reference questionnaire.

**Q. Do we need to call all of the references?**

A. The Evaluation Committee should attempt to contract all of the required references. Although only five may be required, some offerors may supply 25 or 30 references. Only five need to be contacted unless these references indicate potential problems. Then more may be called to obtain a better fix on the nature of the problem.

**Q. Do references have to be called before selecting finalists?**

A. Yes! All evaluation factors including references must be evaluated before the selection of finalists.

**Q. What do we do if we can not contact one or more of the offeror's references?**

A. Ask the offeror to call the references and identify a time that is appropriate for calling the reference or clarify the actual party to be contacted.

**Q. How do we handle both corporate and individual references?**

- A. On professional services procurements it is a good technique to ask for a given number of corporate and individual references for key members of the project team. Two reference list questionnaires should be constructed, one for the corporate and one for the individual references.

**Q. What is meant by the phrase "a material mandatory requirement"?**

- A. Offeror proposals are disqualified only if they failed to meet one or more material mandatory requirements as opposed to a minor technicality. Several items on the Letter of Transmittal illustrate the differences between the two types of failures. If the Letter of Transmittal is not signed by a person who is authorized to contractually obligate the organization, the proposal is not binding. That is a non-proposal, a material violation of a mandatory requirement. The proposal is non-responsive. On the other hand, if the Letter of Transmittal fails to acknowledge receipt of all amendments and the offeror is clearly submitting a binding proposal which demonstrates awareness of the contents of any unacknowledged amendments, that failure is a minor technical irregularity that should be waived. If the Evaluation Committee requires some additional guidance, call the purchasing staff assigned to the procurement for assistance.

Occasionally, an otherwise well-intentioned member of an Evaluation Committee will ask the Procurement Manager to disqualify a proposal for failure to meet even one minor irregularity. That person simply misses the point of the procurement philosophy and evaluation process.

The best test for "Material" is whether or not the disqualification justification is reasonable and will withstand a protest or law suit.

**Q. When should non-responsive disqualification letters be sent?**

- A. As soon as possible after the proposal has been deemed non-responsive. Timing is very important because of disqualification protests. It is in the best interest of the agency to have the State Purchasing Agent receive and resolve a disqualification protest prior to the award. This type of protest hearing is conducted just prior to the award. If the State Purchasing Agent rules in favor of the protestant, the award will be rescheduled until after the Evaluation Committee has had an opportunity to evaluate the proposal. The procurement process will be continued just as if the proposal was not disqualified in the first place. The Evaluation Committee Report and the Management Recommendation Letter are not disclosed. The integrity of the procurement process has been maintained. On the other hand, if the protest is heard after the award and public disclosure of the Evaluation Committee Report, the procurement will have to be canceled and reinitiated from scratch if the State Purchasing Agent agrees with the protestant.

**Q. Does the Structured Evaluation Methodology described in this chapter have to be used? Aren't there other methodologies or techniques?**

A. The evaluation technique is required for procurements conducted under the authority of the State Purchasing Agency because it produces the best result. It combines the two recognized techniques: the evaluation of proposals against factors and the evaluation of proposals against proposals. It works great! No other techniques are acceptable.

**Q. A member of my agency management is trying to influence the Evaluation Committee. What do I do?**

A. Call the purchasing or legal staff assigned to the procurement immediately.

**Q. When does the Evaluation Committee do the cost evaluation?**

A. After all other aspects of the proposal evaluation, other than the oral presentation or demonstration have been completed.

**Q. If a proposal scores well but is deficient in one factor such as references, does that proposal have to be selected as a finalist?**

A. No! There is a sentence in the model RFP that states the fact that the award will be made to the most advantageous proposal. Poor references and poor financial resources are not going to be fixed in time for the oral presentation. The State is not interested in doing its business with a contractor who does not have a successful track record or the resources to see the project through to its successful conclusion.

**Q. Does the lowest cost offeror have to be selected as a finalist?**

A. No! Select the proposals that have the best overall scores as finalists.

**Q. I received only one proposal. What does the Evaluation Committee do?**

A. That proposal is treated exactly as if it were one among many. It must be received and checked for compliance with mandatory requirements and specifications. It must be responsive to the desirable specifications and factors. The cost must be reasonable.

All the steps in the procurement process are followed including best and final offer and the oral presentation/ system demonstration. The procurement schedule may be accelerated but an Evaluation Committee Report must be prepared and the award will be made at a public meeting as usual.

**Q. A member of the Evaluation Committee just stated a possible conflict of interest with one of the offerors. What do I do?**

A. Contact the purchasing or legal staff immediately. The potential conflict must be discussed, described, documented and resolved. There are several grounds or conditions under which a conflict may exist. Probably the most common occurs when a near relative works for the potential contractor or sub-contractor. A determination is required, usually with the assistance of legal counsel. The determination will be made and the Committee member may remain on or be dismissed from the Evaluation Committee. The key is to take prompt action.

**Q. A member of the Evaluation Committee appears to be prejudiced against an offeror. What do I do?**

A. The member must be dismissed from the Evaluation Committee. Ask purchasing staff for assistance.

## **CHAPTER TEN**

### **BEST AND FINAL OFFERS**

If it were your money,  
how would you spend it?



## A. NOTIFY FINALISTS

This step is an extremely important part of the procurement process as this is the only place in the process where offerors can amend their proposals. They may amend their proposed costs as well as other portions of their proposals. **Offerors should be encouraged to improve their proposals.**

The recommended technique is to collect questions about the offeror's proposal from the Evaluation Committee. The Procurement Manager divides the questions into two groups: 1) questions to be addressed in the best and final offer; and 2) questions for the oral presentation. If the Procurement Manager took good notes during the evaluation, the notes may suffice as the basis for the notification letters.

The Procurement Manager must provide each finalist a written notification letter that contains the following:

- The date, time and location of the oral presentation or system demonstration, along with instructions as may be appropriate for the conduct of the session including an agenda.
- Specific areas of the offeror's proposal that the Evaluation Committee may **request** to be addressed as part of the submission of best and final offers. For example, the Evaluation Committee may request that the offeror readdress important aspects of the proposal such as the implementation schedule, level of support, type or amount of resources proposed, or contract terms and conditions.
- Specific areas of the offeror's proposal that the Evaluation Committee may **require** to be addressed as part of the submission of best and final offers. For example, unacceptable terms and conditions may have to be amended or withdrawn as part of a best and final offer. Confidential or proprietary designations on non-proprietary portions of an offeror's proposal must be removed. Unacceptable licensing or other restrictions on the use of the product must be eliminated through a best and final offer amendment.
- The due date and time for submission of best and final offers.
- The final paragraph should emphasize the fact that the best and final offer is an opportunity for the offeror to improve the proposal by submitting revised proposed costs as well as other amendments.

If the best and final offer contains meaningful revisions to the original proposal, then all of the revised portions of the proposal must be reevaluated and points reassigned accordingly.

The best and final offer step has produced some truly amazing results over the years saving the State literally millions of dollars. The step works best on single source awards. However, it is valuable for

every procurement as it is the only step in the process where the offeror is given an opportunity to amend the proposal.

The RFP document encourages the offerors to respond to the contract with specific wording changes and additions. Some of these changes and additions could preclude the signing of a contract. That is why they are required to be submitted up front as part of the proposal as opposed to the more traditional negotiation process that corporate attorneys thrive upon. For example, offerors have required that the contract be governed under laws of some other state than New Mexico. That requirement is not acceptable. The offerors were given the opportunity to amend their proposals eliminating the requirement. In some cases the proposals were amended, in others they were not and the offeror was eliminated from the process, deemed non-responsive. In other cases offerors have required payments in advance, which is prohibited by statute. There have been almost endless variations. That is why the Procurement Manager is responsible for reviewing the offeror's changes and additions with in-house counsel before this step in the process.

Another area that causes serious problems is workmanship or other warranties that impact the offeror's proposed costs. For example, the contract may require that the contractor be bound and honor a six-month workmanship warranty where errors will be fixed during the warranty period at no additional cost to the agency. If one finalist agrees to the requirement and another does not, what does that do to the points awarded for cost by the formula. Obviously, the cost formula works only when the costs are proposed on an identical basis. Since, in this case, proposed costs are not on the same basis, the Procurement Manager has an obligation to get the inequity fixed as part of the best and final process. The Procurement Manager may demand that the second offeror resubmit costs and a written amendment eliminating objections to the six-month contractual workmanship warranty. The Procurement Manager may ask both offerors to propose costs on a new basis, e.g. a three-month workmanship warranty.

The key point of this discussion is that the model RFP best and final paragraph uses the phrase "offerors may be required to submit revisions...", and this step in the process is where proposal inequities and unacceptable conditions are eliminated.

### **DON'T ACCEPT RESPONSES SUCH AS "SUBJECT TO NEGOTIATIONS" AS AN ANSWER.**

If the best and final offer request contains instructions for reproposing the offeror cost on a basis other than what was contained in the RFP document, then the change should be treated as an RFP amendment and identified as such.

After the award the Procurement Manager is responsible for preparing the proposals for public inspection. This simply means that one or more of the competing offerors may request copies of one or more of the proposals submitted by the other offerors. Of course, the winning proposal is the one most often requested. Public disclosure has to be timely. The problem arises when the offeror has designated all or sections of the proposal as "proprietary" or "confidential" when they do not meet the requirements for such designations. The best and final offer step in the process should be used to correct this type of problem. The Procurement Manager should **require** that the extraneous

designations be removed from the proposal as a condition of award. After the award it is generally difficult to get even the winning offeror to cooperate with the public disclosure requirements. This situation can extend the protest period and delay contract initiation.

Finalist notification letters should be sent via facsimile or e-mail and U.S. Mail.

## **B. NOTIFY NON-FINALISTS**

Non-finalists need to be notified too. They probably have a procurement response team on standby awaiting notification of the selection. Therefore, prompt notification of the non-finalist is required so that the procurement teams may be released for other duties.

The recommended notification procedure is a telephone call from the Procurement Manager followed by a written letter of notification.

"This letter is notification that your company's proposal in response to RFP # \_\_\_\_\_ was not selected as a finalist. On behalf of Secretary \_\_\_\_\_ and the members of the Evaluation Committee, I want to express our sincere appreciation for the time and effort you and your staff have taken to respond to our Request for Proposals."

If the company representative requests a critique of the proposal, schedule the critique **after** the expiration of the protest period. The notification letter should be sent via facsimile and U.S. Mail.

## **C. COLLECT BEST AND FINAL OFFERS**

The model RFP language states that the best and final offer must be submitted on a given date and time. This deadline is treated exactly like the proposal submission. Best and final offers submitted after the deadline are not accepted. There is no reason to hear an oral presentation from an offeror who is going to be deemed non-responsive for failure to adequately address required "best and final" offer requirements. The best and final offers must be verified for compliance with the requirements. Disqualification decisions are made by the Evaluation Committee and disqualification letters must be promptly sent as well.

Best and final offers may need to be clarified which is another good reason for having them early for review prior to the oral presentation. The Procurement Manager may request a written clarification or the offer may be amended via hand written notes which are dated and signed by a qualified representative of the offeror's organization. Since the amended offer is binding, it must be signed by someone who has the power to contractually obligate the organization.

Best and final offers, as amended, are accepted only once. They are discussed and clarified at the oral presentation which concludes the contact with the offerors' organizations. For some unknown reason, some jurisdictions require a sealed best and final offer that is opened sometime after the oral presentation has been concluded. That is not the way this process is conducted. The best and final

offer must be submitted by the specified due date and time. The best and final offer should be discussed and clarified, if necessary, before the oral presentation/demonstration has been concluded.

## D. QUESTIONS AND ANSWERS

**Q. How should finalists be notified?**

A. Finalists should be notified by telephone, facsimile and U.S. Mail. The telephone call should alert the company representative that the notification letter containing instructions is on the way.

**Q. How does the Evaluation Committee designate the lowest cost responsive offer?**

A. Use the lowest responsive finalist offer as the basis for the cost evaluation.

**Q. Does an offeror have to submit a best and final offer?**

A. Not unless required to do so by the Procurement Manager as stated in the notification letter.

**Q. Under what circumstances should the offeror be required to submit a best and final offer?**

A. The best and final offer is the only step in the process where the proposal can be amended. If the offeror's proposal contains unacceptable contract terms and conditions, this is the step in the process where that problem is resolved. If an offeror stamped every page of the proposal "Proprietary" or "Confidential", this is the step in the process where that problem is corrected. If costs were not proposed on exactly the same basis as the other offerors, this is the step in the process to correct that problem.

**Q. May I disclose the names of the finalists?**

A. The answer is "yes" for the State procurements. Check local regulations. Unless specifically prohibited, disclose the list of finalists. Competition always works in favor of the procuring agency.

**Q. I understand there is a procedure for a second best and final offer. Explain.**

A. Check local regulations. The State Purchasing Agent's procurement regulations allow for a second "best and final" offer. However, the second "best and final" must be authorized before it is issued. The procedure has been most frequently used when all of the finalists offers are greater than the level of agency funding. The procedure is to resize the project and request the State Purchasing Agent to authorize a second "best and final" offer from the finalists based upon a revised definition of the project scope of work. It may also be used when the agency management is not completely satisfied with any offeror proposal. This typically

happens when the Evaluation Committee Report contains a high score for the best finalist offer in the middle 700's range and lower.

The procedure is initiated by submitting a request from the agency head or cabinet secretary to the State Purchasing Agent requesting approval to require a second best and final offer.

Nothing concerning the evaluation, relative standings or the contents of any proposal is disclosed at this point in the process. After approval has been obtained, second best and final letters are sent to the finalist offerors and the evaluation continues at the best and final offer step in the procurement process. Finalists may submit a second best and final offer or withdraw from the procurement.

**Q. If a second best and final offer is authorized, is a second oral presentation required?**

- A. For most procurements the answer is “Yes”! It is generally essential that the second best and final offer be presented to the Evaluation Committee so that questions can be answered and the offer clarified, if necessary.



## **CHAPTER ELEVEN**

### **PRESENTATIONS AND DEMONSTRATIONS**

Don't you test drive a car before you buy it?



The oral presentation and product demonstration is structured and controlled by the Procurement Manager. These are not dog-and-pony shows or canned demonstrations. Obviously there are significant differences between the two types of examinations. **Use prepared oral presentation and demonstration agendas to control the sessions.**

## **A. ORAL PRESENTATIONS**

The following are some suggestions for the conduct of the oral presentation:

- Divide the presentation into two phases: oral presentation, and questions and answers. Have the oral presentation first.
- Prepare in advance for the oral presentation by writing down all the questions to be asked. These questions should also be divided into two categories: specific Evaluation Committee questions about portions of the offeror's proposal, and questions to be asked of all offerors.
- The questions for all offerors are highly tailored to the specific procurement, but the following generally applies to all procurements. The Evaluation Committee is attempting to assess:
  - The offeror's knowledge of your system or application.
  - The offeror's track record with similar contracts.
  - The offeror's commitment to your project.
  - The quality of offeror's personnel that will be assigned to your project.
- Prepare an evaluation score sheet containing the weighted subfactors before the presentations begin. Evaluation Committee members usually prefer to make notes on the score sheets.

**IT IS THE PROCUREMENT MANAGER'S RESPONSIBILITY TO INSURE THE OFFEROR FOLLOWS THE AGENDA AND COMPLETES THE PRESENTATION IN THE ALLOTTED TIME.**

## **B. PRODUCT DEMONSTRATION**

The following are some suggestions for the conduct of product demonstrations:

- Divide the demonstration into two phases: system overview presentation, and demonstration of specific system capabilities.

- Focus the demonstration on core system functions followed by desirable functions. Reserve the very last portion to offeror optional capabilities commonly referred to as bells and whistles.
- Prepare and distribute the demonstration agenda to all offerors in advance of the demonstration. The demonstration agenda should include a list of core system functions that are to be demonstrated including a list of reports that are to be produced.
- Whenever possible, have the system demonstrated with the agency's data. Send the offerors a diskette or tape containing the data. Almost any system works well with canned demo data. It does not necessarily follow that the system will work well with the agency's data.
- The Evaluation Committee should assess:
  - The system ease of use.
  - The ability of the system to fulfill core functions requirements.
  - The system maintainability and installation of new releases.
  - The proven usefulness of the system in other installations.
  - The offeror's commitment to provide system support.
  - The quality of the offeror's support.
  - The offeror's knowledge of the application requirements.
  - The offeror's position in the marketplace.
- Prepare an evaluation score sheet containing the weighted subfactors before the presentations begin. The majority of the points should be allocated to the core functions that the system will provide. Evaluation Committee members usually prefer to make notes on the score sheets.

IT IS THE PROCUREMENT MANAGER'S RESPONSIBILITY TO INSURE THE OFFEROR FOLLOWS THE AGENDA AND COMPLETES THE DEMONSTRATION IN THE ALLOTTED TIME.

### **C. BEST AND FINAL OFFER QUESTIONS**

It is the Procurement Manager's responsibility to insure that questions regarding the offeror's proposal and best and final offer are answered at the oral presentation/system demonstration. This step in the procurement concludes contact with the offeror until the evaluation is completed and contract negotiations with the selected offeror begin. Best and final offers are accepted only once.

## D. QUESTIONS AND ANSWERS

**Q. What is the key element for the conduct of presentations and demonstrations?**

A. There are actually two key elements. The first is through preparation by the Procurement Manager and Evaluation Committee in advance of the meeting. Think of these events as thorough examinations. That is what they are intended to be. The second key is keeping the meeting on schedule. It is the Procurement Manager's responsibility to insure that the meeting stays on track and focused. Do not let marketing representatives take over and lead the entire meeting astray.

**Q. Why is the best and final offer discussed at the meeting?**

A. It is discussed to avoid misunderstandings about the best and final offer. When the offeror's representatives leave the room, that concludes all contact with offeror personnel until a decision has been made. The procurement process has to be brought to a conclusion. This is the point where it happens.

**Q. Why are best and final offers required prior to the oral presentation?**

A. The Procurement Manager must establish a common due date and time for the receipt of best and final offers. The Evaluation Committee needs time to review the best and final offers before the oral presentations.

**Q. May the offeror revise or amend the best and final offer at the oral presentation?**

A. Yes! The model RFP allows for such amendments. Have the offeror's senior representative present sign and date the changes.

**Q. When does the Evaluation Committee score the oral presentation/demonstration?**

A. Scoring of the presentation/demonstration is completed immediately after the departure of the offeror. Best and final offer amendments are scored at a later time after all the presentations and demonstrations have been completed. All proposal amendments are scored at the same time using the same methodology and process that was used to score the proposals.



## **CHAPTER TWELVE**

### **PREPARE FOR AWARD**

If you followed the guide,  
by now 90% of the work has been completed.  
If you didn't follow the guide,  
the remaining steps will take another 90%.



## A. COMPLETE THE EVALUATION

The best and final offers are not limited to cost alone. Offerors should have been encouraged or required to submit amendments to other portions of their proposals. Those areas must be reevaluated.

Some Procurement Managers prefer to withhold the best and final cost proposals until the Evaluation Committee has rescored proposal amendments and the presentations. This technique helps to maintain objectivity with the scoring.

Based upon the content of the oral presentation, the Evaluation Committee may choose to rescore a portion of an offeror's proposal even through no amendment was submitted with the best and final offer.

The lowest responsive finalist offer becomes the lowest responsive offer for award of cost points. The scoring of amendments is performed in exactly the same manner as the proposals were scored. The oral presentations are scored by the predefined subfactors. The only thing different about the procedures is that the oral presentation and demonstrations are scored immediately after the conclusion of each presentation/demonstration.

## B. COMPLETE THE EVALUATION COMMITTEE REPORT

The Evaluation Committee Report is a public document after the award. It is not at all unusual for competing offerors to request a copy of the report. Most Procurement Managers attach the report to the award notification letter. The report must be thorough and professional in appearance.

The report must be approved by the agency management and contain the following:

- Signatures of all members of the Evaluation Committee.
- A brief discussion of why offerors were awarded points in specific factors. The objective is to document verifiable differences between the proposals. Explain all of the zeros and all of the maximums. The Evaluation Committee performed a horizontal evaluation. The Procurement Manager's notes follow the evaluation format. The Evaluation Committee Report should follow the format as well. Follow the subfactor listing. The narrative should reflect and document the point difference. Include quotes from the RFP document and offeror proposals. The discussion includes both finalists and non-finalists.
- A spreadsheet table of RFP evaluation factors and the points awarded to each offeror for each evaluation factor by subfactor.
- Attach all disqualification letters if any were issued.

The report contains only the final scores reflecting and the best and final offers including amendments and points awarded for the presentation/demonstration. Interim scores are treated as confidential committee working papers and they are not disclosed.

**It is not necessary or desirable to list all of the mandatory requirements in the report.**

An example Evaluation Committee Report is contained in the final chapter for reference. An Evaluation Committee Report is required even if only one proposal was submitted. For procurements conducted under the authority of the State Purchasing Agent, the purchasing staff assigned to the procurement will generally review the draft Evaluation Committee Report if requested to do so.

### C. OBTAIN MANAGEMENT APPROVAL

For the majority of procurements, senior agency management is not directly involved. Therefore, this step has been inserted into the procurement process to obtain that involvement. After all, for most procurements, the agency head will have to sign the contract. This also is a critical point in the procurement process where management concerns may be addressed without jeopardizing the procurement process.

The Model RFP contract award paragraph states "after review of the Evaluation Committee Report, the recommendation by the agency management and the contract, the State Purchasing Agent (or governing body) will award the contract..." The State Purchasing Agent will not make the award without the signed Management Recommendation Letter. (See the final chapter for an example.)

The usual procedure is for the Procurement Manager to submit the Evaluation Committee Report to the agency head or appropriate designee for review and approval. The report should be accompanied by the draft Management Recommendation Letter. This frequently results in an oral briefing by the Procurement Manager and on some occasions the entire Evaluation Committee. Legal counsel may also be included as required.

Here are the key points. The procurement process is halted until any management concerns have been addressed. **After management approval has been obtained, the contract can be finalized with the selected offeror.**

### D. FINALIZE THE CONTRACT

The traditional approach to RFP based procurements used by many jurisdictions consists of the following steps:

- Prepare and issue the RFP
- Receive and Evaluate Proposals
- Award a contract or price agreement
- Negotiate the contract or price agreement

That approach places the procuring at the mercy of the selected contractor. There is an old adage “What the contractor gives in the proposal is taken away in the contract negotiation”. The procuring agency has absolutely no leverage after the award. After the selection is public, the leverage shifts to the side of the contractor. After the public announcement governing bodies, or executives reporting to governing bodies, will frequently agree to almost any contractor term or condition to save face. Is it any wonder that public bodies find themselves with one-sided, unenforceable contracts? Is it any wonder that public funds are squandered on failed projects.

If you followed this guide, the traditional contract negotiations has been overlapped with the evaluation and there is generally very little required to finalize the contract. If you have not followed this guide, stop the procurement process. Finalize the contract before the award.

The principle described above applies equally to contracts and price agreements. The State frequently conducts statewide procurements that result in multiple source award price agreements with a half dozen or more companies. There is a variation that has worked successfully for this circumstance. The price agreement negotiation is overlapped with the evaluation process as described for contracts. However, the price agreement award is made subject to the finalization of the price agreement and other requirements regarding the price agreement product and services schedule. In this way the companies who respond quickly have their price agreements placed in effect immediately and they can receive and service purchase orders from the procuring agencies. Companies who are less responsive or have corporate counsels who want to renegotiate terms and conditions are put aside and handled last. When the marketing representative understands that his competitors have agreements in place and are accepting purchase orders, the corporate intransigence evaporates. Deadlines also work well.

After management approval has been obtained, the contract finalization process is initiated by the Procurement Manager via a carefully prepared telephone call to the representative of the selected offeror. The Procurement Manager's telephone call should contain the following statements:

- I have been instructed by [ agency head ] to call you and inform you that you have been selected for the award subject to the following conditions.
- That [ agency head ] requires your company's signature on the contract setting on [ agency head's ] desk by 9:00 a.m. on [ date of award ].
- That the following outstanding issues be addressed and resolved as follows....
- That the State Purchasing Agent [ governing body ] approves the [ agency head's ] favorable recommendation and awards your company the contract on [ date of award ].

Follow up the telephone call with facsimile of the cover letter and the revised contract. Overnight the number of contracts to be signed and returned.

If the contract has not been executed, signed by all the required parties, by the expiration of the proposal offer firm date as specified in Section II, Paragraph C of the Model RFP, the offeror is no longer bound by the proposal costs. For all practical purposes the procurement process is concluded. No contract is signed. The proposal offer firm date can be extended in writing by the offeror. The offeror is under no obligation to do so and the proposed costs and conditions may not be amended.

It is quite common for the Procurement Manager to receive one or more telephone calls from finalist offerors inquiring about the initiation of contract negotiations. Most Procurement Managers are somewhat uncomfortable talking with non-selected offerors. Here are the recommended techniques. If the agency head has not made a decision, simply state that fact. If a selection has been made, simply state that "a tentative contractor selection has been made. The selection and the Evaluation Committee Report will be presented to the State Purchasing Agent for award on \_\_\_\_\_." That is all that needs to be said to a non-selected finalist.

## **E. QUALITY ASSURANCE REVIEW**

Procurements conducted under the authority of the State Purchasing Agent are subjected to a quality assurance review prior to the award. The purpose of the review is to insure that the procurement process was completed properly and thoroughly prior to an award. If an error or omission occurred there is an opportunity to correct the error or omission without jeopardizing the procurement. Whereas some typographical errors in evaluation committee reports and other public documents are simply embarrassing, procedural errors and omissions discovered after the award are generally the subject of formal protests and law suits. Approximately one-half of the materials submitted for award have to be revised or corrected.

The State Purchasing Agent has established a standard set of award requirements.

- The procurement must have been conducted in accordance with the procurement regulations and procurement procedures, practices and methodology contained in this guide.
- The proposals must have been evaluated based upon the specifications and evaluation factors set forth in the RFP.
- The agency management must have reviewed the Evaluation Committee Report and recommend the award in a signed Management Recommendation Letter.
- The Evaluation Committee Report must be thoroughly and professionally prepared as well as signed by every member of the Evaluation Committee. The report must contain verifiable documentation regarding the differences between the proposals.

The role of the Purchasing Division staff is to review and insure that the procurement process was conducted properly. The Procurement Manager and the Evaluation Committee are responsible for performing a thorough and fair evaluation. Purchasing Division staff is concerned only with the

conduct of the process, not the judgement of the Evaluation Committee regarding a specific factor or offeror proposal. However, the Procurement Manager is expected to follow the documented procurement practices contained in this guide and the Evaluation Committee is required to follow the approved evaluation methodology.

Purchasing Division staff requires the signed original copies of the Management Recommendation Letter and the Evaluation Committee Report plus copies of all procurement correspondence including non-responsive and best and final letters. Finally, staff needs one copy of each offeror proposal including the best and final offer, if one was submitted, and the signed contract.

## F. QUESTIONS AND ANSWERS

**Q. Will Purchasing Division staff review a draft copy of the Evaluation Committee Report before it is submitted to the Cabinet Secretary for approval?**

A. Yes! Purchasing Division staff will generally be able to make time to review the draft.

**Q. A member of the Evaluation Committee is out of town and cannot sign the Evaluation Committee Report. Is every signature required?**

A. The State Purchasing Agent requires that the Evaluation Committee Report be signed by every member of the Evaluation Committee prior to the award. Submit the Report for review with all the signatures from the available members and submit the final signatures to the Purchasing Division staff by the morning of the award.



## **CHAPTER THIRTEEN**

### **THE AWARD**

The non-selected offerors have made a substantial investment  
in both time and resources in the procurement.  
Treat them with respect!



## **A. THE AWARD**

Every jurisdiction has some type of procedure concerning contract awards. In some cases the governing body will make the award at a public meeting or the agency head or senior executive in charge of the organization makes the award. Check the local procedures.

Procurements conducted under the authority of the State Purchasing Agent may be awarded informally or at a scheduled public meeting depending on the size of the procurement and the level of interest by the offerors. In any either case, the proposals are public after the award.

The award documents consist of the contract with original signatures of the agency head and contractor, the signed original management recommendation letter and the signed Evaluation Committee Report. The State Purchasing Agent “makes the award” by signing and dating the contract or price agreement.

For scheduled public awards, the Procurement Manager is expected to assist with the informal presentation of the procurement evaluation to the State Purchasing Agent at the award and answer specific questions about the conduct of the procurement and the Evaluation Committee Report. Members of the Evaluation Committee are not expected to attend. Offeror representatives who may have requested a public award are expected to attend.

Based upon a review of the Evaluation Committee Report and the other award documents, the award may be subject to specific conditions. An example award condition follow: "The award shall be subject to approval of appropriate state/federal authorities".

After the award the Procurement Manager must send out written notices of the award to the competing offerors. Please refer to final chapter for an example of the notice. If the procurement schedule has changed from what was published in the RFP, then the notice must contain the new expiration date for the protest period. Otherwise, it is not necessary to include that date in the notice. Most procurement managers attach a copy of the Evaluation Committee Report to the notice.

**NOTICES MUST BE POSTMARKED NO LATER THAN THE DAY FOLLOWING THE AWARD.**

## **B. OBTAIN CONTRACT SIGNATURES**

By this point in the process, the contract should have been signed by the contractor, agency and the State Purchasing Agent or governing authority who performed the award. The New Mexico Chief Information Office must sign information system professional services contracts for Executive Branch procurements. Other Executive Branch signatures include the Taxation and Revenue Department for all contracts that are subject to gross receipts taxes. The Department of Finance and Administration must sign all contracts for or containing professional services and the Attorney General must sign all professional services contracts for aggregate amounts in excess of \$200,000.

IT IS NOT NECESSARY TO WAIT UNTIL THE EXPIRATION OF THE PROTEST PERIOD TO EXECUTE THE CONTRACT.

### C. PREPARE FOR PUBLIC INSPECTION

The public inspection step in the procurement process occurs during the protest period although the contracting package as described in a subsequent paragraph is available for public inspection for the life of the contract and several years thereafter. The Procurement Manager is responsible for the timely preparation of appropriate procurement materials for public inspection. That statement contains several phases that require clarification.

Members of the public-at-large are rarely interested in reviewing or inspecting the procurement materials. The vast majority of the requests come from the competing offerors who were not selected for award followed by occasional requests from representatives of the print or electronic media. The majority of the requests are for a copy of the Evaluation Committee Report and the selected offeror's proposal.

The following is a list of procurement materials that are subject to public inspection:

- Management Recommendation Letter
- Evaluation Committee Report
- Correspondence to potential and competing offerors throughout the course of the procurement
- Request for Proposals document with amendments
- Written questions and answers
- All offeror proposals including written clarification and best and final offers, excluding pages that have been **appropriately** marked "proprietary" or "confidential"
- Any other materials that may have been submitted to the State Purchasing Agent supporting the award recommendation
- All materials in the procurement library, if one was established

The following is a list of procurement materials that are not normally subject to public inspection. Check local regulations.

- Evaluation Committee member personal notes and related materials
- Draft copies of any procurement related materials

- Confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978.

Section II.C of the model RFP contains a paragraph titled "Disclosure of Proposal Contents" that establishes the ground rules for disclosure. Occasionally an offeror will routinely mark every page of the proposal "proprietary" or "confidential". That is not acceptable. For example, the cost proposal is always public information regardless of "confidential" markings on the pages.

If a finalist offeror has marked more pages "confidential" than just financial organizational information or trade secrets, the recommended approach is to demand that the restrictions be lifted as part of a required best and final offer. This should be treated as a proposal amendment where proposal pages without markings are substituted or a letter is requested and received from the offeror removing the restrictions by proposal section or some other unambiguous designation. This is by far the best procedural solution for this type of problem. Another alternative is to have a letter authorizing the release of the material signed during contract negotiations prior to the award. After the award, offerors are far less likely to be cooperative.

There are some alternatives available but they are far less desirable. This aspect of the procurement process can be very troublesome for the Procurement Manager. If confidential financial information or trade secrets are improperly disclosed, then the procuring agency may be liable for substantial damages. There have been cases where an offeror has designated the entire proposal confidential and threatened legal action to prevent a competing offeror from reviewing the proposal during the protest period. Consult with the purchasing staff supporting the procurement.

The public disclosure must be timely. If the Procurement Manager fails to react in a timely manner to disclosure requests, that failure constitutes grounds for a protest that the State Purchasing Agent will have to uphold. The State Purchasing Agent will probably suspend the contract and extend the protest period.

There are various techniques for disclosing the procurement materials. Frequently, the Management Recommendation Letter and the Evaluation Committee Report are attached to the award notice. The Procurement Manager may establish the materials in an office or conference room where the materials may be viewed by appointment only. The Procurement Manager may make copies of requested materials and may optionally charge the requester a fee per page. As an alternative, the Procurement Manager may suggest that the requestor arrive with a personal copier and make all the copies they want on their own machine.

Regardless of the disclosure techniques chosen, the Procurement Manager has an obligation to provide a timely response to requests and all requests must be treated equally and professionally.

## **D. ASSIST WITH PROTESTS**

Check local regulations. There is an entire chapter in the Purchasing Division's Procurement Regulations, 1NMAC5.2, that establishes the ground rules for protests. All the Procurement Manager really needs to know for now is the fact that ground rules have been established that will allow for an orderly disposition of the protest. The Procurement Manager will be a direct participant in the resolution process. Less than 10% of all the procurements conducted under the authority of the State Purchasing Agent result in a protest. Purchasing Division staff will provide some specific direction on what to do after a protest has been filed.

A protest process is a legitimate part of any public procurement. Try not to take it personally. If you followed the guide, you have nothing to worry about. Otherwise, worry!

## **E. PREPARE CONTRACTING PACKAGE**

The contracting package should be assembled and transferred to the contract administrator or project manager. The contracting package should contain the following:

- Executed Contract
- Written Protests
- Protest Resolution Letter
- Management Recommendation Letter
- Evaluation Committee Report
- Best and Final Offer
- RFP Document and Amendments
- Written Questions and Answers
- Procurement Correspondence
- Issuance Package Containing Approval Letter

For most procuring agencies, the contracting package is maintained for a period of three years after the contract has expired. Check the agency's public records retention schedule.

## F. RETURN OFFEROR PROPOSALS

Most procuring agencies prefer to keep one copy of all of the offeror proposals. That practice has proven to be impractical for the larger information technology procurements where the proposals consist of multiple volume sets of materials, some of which may be proprietary and confidential. The solution to this problem is to address the issue directly in the RFP document in a paragraph in the section titled "Conditions Governing the Procurement". After the protest period has expired and any protest resolved, the unsuccessful offeror proposals may be destroyed or returned to the offerors in accordance with the requirements set forth in the paragraph.

Technical documentation is expensive. It should always be returned to the offeror if a substantial amount of technical documentation was required to be submitted. Yes! The agency should pay for the return delivery or shipping charges. On the other hand, most professional services procurements have minimum documentation submitted with them so many Procurement Managers include an ownership of proposals provision in the RFP. For these cases, one copy of the unsuccessful offeror proposals may be retained in the procurement file and the remaining copies destroyed.

## G. FILING WITH STATE PURCHASING

There is an additional step in the process for procurements that result in agency specific price agreements. The equipment and services or product and services schedule must be filed with the Purchasing Division. It is customary to allow the contractor to update the schedule with new models of products before the schedule is filed. There may have been a significant number of new product announcements since the proposal containing the initial schedule was submitted. Price increases for proposed products and services are not accepted.

## H. QUESTIONS AND ANSWERS

- Q. One of the offerors just called and is threatening to file a protest. What do I do?**
- A. Refer the offeror to the protest paragraph in the RFP. Say nothing else. Do not engage in a discussion of the merit of the protest. Anything said may be used in the protest hearing. Volunteer nothing else. If the offeror wants to talk with someone, refer them to purchasing staff supporting the procurement. If the telephone call concerns a possible protest on a disqualification, encourage the offer to file the protest within fifteen days of the disqualification notice. Disqualification protests should be resolved well before the award. The receipt of the protest triggers a series of events that will lead to its resolution. The Procurement Manager will be an active participant in the process.

**Q. An offeror has requested a post award discussion and review of a proposal. What do I do?**

A. Performing a post award review of a proposal is a recommended courtesy that is occasionally requested. Schedule the review after the protest period has expired.

**Q. When do I return technical material?**

A. The proposals and technical material should be returned after the expiration of the protest period unless a protest has been filed and remains unresolved.

**Q. How many original signed contracts do I need?**

A. Most procuring agencies have an administrative procedure concerning the number of signed contracts. Only one original is required. Most contractors prefer a signed original as well bringing the total to two. All contract signatories do not want or require a signed original. The State Purchasing Agent does not need a signed original. A copy will do.

**Q. When does the protest period begin? End?**

A. The Procurement Code establishes a fifteen day protest period beginning from the date that the offeror was aggrieved. That means the offeror has fifteen days from the date of notification or knowledge of an action or inaction that is the cause of the protest. For example, if an offeror wants to protest a disqualification, as stated above the offeror has fifteen days from the date of the disqualification notification to file the protest. Otherwise, all offerors have a fifteen day protest period beginning the day following the award.

**Q. What happens if the fifteenth day of the protest period falls on a weekend or holiday?**

A. The protest period ends as of close on the first workday following the weekend or holiday.

## **CHAPTER FOURTEEN**

### **PROCUREMENT MANAGER RESPONSIBILITIES**

Problem avoidance is the key  
to the Procurement Manager's success.



## **A. RESPONSIBILITIES APPROACH**

The underlying principle of the procurement process is that a single responsible individual, the Procurement Manager, with the responsibility, authority and resources to conduct the procurement will produce the most successful result. This single point of contact and control approach has proven to be very successful.

## **B. DUTIES AND RESPONSIBILITIES CHECKLIST**

The following is a checklist outlining the duties and responsibilities of the Procurement Manager.

- Get latest copy of model RFP on diskette and example RFP's from Purchasing Division electronic and document library.
- Prepare Concept Memorandum
- Conduct pre-procurement data gathering
- Update the Concept Memorandum
- Obtain agency management's approval to conduct the procurement
- Obtain Chief Information Officer approval, technology procurements only
- Issue a procurement initiation memorandum
- Organize the Evaluation Committee
- Draft the RFP
- Prepare the issuance package
- Submit RFP draft and issuance package to Purchasing Division staff or local purchasing support personnel for review and approval
- Identify appropriate commodity codes or local vendor registration databases for distributing one page notices
- Check with the Purchasing Division or local purchasing staff to confirm that notices were distributed and procurement advertised.
- Clip legal notices regarding the procurement from newspaper(s). Place in procurement file.

- Distribute copies of the approved RFP
- Establish the evaluation subfactors
- Prepare Reference Questionnaire
- Conduct pre-proposal conference
- Prepare and distribute written answers to questions and RFP amendments
- Finalize the demonstration agenda
- Finalize the Mandatory Requirement Checklist
- Receive and time stamp proposals
- Distribute demonstration agenda
- Verify compliance with mandatory requirements
- Remove the Cost Response Form and the response to the contract terms and conditions from the proposals
- Deliver all responses to the terms and conditions to the counsel for review
- Prepare and distribute written determination letters for non-responsive proposals
- Distribute responsive proposals to the Evaluation Committee
- Review the response to the contract terms and conditions with counsel to determine acceptability
- Obtain proposal clarifications
- Conduct the evaluation
- Select Finalists
- Finalize the oral presentation/demonstration agenda
- Obtain input from counsel regarding terms and conditions
- Prepare and distribute finalist notification letters

- Collect best and final offers
- Distribute best and final offers to the Evaluation Committee
- Conduct oral presentation/system demonstration
- Prepare the Evaluation Committee Report including written determinations regarding the waiver of technical irregularities, correction of mistakes, withdrawal of proposals
- Present procurement results to the procuring agency management
- Finalize contract
- Prepare Management Recommendation Letter
- Deliver Management Recommendation letter, the Evaluation Committee Report, signed contracts and one copy of each offeror's proposal including any best and final offers to the Purchasing Division staff
- Assist with award, if requested
- Publicize award
- Prepare procurement file for public inspection and protect confidential data
- Obtain remaining contract signatures
- Assist with protests, if requested
- Prepare contracting package for contract administrator or project manager.
- Return proposal and technical document to non-selected offerors



## **CHAPTER FIFTEEN**

### **EXAMPLES**



# CONCEPT MEMORANDUM

Lou Higgins, Director  
Purchasing Division  
1100 St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Desktop computing Equipment, Software and Services Statewide Procurement,  
SPD# 60-000-00-00051

Dear Mr. Higgins,

As you are aware the current statewide price agreements for the desktop computing equipment, software and services expires June 30, 1996. It is essential that a new procurement be conducted and new price agreements established for these important products and services.

The purpose of this letter is to document the proposed procurement strategy which will be the foundation for conducting the procurement and an outline of the requirements for the specific procurement categories.

## Strategy

A procurement strategy meeting was held on October 13, 1995. All agencies of the executive branch were invited to attend the meeting. The meeting was attended by representatives from GSD/ISD, TRD, EM&NRD, OCA, HSD, CYFD, NMDOL, EDD and Corrections. Although there was no representative at the meeting, the Information Systems Bureau Chief for the NMSHTD stated that they will provide resources to help with the procurement. The purpose was to obtain input from the agencies concerning the scope, categories and requirements for the new procurement.

The representatives agreed on the following items:

The local area network accessories category in the current procurement did not produce a meaningful result for the agencies.

The desktop computing category centered on qualified New Mexico-based distributors should continue to be the focus of the procurement. Based upon the volume of purchases as recorded in C-FRAS general ledger, the agencies rely primarily on the New Mexico based distributors who offer a wide array of desktop products and software with local technical support.

The representatives stated that they need more options for personal computer maintenance and upgrades. They requested that a separate procurement category be established for New Mexico based contractors for parts and maintenance.

The representatives reaffirmed the value of the microcomputer software price agreements. They like both the breadth of software offerings available and the warehouse discount pricing. The representatives requested that the microcomputer software procurement category be retained.

The representatives reaffirmed the value of the buy-directly-from-the-warehouse price agreement with Compaq. They like both the products and the warehouse discount prices. The C-FRAS vendor records reflect a significant level of agency use. The representatives requested that the Purchasing Division aggressively pursue similar agreements with other manufacturers and national distributors who can supply brand name products at warehouse discount prices. Dell, Gateway, and NEC were mentioned as potential targets for such price agreements. Direct price agreement with suppliers of Local Area Network products such as Cabletron should also be pursued. This approach will eliminate the need for the Best Price Category price agreements that are currently in effect.

Based upon the input from the agency representatives, it was decided that procurement strategy would be pursued on two levels. The new Desktop Computing Equipment, Software and Services statewide procurement would be conducted in three categories: Desktop Computing Products and Services, Parts and Maintenance Products and Services, Desktop Software Products. Mr. David Nelson from EM&NRD will serve as the Procurement Manager. The category managers include Mr. Jim Bernardoni, DOL, for Desktop Computing Products and Services, Mr. Ed Quintana, EDD, Parts and Maintenance Products and Services, Mr. Horace Martinez, TRD, Desktop Software Products.

As a parallel activity, the Purchasing Division staff will pursue price agreements based on GSA schedules directly with manufacturers and national distributors. Price agreements will be established after the 1996 GSA schedules are in place April 1, 1996

### The Procurement

The procurement will be conducted by an inter-agency task force composed of representatives from the interested state agencies. The procurement will result in a multiple source award of multi-year price agreements by category. The price agreements will be for a term of one year with three optional one-year renewals. The category evaluation committees will evaluate the proposals submitted for each category and rank them based upon points awarded. The interagency task force will submit to the Purchasing Division, as part of the award materials, its recommendations for price agreement award by category.

The procurement will be conducted in three categories as described in the following paragraphs.

#### Desktop Computing Products, Software and Services Category

This category is designed to result in price agreements with qualified New Mexico based distributors who can offer the procuring agencies. a wide variety of desktop computing products, purpose

software and peripherals as well as UNIX workstations, LAN servers, software and peripheral devices including printers, scanners, X-terminals and other appropriate devices. The Apple products may be included as a desirable option. They are currently handled as a separate category under the office systems price agreements. The distributors must be authorized dealers for the products that they offer the agencies and have and maintain for the life of the price agreement a bonafide place of business in the State of New Mexico staffed with qualified marketing and technical support staff.

General purpose software will include the following classes of software: Database Management, Report Generators, Spreadsheets, Text and Word Processing, Office Automation/Work Group Management, Messaging and Electronic Mail, Integrated Office Automation Software, Graphics Software (draw, paint, business graphics, presentation graphics), Publishing, Project Management, Communications (terminal emulation, RJE, etc.), Statistical Software, Mathematical/Scientific/Engineering Analysis, Artificial Intelligence and Expert Systems, Operating Environments, Programming Languages (tools and environment excluding I-CASE and CASE technology), System Management Utilities, and Anti-Virus Utilities.

The evaluation factors for this category will include the price of a select group of products, the breadth of offering (computer products, software, peripherals), customer references, geographical coverage, the number and qualifications of the marketing and technical support staff, and financial stability. With the increasing usage and dispersion of the desktop computing systems throughout the agencies, there is an increasing need for knowledgeable technical assistance with software incompatibilities, and hardware and software upgrades; therefore, unlike previous procurements of this type which-focused primarily on products, more emphasis will placed during this procurement on the knowledge, skill and ability of the offeror's. marketing and technical support personnel. As in the past procurements, the offeror's in this category must agree to service what they sell. Training and installation services must be offered. However, any form of application software, application development and analysis services, generally available consumables and supplies are specifically excluded.

### Parts and maintenance Products and Services Category

The purpose of this category is to provide the agencies with a broad range of maintenance and upgrade options. Unlike the previous category, offeror's in this category will be required to offer maintenance options for a wide variety of hardware products from various suppliers. Thereby the agencies will have the opportunity to choose a single contractor to maintain all of its desktop computing equipment on either an on-site or carry-in basis. The other aspect of this category will provide the agencies with the ability to acquire a wide variety of computer and peripheral parts, cables, connectors, chips, and drives as well as parts and diagnostic tools for LAN's. The offeror's will not be allowed to offer software of any type, complete processors or complete peripheral devices, any form of professional services other than maintenance services or any form of consumables or computer supplies. The offerors must have and maintain for the life of the price agreement a bonafide place of business in the State of New Mexico staffed with qualified technical support personnel.

The evaluation factors will include the maintenance price of a select group of services, the breadth of maintenance and parts offering (computer products, LAN's, peripherals), customer references, geographical coverage, the number and qualifications of the technical support personnel, and financial stability. Emphasis will placed for this procurement category on the knowledge, skill and ability of the technical support staff. An assessment will be made whether or not the procurement for is category will be conducted on a regional geographical basis or simply statewide as the other procurement categories.

### Desktop Software Products

The purpose of this category is to provide the agencies the opportunity to purchase a very wide variety of general purpose desktop software products at the lowest possible price. The offerings will include general purpose software for a variety of operating systems suitable for the LAN and desktop environments which will include MS-DOS, UNIX, Apple Macintosh, etc. Software that is currently included or becomes part of a statewide site licensing agreement will be excluded or removed from the offerings.

The evaluation factors will include the price of a select group of software products, the breadth of software offering, customer references, and delivery. As is currently the case, agencies who will be using the price agreements for this category are expected to know what they need. Therefore, the offerors will not be required to offer knowledgeable technical support. Offerors will not be required to establish or maintain an office in the State of New Mexico.

## Recommendation

We recognize that whatever procurement strategy is undertaken some potential offerors will not match up well with the procurement category requirements. That is why the foregoing procurement strategy is based upon the needs of the state agencies as opposed to the capabilities of specific offerors. Your approval and endorsement of the procurement strategy, including the described procurement categories, is requested.

Sincerely,

<signed>

Terry Davenport  
I.S. Procurement Specialist

cc: Jim Bernardoni, DOL  
Horace Martinez, TRD  
Ed Quintana, EDD

Sincerely,

<signed>

David Nelson  
Procurement Manager

# PROCUREMENT REQUEST LETTER

Date

Governing Authority Name  
Governing Authority Address  
Governing Authority Address

Re: Procurement Title

Dear \_\_\_\_\_:

Approval is requested to contact an RFP based procurement to establish a { Contract/Price Agreement } for { list products or services to be acquired }. The agreement will be for a term of { state term and any renewal options }.

The estimated cost of the acquisition is { insert estimated contract amount or estimated price agreement usage }.

The procurement will be conducted in accordance with { title of procurement regulations } by { insert name } who will serve as the Procurement Manager.

The Evaluation committee will be composed of { insert names, titles or descriptions such as a combination of technical and user personnel }. This procurement will be supported by { insert name of purchasing personnel assigned to the procurement } and { insert the name of the attorney assigned to the procurement }.

The procurement is targeted to be completed by { insert date or refer to the initial procurement schedule that is attached }.

The procurement Concept Memorandum attached has been approved by { list key user management or other management personnel }.

Approval is requested to proceed with this important effort.

Sincerely,

{ Appropriate Manager }

cc: Concept Memorandum  
Initial Procurement Schedule

## POLICY

**MEMORANDUM** SPD 00-P-46 (Replaces 98-P-60)

DATE: 1 July 1999

TO: Executive Branch State Agencies

FROM: \_\_\_\_\_<signed> \_\_\_\_\_  
Louis T. Higgins, State Purchasing Agent

SUBJECT: Information Technology Procurements Via Request For Proposals (RFP)

This policy documents RFP procedures related to the Information Technology Management Act and is applicable to RFP-based Technology Procurements awarded by the Office of the State Purchasing Agent. The act states, in part, that the Office of the Chief Information Officer (CIO) shall "approve executive agency requests for proposals and information professional service contracts for technical sufficiency as they pertain to information technology."

Effective July 1, 1999, all Executive Branch Agencies are required to obtain written approval from the Office of the CIO before an RFP-based technology procurement is initiated. Specifically, agencies must prepare and submit an approval document to the Office of the CIO that contains, at a minimum, the following procurement related items:

1. Request for approval to conduct an RFP-based information technology procurement.
2. The contract term and renewal options.
3. The initial contract term amount.
4. The total estimated contract amount including all renewals.
5. The detailed statement/scope of work.
6. A description of all contract deliverables.
7. A statement describing contract protections (acceptance testing, retainage, bonding, other).

Finally, any potential contract(s) resulting from the procurement must be signed by the CIO or designee prior to award by the State Purchasing Agent.

# PROCUREMENT INITIATION MEMORANDUM

## NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348  
Santa Fe, New Mexico 87504-2348

July 21, 1993

### MEMORANDUM

TO: All Division Directors and Bureau Chiefs

FROM: Richard W. Heim, Secretary

SUBJECT: Procedures for Medicaid Fiscal Agent Procurement

The procurement for Medicaid fiscal agent services will begin effective this date. As you are aware, this procurement will have a significant impact on Department operations. It is critically important that the procurement be a successful one, resulting in selection of the contractor with the best capability to support the Medicaid Program and ensure the highest quality of services for those persons dependent on the program in meeting health care needs.

The procurement will consist of a number of major phases. The first phase will involve selection of a consultant contractor to assist in the evaluation of proposals from offerors responding to the fiscal agent Request for Proposals (RFP). The second phase will entail issuance of the fiscal agent RFP and selection of an offeror. The third phase will involve transition of the existing fiscal agent operation to that of the selected offeror, if an entity other than the incumbent fiscal agent is selected. It is anticipated the fiscal agent RFP will be released on September 1, 1993, with responses due on November 2, 1993. Selection of the contractor would be made in December. The consultant RFP is expected to be issued on July 23, 1993 with selection of the contractor occurring in August.

Larry Martinez, Deputy Director of the Medical Assistance Division will serve as the procurement manager in this process. His responsibilities will include coordination of all activity related to both the consultant and fiscal agent RFPs, and service as liaison between the Department and the private sector.

To assure all requirements of the State Procurement Code and associated statutory and regulatory guidelines are followed, all requests for information about this procurement and all Department responses to private sector companies must be channeled through the procurement manager.

Division Directors and Bureau Chiefs  
Page 2

Compliance with this requirement protects the Department by ensuring all information about the Medicaid fiscal agent procurement process is accurate and consistent. Also by following this procedure, all communications will be conducted in a formal manner assuring that no potential offeror is disqualified from participation in the procurement by receiving information that is not made available in the same form to all interested parties.

I am asking that you inform members of your staff regarding the procurement and procedures to be followed. Please ask them to refer any questions or requests for information to Larry Martinez at 827-4315. Thank you for your cooperation and assistance in this matter.

xc: Aug Narbutas, Deputy Secretary  
Fred Muniz, Deputy Secretary  
Terry Davenport, State Purchasing Division, GSD

# EVALUATION COMMITTEE APPOINTMENT

August 2, 1993

## MEMORANDUM

TO: Richard Atkinson, TPL Section  
Bill Faurot, Budget and Evaluation Section  
Patricia Golubski, Institutional Section  
Harris McClain, Information Systems Bureau  
Rosemary Medrano, Ambulatory Section

FROM: Larry A. Martinez, Deputy Director

SUBJECT: Fiscal Agent Consultant RFP Evaluation Team

Thank you for agreeing to serve on the evaluation team for proposals received in response to the Fiscal Agent Consultant Request for Proposals (RFP). The team is comprised of individuals with abundant skills and experience which will be of considerable benefit to the Medical Assistance Division in this endeavor.

If you have not already received a copy of the RFP which was issued on July 23, 1993 a copy will be made available to you. Please make note of the procurement schedule contained on page 8 of the RFP. The key dates, during which you should attempt to limit other commitments, are August 25 - September 2, 1993, and September 6 -9, 1993. During the August 25 - September 1 time period, proposals will be reviewed and assigned scores as part of the technical evaluation of the proposals. On September 8 - 9, oral presentations will be made by offerors selected as finalists.

Also, a meeting of the evaluation team will be held at 3:00 p.m. on August 3, 1993, in the Conference Room (Room 13) of the Kennedy Building, located at 331 Sandoval in Santa Fe. During this meeting, Terry Davenport of the State Purchasing Division will discuss the evaluation team's role in the procurement. Please make arrangements to attend this meeting.

Again thank you for your willingness to serve in this important effort.

xc: Terry Davenport, State Purchasing Division, GSD  
Bruce Weydemeyer, Director, Medical Assistance Division  
Robert Stevens, Chief, Medical Assistance Bureau  
Ramona Flores-Lopez, Chief, Program Support Bureau

# ONE PAGE NOTICE

RFP#60-350-46-00205

## **TITLE**

DOCUMENTATION ANALYST QUALITY MANAGER AND PROGRAMMERS

## **PURPOSE**

The Information Systems Division of the General Services Department seeks proposals from qualified firms for the professional computer services of a Documentation Analyst/Quality Manager and of three Programmers. The services will be for the New Mexico State Treasurer's Warrant Account Reconciliation System (TWARS) which ISD is contracted to complete. The services will include:

1. Creation of documentation including on-line help, SDM/70 System Internal Specifications documentation, user manuals and implementation reports
2. Quality assurance of the system
3. Creation and modification of CICS COBOL programs

## **GENERAL INFORMATION**

1. The documentation will be created using Microsoft Word, PageMaker, ABC Flowcharted and Micrographics Designer. The individual proposed for this position must have experience with these products.
2. Programs will be created or modified using COBOL II, CICS, OS Utilities and AFCS. The individuals proposed for these positions must have experience with these products.
3. Proposed Documentation Analyst/Quality Manager must have experience with technical writing, creation of user manuals, development of training courses, and Total Quality Management.
4. Proposed Programmers must have experience with I/O drivers, linked and called programs, and structured programming.
5. All personnel will work at the ISD office in Santa Fe, New Mexico.
6. Work will be performed on a firm, fixed hourly rate basis beginning approximately July 3, 1995 and will conclude approximately March 15, 1996.

## **ISSUANCE**

The request for proposals will be issued May 5, 1995. Firms interested in obtaining a copy should contact Jane Prouty at 505/827-9756. Jane can be reached at fax number 505/827-2325 or at 715 Alta Vista, Santa Fe, NM 87505. If you reach voicemail, please very clearly provide and spell your name, company name, address and telephone number.

## **PRE-PROPOSAL CONFERENCE**

The pre-proposal conference is scheduled for Friday, May 12, 1995 at 1:30 PM Mountain Daylight Time in Classroom II of the Simms Building at 715 Alta Vista, Santa Fe, NM. The Simms Building is near the corner of St. Francis and Alta Vista.

## **PROPOSAL DUE DATE AND TIME**

Proposals must be received by the Procurement Manager (Charles Campbell) or his designee no later than 2:00 PM MDT on June 6, 1995. Proposals received after this deadline will not be accepted.

70-344-00-00070

VENDOR CODE  
 VENDOR NAME AND ORDER ADDRESS  
 STATE OF NEW MEXICO  
 PURCHASE DOCUMENT

PAGE 1 DATE 08/20/96  
 AGENCY CODE 394 DOC NUMBER 97-182-200070  
 TERMS DELIVERY DATE FOB

STATE OF NEW MEXICO  
 PURCHASE DOCUMENT

STATE TREASURER  
 130 SOUTH CAPITOL  
 RM 204B  
 SANTA FE, NM 87501-0608

PHONE NUMBER 505-827-6998

AGENCY CONTACT ED LOVATO

CONTRACT ORDER (APPROVED VENDORS MUST BE USED FOR ITEMS UNDER CONTRACT)  
 COPA NO EXPIRES  
 PURCHASE REQUISITION (REQ. MUST BE REQUESTED FOR ITEMS OVER \$500.00)  
 BUYER  
 RECOMMENDED SOURCE & SPECIAL REMARKS  
 ESTABLISH  RENEWAL NO  
 DIRECT PURCHASE ORDER (ONLY VALID FOR PURCHASES OVER \$50,000 UNDER)  
 EXEMPT FROM THE NM PROCUREMENT CODE PURSUANT TO SECTION  
 FOR ENCUMBERING PURPOSES ONLY REASON

LN	FUND	AGCY	ORG	OBJCT	AMOUNT	FOR AGENCY USE
01	182	394	0000	0522	20,000.00	01 000000 083100 29,416.00
02	182	394	0000	0831	29,416.00	02 000000 052200 20,000.00
TOTAL					49,416.00	Agency total 49,416.00

FOR PURCHASE REQUISITION THE FOLLOWING APPROVAL IS CERTIFICATION OF CASH AND BUDGET AVAILABILITY PER DFARULE  
 AUTHORIZED SIGNATURE: *[Signature]* DATE: 09/20/96  
 TITLE: FINANCIAL MGMT  
 DATE APPROVAL 1: *[Signature]* DATE APPROVAL 2: *[Signature]* DATE APPROVAL 3: *[Signature]*

COMB LN	QUANTITY	UNIT	COMMODITY CODE	ARTICLE AND DESCRIPTION	UNIT COST	TOTAL COST
1	1	JOB		THE NEW MEXICO STATE TREASURER'S OFFICE IS REQUESTING PROPOSALS FOR AN OPERATIONAL, TURN-KEY INVESTMENT ACCOUNTING SYSTEM CONSISTING OF COMPUTER HARDWARE AND SOFTWARE TO PROCESS MULTIPLE, COMPLEX INVESTMENT TRANSACTIONS, TO PRODUCE MGT REPORTS FOR MULTIPLE FUNDS W/\$1.5 BILLION, TO PERFORM COLLATERAL TRACKING, AND PROVIDE PARTICIPANT RECORDKEEPING FOR INVESTMENT POOLS IMPLEMENTATION AND OPERATIONAL BY MARCH 31, 1997	49,416.00	49,416.00
2	1	EA			0.00	0.00
TOTAL						49,416.00

Prepared by DL on 08/20/96. Reprinted by E on 08/20/96 at time 12.43  
 A-TRAS ver 3.1d (6/7/95)  
 A-TRAS (394)

# LIST OF POSSIBLE SOURCES

WIC Program ADP System Development  
Independent Verification and Validation  
Request for Proposal  
Recommended Sources

Alan Kaldor  
P.O. Box 801  
Tesuque, NM 87574

Charnisa Associates  
Suite 200  
5325 Wyoming Blvd., NE  
Albuquerque, NM 87109

McClain Group, Inc.  
Riverfront Plaza  
901 East Byrd Street, Suite 1340  
Richmond, VA 23219  
Tim E. Swope, Senior Consultant  
(804)775-8523

Abt Associates Inc.  
55 Wheeler Street  
Cambridge, MA 02138-1168

Sterling Information Group, Inc.  
P.O. Box 161148  
Austin, TX 75716-1148  
Lisa North, Senior Consultant  
(513)327-0090

Maximus, Inc.  
36 Washington St., Suite 320  
Wellesley Hills, MA 02181  
Ernie Hart.  
Systems Planning & Integration  
(617)431-2212

Washington Consulting Group  
11 Dupont Circle, Suite 900  
Washington, DC 20036-1271  
Mr. Cyrus Baghelia, VP  
(202) 797-7800

KPMG Peat Marwick  
2001 M Street NW  
Washington, DC 20036  
David Halwig, Principal  
(202) 467-3000

Deloitte & Touche LLP  
2500 One PPG Place  
Pittsburgh, PA 15222-5401  
Kathleen Donnelly  
(412) 338-7643

Dormany Technical Support Services  
1300 Executive Center Drive, Suite 538  
Tallahassee, FL 32301  
Linda Kizzy-Nell Powers  
(904) 656-8870

Advancdd Systems Design  
10306 Eaton Place  
Fairfax, VA 22038  
Mark Erard  
(703) 352-3855

American Management Systems, Inc.  
1777 N. Kent Street  
Arlington, VA 22209  
John Piescik

# EVALUATION SUBFACTORS

## 1. Proposed Solution (150 Points)

- 1.1. Applicability (50 points)
  - 1.1.1. Does the solution appear to be founded on an industry recognized, open systems standard (versus an offeror-unique, proprietary approach)? (10 points)
  - 1.1.2. Has the offeror successfully used a similar customized solution or approach with other clients for an integrated taxation information system development? (20 points)
  - 1.1.3. Has a similar customized solution or approach been used successfully with other clients for an integrated motor transportation information system development? (10 points)
  - 1.1.4. Has a similar customized solution or approach been used successfully with other clients for an integrated motor vehicle information system development? (10 points)
- 1.2. Thoroughness (50 points)
  - 1.2.1. Is the approach rigorous, comprehensive, and complete in satisfying the project's requirements? (10 points)
    - 1.2.1.1. Does it address our information requirements?
    - 1.2.1.2. Does it address our interface requirements?
    - 1.2.1.3. Does it address our reporting requirements?
    - 1.2.1.4. Does it address the defined constraints?
    - 1.2.1.5. Does it address the security restrictions?
    - 1.2.1.6. Does it address the network access considerations?
  - 1.2.2. Does the solution provide a logical approach and reflect the deliverables listed in the RFP? (10 points)
  - 1.2.3. Does the solution provide for active user involvement, oversight, and approval points? (10 points)
  - 1.2.4. Does the solution provide management information that is understandable to those not directly related or involved in the project? (10 points)
  - 1.2.5. Does the solution include innovative approaches to design and development such as Joint Applications Development, Rapid Application Development, prototyping to identify and refine user requirements? (10 points)
- 1.3. Quality (50 points)
  - 1.3.1. Is the presentation of the solution logical and easy to follow? (10 points)

- 1.3.2. Is the presentation error free and does it present a professional appearance? (10 points)
- 1.3.3. Is the solution summary concise and appropriate for executive level audiences? (10 points)
- 1.3.4. Does the summary provide an overview of both the business and technical features of the proposal? (10 points)
- 1.3.5. Is the solution presentation written in plain English with a minimum of technical jargon? (10 points)

## 2. Methodology - I-CASE - SEI Plan (75 points)

- 2.1. Information Engineering Methodology (30 points)
  - 2.1.1. Is the methodology clearly described in a detailed and comprehensive manner? (10 points)
  - 2.1.2. Does the methodology identify a specific emphasis on the system's data base, its creation, modification, and maintenance? (10 points)
  - 2.1.3. Does the methodology description specifically reflect its applicability to the requirements of TRIMS and TRD? (10 points)
- 2.2. I-CASE Toolset (30 points)
  - 2.2.1. How well does the toolset complement the information engineering methodology? (10 points)
  - 2.2.2. Does the toolset reflect true integration (or does it appear to be a suite of CASE components being presented as integrated)? (10 points)
  - 2.2.3. Does the toolset appear to meet the department's system development and maintenance requirements for both client/server and mainframe environments? (10 points)
- 2.3. SEI Plan (15 points)
  - 2.3.1. Does the plan include an initial analysis of the department's current development practices? (5 points)
  - 2.3.2. Does the plan include a coherent approach to implementing Level Two practices beginning with the design and development activities and continuing through the construction and implementation phase? (5 points)
  - 2.3.3. Does the plan specifically identify the process and schedule for the actual certification of the development processes? (5 points)

## 3. Project Plan and Knowledge Transfer Plan (75 points)

- 3.1. Project Plan (60 points)
  - 3.1.1. Does the design and development graphical representation detail: (40 points)
    - 3.1.1.1. Major tasks to be performed? (10 points)

- 3.1.1.2. Task dependencies within design and development? (10 points)
- 3.1.1.3. Time frames for task completion? (10 points)
- 3.1.1.4. Resource allocation estimates including contractor and TRD responsibilities? (10 points)
- 3.1.2. Are each of the design and development deliverables clearly identified in the project plan? (10 points)
- 3.1.3. Does the general plan for construction and implementation identify: (10 points)
  - 3.1.3.1. Graphical representation of activities? (5 points)
  - 3.1.3.2. Resource requirements for programmers and any other resources to be used? (5 points)
- 3.2. Knowledge Transfer Plan (15 points)
  - 3.2.1. Does the plan detail how TRD employees will gain knowledge and skills concerning the methodology and the toolset used in the project to use, maintain and enhance TRIMS applications? (5 points)
  - 3.2.2. Does the plan describe the offeror's training qualifications and capabilities? (5 points)
  - 3.2.3. Will formal classroom training be conducted and where will the training occur? (5 points)

#### 4. Oral Presentation and Demonstration (100 points)

- 4.1. Presentation (50 points)
  - 4.1.1. Subcontractors in attendance for the presentation? (30 points)
  - 4.1.2. Was the presentation of the proposed solution well prepared, clear, and well communicated? (5 points)
  - 4.1.3. Did the presentation reflect a comprehensive understanding of the project's *business* requirements? (5 points)
  - 4.1.4. Did the presentation reflect an appreciation of the challenges of working in the public sector and its organizational culture? (5 points)
  - 4.1.5. Were the key elements of the information engineering methodology and the I-CASE toolset clearly presented and applied to the project deliverables? (5 points)
- 4.2. Demonstration (25 points)
  - 4.2.1. Was the I-CASE toolset demonstrated in a manner that was clear to the non-technical audience? (5 points)
  - 4.2.2. Was the demonstration presented in a manner that was easy for the attendees to see? (5 points)

- 4.2.3. Did the demonstration reflect a toolset that was truly integrated? (5 points)
- 4.2.4. Did the toolset reflect the capability to do prototyping, rapid application development, or any kind of an innovative approach that would support the design and development efforts? (5 points)
- 4.2.5. Did the demonstration clearly show the implementation of an information engineering methodology? (5 points)
- 4.3. Presentation Questions (25 points)
  - 4.3.1. What specific project management techniques will you use for this project in a public sector environment that will be different from those you would use on a private sector project? (5 points)
  - 4.3.2. What productivity or management measures will you use to evaluate the progress of the project? (5 points)
  - 4.3.3. What project did you work on that required your very best project management skills -what unexpected problems did you encounter and how did you resolve those problems? (5 points)
  - 4.3.4. What factors will you use to build the business case analysis for supporting and justifying and demonstrating the benefits of the project? (5 points)
  - 4.3.5. How well were the general or additional questions from the audience handled by the presentation team? (5 points)

5. Cost (300 points) - Point award to be determined following proposal evaluation.

6. Offeror Staff Experience (125 points)

- 6.1. Do the pertinent staff members have direct, recent (*within the past 24 months*) experience with the proposed methodology? (20 points)
- 6.2. Do the pertinent staff members have direct, recent (*within the past 24 months*) experience with the proposed I-CASE toolset? (20 points)
- 6.3. Do the pertinent staff members have direct experience with state-level (not necessarily federal) agencies? (20 points)
- 6.4. Overall, do the staff members have direct experience with: (40 points)
  - 6.4.1. Taxation systems? (20 points)
  - 6.4.2. Motor transportation Systems? (10 points)
  - 6.4.3. Motor vehicle systems? (10 points)
- 6.5. What is the overall quality and experience of the proposed staff? (25 points)

7. Individual References (50 points) -Point award determined by Questionnaire answers

8. Corporate Experience (75 points)

- 8.1. Does the offeror have experience with analyzing, planning, designing, construction (programming), customizing, and implementing large-scale information process systems? (If the offeror is proposing a modified package installation, experience with the package and modifications to it must be included.) (10 points)
- 8.2. Does the offeror have experience working with public sector or governmental information processing projects? (10 points)
- 8.3. Does the offeror have experience working with integrated tax, motor vehicle, and/or motor transportation systems? (15 points)
- 8.4. Does the offeror have experience working in mainframe computer environments? (10 points)
- 8.5. Does the offeror have experience working in client/server environments? (10 points)
- 8.6. Does the offeror have experience working with an information engineering methodology using structured techniques in systems analysis and design? (10 points)
- 8.7. Does the offeror have experience with CASE or I-CASE tools and methodologies? (10 points)

9. Corporate References (50 joints) Point award determined by Questionnaire answers

OFFEROR: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

TOTAL Possible	ACTUAL Score	TOTAL Score
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**PROJECT APPROACH (50 Points)**

Are CASE or productivity tools being proposed?

10	
----	--

How thorough and applicable is the project approach narrative in relation to the information paragraph (pages 23-26 of the RFP), the scope of work (pages 27-40), and deliverables?

25	
----	--

How well does the project approach describe how the project will be managed (Roles & Responsibilities, Statusing, Procedures ..)?

15	
----	--

TOTAL: PROJECT APPROACH

50	
----	--

**METHODOLOGY (50 Points)**

How thoroughly was the methodology described, were examples used as supporting material?

25	
----	--

How applicable is the methodology described for this project?

15	
----	--

Does the methodology describes how the deliverables will be developed (Section IV pages 23 through 40 of the RFP)?

10	
----	--

TOTAL: METHODOLOGY

50	
----	--

**PROJECT PLAN (75 Points)**

Does the project plan appear feasible (Make sense to you)?

30	
----	--

Does the project plan appear to be thorough and efficient?

30	
----	--

Is the project plan and GANTT chart presented in a professional manner and contain any additional features/functions?

15	
----	--

TOTAL: PROJECT PLAN

75	
----	--

**OFFEROR EXPERIENCE (100 Points)**

**(Note: This applies to the contractor and all sub-contractors)**

Does the offeror have sufficient experience with systems analysis and cost estimating?

25	
----	--

Does the offeror have sufficient experience with health care payment systems?

25	
----	--

Does the offeror have sufficient experience with similar projects related to Health Care?

25	
----	--

Does the offeror have sufficient experience with IV&V (Independent Verification & Validation)?

25	
----	--

TOTAL: CORPORATE EXPERIENCE

100	
-----	--

**STAFF EXPERIENCE (175 Points)**

**(Note: This applies to the contractor and all sub-contractors)**

Does the staff have sufficient experience with systems analysis?

25	
----	--

Does the staff have sufficient experience with cost estimating?

25	
----	--

Does the staff have sufficient experience with health care payment systems?

25	
----	--

Does the staff have sufficient experience with developing PC applications using GUI?

25	
----	--

Does the staff have sufficient experience with relational databases?

25	
----	--

Does the staff have sufficient experience with data communications, networking technologies and protocols?

25	
----	--

Does the staff have sufficient experience with IV&V services?

25	
----	--

TOTAL: STAFF EXPERIENCE

175	
-----	--

**CORPORATE REFERENCES (100 Points)**

**(Note: Five corporate references for similar work are needed for contractor/sub-contractor)**

How responsive were the organizations needs and expectations met in relation to scope of work and identifying & resolving problems?

20	
----	--

How beneficial and accurate were the IV&V services?

20	
----	--

How would the quality of the work performed be rated in relation to project statusing, cost estimates and overall performance?

30	
----	--

How timely were the deliverables and deadlines?

20	
----	--

Likelihood to contract with offeror again?

10	
----	--

TOTAL: CORPORATE REFERENCES

100	
-----	--

**KEY PERSONNEL REFERENCES (50 Points)**

**(Note: Three references for each key personnel performing similar work are needed)**

How would the skills (communication, interpersonal and technical) be rated?

10	
----	--

How beneficial and accurate were the IV&V services?

10	
----	--

How would the quality of the work performed be rated in relation to identifying and resolving problems, cost estimates and overall performance?

10	
----	--

How timely were the deliverables and deadlines?

10	
----	--

Likelihood to contract with the individual again?

10	
----	--

TOTAL: KEY PERSONAL REFERENCES

50	
----	--

**COST (300 Points)**

Lowest Responsive Offer  
Total Cost for Phase I

----- X 300 = TOTAL:  
COST

This Offerors Total Cost  
For Phase I

--	--

**ORAL PRESENTATION (100 Points)**

How well did the presentation show an understanding of the project?

25	
----	--

How knowledgeable and experienced are key staff in relation to the project tasks to be completed?

30	
----	--

How well were questions answered?

10	
----	--

How well did the offeror demonstrate its understanding of CASE/Productivity Tools?

10	
----	--

How well was the quality of the presentation?

25	
----	--

TOTAL: ORAL PRESENTATION

100	
-----	--

**GRAND TOTAL**

1,000	
-------	--

# OFFEROR REFERENCE QUESTIONNAIRE

MANUFACTURER SUPPLIED COMPUTER EQUIPMENT  
with  
PERIPHERALS, SOFTWARE, EQUIPMENT MAINTENANCE  
and  
SUPPORT SERVICES  
RFP: 90-00151

Offeror Name: \_\_\_\_\_

Reference Name \_\_\_\_\_

Person contacted: \_\_\_\_\_ Title/Position: \_\_\_\_\_

Phone number: \_\_\_\_\_ Date & time contacted: \_\_\_\_\_

Name of Individual Calling the Reference: \_\_\_\_\_

## Quality of Products:

How would you rate the quality of the offeror's products?

- Excellent
- Very Good
- Good
- Poor
- Very Poor

## Quality of Services:

How would you rate the quality of the offeror's services?

- Excellent
- Very Good
- Good
- Poor
- Very Poor

## Problem Resolution:

How would you rate the offeror's ability to identify and resolve problems or issues?

- Identified and resolved quickly
- Identified and resolved slowly
- Identified but not resolved
- Were ignored

**Overall Performance:**

On a scale of 0 to 10, how would you rate the offeror's OVERALL PERFORMANCE?  
Any comments?

---

---

Is there anything you can think of that we didn't ask that we should have?

---

---

---

# INDIVIDUAL REFERENCE QUESTIONNAIRE

Offeror Name: \_\_\_\_\_

Individual Name \_\_\_\_\_

Person contacted: \_\_\_\_\_ Title/Position: \_\_\_\_\_

Phone number: \_\_\_\_\_ Date & time contacted: \_\_\_\_\_

Name of Individual Calling the Reference: \_\_\_\_\_

Describe the type of work that was performed for your organization by this individual:

At the onset, how well did this individual understand the scope of work you want performed?

What did you like best about the individual?

What did you like least about the individual?

How would you rate this individual's communication and interpersonal skills?

- Excellent
- Good
- Acceptable
- Below average
- Poor

How would you rate this individual's technical skills related to Data Processing/ Information Systems?

- Excellent
- Good
- Acceptable
- Below average
- Poor

How would you rate this individual's ability to identify and resolve issues/problems?

- Excellent
- Good
- Acceptable
- Below average
- Poor

How accurate were this individual's estimates?

- Excellent
- Good
- Acceptable
- Below average
- Poor

How would you rate the overall work performance of this individual?

- Excellent
- Good
- Acceptable
- Below average
- Poor

How would you rate the contract deliverables prepared by this individual?

- Thorough and on time
- Thorough, but usually late
- On time, but incomplete
- Consistently late and incomplete

Would you enter into a contract with this individual again? If not, why not?

Are you aware of any other company or organization this individual has done work for?

If so, do you have a contact name and phone number?

- Name:

- Phone Number:

Is there anything you can think of that we didn't ask about this individual that we should have?



Date

Contact  
Firm  
Address 1  
Address 2  
CSZ

Dear Madam or Sir:

Enclosed are the following documents relative to the New Mexico Women, Infants and Children (WIC) request for proposals for "Systems Analysis and Development of a Logical Design Document and Quality Assurance Consultant Services":

1. **Amended answers** to questions 11, 12 and 13. These answers supersede the answers which were mailed to you on March 16, 1993. Please note that we have utilized ~~strike-through~~ notation to indicate deletions and **amended or new text is indicated by bold characters**;
2. **Replacements** for pages 38, 39, 41 and 42 of the Request for Proposals, which include several changes;
3. **An amendment to Article 3** in Appendix B, the Contract Terms and Conditions;
4. **An amended Summary of Costs of Proposal form** (Page C-2) that should be submitted with your proposal instead of the form originally included with your RFP; and
5. An Acknowledgement of Receipt Form that you should complete and return to my office by March 29, 1993. You may FAX your completed form to my attention at (505) 827-2736.

If you have any questions or require additional clarification, please call me at (505) 827-2746. We look forward to receiving your proposal before the submission deadline, which is 2:00 p.m., Mountain Standard Time, March 30, 1993. Please remember that no proposals will be accepted for evaluation after this deadline.

Sincerely,

Gary Hernes  
Procurement Manager

QUESTIONS AND ANSWERS FOR THE WIC RFP

**\*\*\* AMENDED \*\*\***

11. On page 38 relating to cost, you indicate the factors to be included in the cost determination, but those factors do not appear on the work sheet. Do you want those specified in the proposal?

Answer: No, we simply want the cost figures that appear on the **amended** Summary Of Costs Of Proposal Form (~~page C-2~~) ~~from the RFP~~ **which is enclosed.**

12. On page 39, related to the 10% retainage. Do you expect to pay that at the completion of Stage 2?

Answer: ~~That is correct.~~ **See answer to Question 13, below.**

13. Would it be reasonable to pay the retainage for Stage 1 when the contractor delivered and you accepted the logical design document rather than withholding that money for perhaps two years thereafter, until implementation and post implementation review is completed?

Answer: ~~The retained amount will be paid upon successful completion of the contract, as stated on page 39 of the RFP.~~

**The retained amount for the Logical Design Document deliverable will be paid to the Phase I contractor after the Software Change Specifications Document is delivered by the Phase II contractor and accepted by the Agency, or 120 days after the Logical Design Document is accepted. The retainage for Stage 2 deliverables will not be paid until successful completion of the contract.**

**B. BUSINESS SPECIFICATIONS**

1. In-House Resources

The WIC Program will provide the following in-house resources to assist in the project:

- \* Project Manager and systems analyst to assist the contractor with appropriate access to WIC staff, data and interview scheduling, etc. This support does not relieve the contractor of the primary responsibility for completion of the project;

- \* Access to existing documentation, including technical documentation for the existing applications, previous study reports, and other appropriate specifications and information;

No other resources will be provided by the WIC program.

2. Cost

Offerors must propose a firm, fixed cost, for ~~Stages 1 and 2~~ **Stage 1, and a cost based on an estimated number of hours and a proposed hourly rate for Stage 2** of Phase I of the project on the SUMMARY OF COSTS OF PROPOSAL Form in Appendix C. The proposal cost must include:

- a. A fully-loaded cost for personnel services, to include fringe benefits and any overhead costs;
- b. Travel and lodging;
- c. Support requirements;
- d. New Mexico gross receipts tax; and
- e. Any other element of cost that is appropriate for the procurement.

**Notwithstanding the number of hours and hourly rate proposed for Stage 2, payments to the contractor will not exceed the total negotiated amount specified in the contract which results from this RFP. Payment will be made on the basis of accepted deliverables, NOT on the basis of the number of hours worked.**

REQUEST FOR PROPOSALS

WIC Systems Analysis and Development of a Logical Design Document and  
Quality Assurance Consultant Services

ACKNOWLEDGEMENT OF RECEIPT FORM

In acknowledgement of receipt of the **Amended** Response to Questions distribution packet, the undersigned agrees that he/she has received a complete copy, beginning with the cover letter and ending with this form.

The acknowledgement of receipt should be signed and returned to the Procurement Manager no later than 4:00 p.m. on March 29, 1993.

FIRM: \_\_\_\_\_

REPRESENTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ PHONE NO.: \_\_\_\_\_

FAX NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

This name and address will be used for all correspondence related to the Request for Proposals.

Return To:

Mr. Gary Hernes  
New Mexico Department of Health  
P. O. Box 26110  
1190 St. Francis Drive  
Harold Runnels Building, Room S-3400  
Santa Fe, New Mexico 87502

Telephone Number (505) 827-2746  
Fax Number (505) 827-2736

# **DEMONSTRATION AGENDA**

**Request For Proposals Number: 90-665-66-08166**  
**Behavioral Health Information System (BHIS)**

## **PROPOSED ORAL PRESENTATION / DEMONSTRATION AGENDA**

### **1:00pm to 1:05pm -**

- Welcome Carol A. Thomas, Procurement Manager
- Overview of the Agenda
- Rules of the Day

### **1:05pm to 1:45pm -**

1. Introduction of Offeror's key personnel by Offeror.
2. Presentation of Offeror's understanding of the project and "Scope of Work".
3. Description of Offeror's experience in relation to BHIS requirements:
  - Key Staff experience with Behavioral Health Information Systems
  - State Government and Behavioral Health Organization systems moving towards Managed Care
4. Walkthrough of proposed project workplan by Offeror.  
To include a description of the proposed system's:
  - Computer Hardware, Software and Communications components,
  - Integrated Client Information System link to Public Health Division (if proposed),
  - Description of Tasks, Deliverables and Timeline,
  - Training plans (training staff with varying degrees of computer literacy), and;
  - Maintenance of system (description of maintenance agreement(s))
5. Methodology for upgrades and/or enhancements.

### **2:00pm to 4:00pm -**

**(Break at 2:30pm to 2:45pm) continue 2:45pm to 4:00pm**

6. Full Product Demonstration
  - During the demonstration, the Offeror must identify where and at which points the product has met the Mandatory Technical and Business Specifications.

### **4:00pm to 4:10pm - Break**

### **4:10pm to 5:00pm -**

7. Offeror's response to questions

# ORAL PRESENTATION AGENDA

Dear Offeror:

Thank you for your participation in the New Mexico Department of Health's Request For Proposals (RFP) Number: 60-665-48-14141, Consultation Services Associated With The Independent Verification And Validation of The New Department of Health's Development of A New Distributed WIC Program Automated Data Processing System And EBT Hybrid Pilot System. Attached is the Proposed Oral Presentation Agenda.

Sincerely,

Vincent D. Robertson, Procurement Manager

# ORAL PRESENTATION AGENDA

## NEW MEXICO DEPARTMENT OF HEALTH PUBLIC HEALTH DIVISION WOMEN INFANTS AND CHILDREN (WIC) PROGRAM

### REQUEST FOR PROPOSALS NUMBER: 60-665-48-14141

1. Introduction of Offeror personnel.
2. Presentation of Offeror's understanding of the project and Scope of Work
3. Walkthrough of proposed project plan.
4. Description of Offeror's experience with:
  - GUI application design and development
  - Systems Architect (CASE Tool selected by the Department)
  - Microsoft SQL Server (DBMS selected by the Department)
  - PowerBuilder
  - Applications and systems testing procedures
  - Client Server Systems
  - Object oriented development and testing
  - Data conversion
5. Description of methods that will be used by the Offeror for presentation of deliverables and intermediate work products.
6. Description of offeror's experience with Independent Verification and Validation projects.
7. Description of Offeror's experience and understanding of WIC and/or health related systems and EBT systems
8. Description of past, current, and known future employment or contractual obligations with WANG Federal, Inc., Osoft Development Corporation or the New Mexico WIC program.
9. Description of Offeror's proposed methodology.
10. Offeror's response to questions.

The Procurement Manager will schedule the date and time for each finalist Offeror presentation. All finalist Offeror presentations will be held at 525 Camino Del Los Marquez Suite #6, Santa Fe, NM, July 8 through July 9, 1996. Each presentation will be limited to three (3) hours in duration.

Any specific Offeror requirements shall be communicated to the Procurement Manager at the demonstration shall be provided by the finalist Offeror.

The Department reserves the right to modify the agenda.

# MANDATORY REQUIREMENTS CHECKLIST

**New Mexico Department of Health  
Public Health Division  
Women, Infants, and Children (WIC) Program**

Offeror: \_\_\_\_\_

**Mandatory Requirements:**

Please review and indicate whether the Offeror met the following requirements as you review the proposal, by circling YES or NO.

			Page #
1. Letter of transmittal (page 35 of RFP)			
a. Identify the submitting organization	YES	NO	_____
b. Identify the name and title of the person(s) authorized by the organization to contractually obligate the organization	YES	NO	_____
c. Identify the name, title and telephone number of the person authorized to negotiate the contract on behalf of the organization	YES	NO	_____
d. Identify the names, titles and FAX numbers of persons to be contacted for clarification of proposal materials.	YES	NO	_____
e. Explicitly indicate acceptance of the Conditions Governing the Procurement stated in Section II, Subsection C. I (Pages 22-30 of the RFP)	YES	NO	_____
f. Acknowledge receipt of any and all amendments to this RFP	YES	NO	_____
g. Signed in ink by the person authorized to contractually obligate the organization.	YES	NO	_____
2. Table of Contents (Binder 1) (page 35 of RFP)	YES	NO	_____
3. Proposal Summary (Binder I) (page 36 of RFP)	YES	NO	_____
4. Offeror information (Binder 1) (page 39 of RFP)	YES	NO	_____
5. Financial Information (Binder 1) (page 39 of RFP)	YES	NO	_____
6. Project Approach, Task Plan, Schedule and Methodology (Binder I) (page 40 of RFP)	YES	NO	_____
7. Corporate Experience and References (Binder 2) (page 41 of RFP)	YES	NO	_____
8. Proposed Staff Qualifications, Experience and References (Binder 2) (page 41 of RFP)	YES	NO	_____
9. CASE Tool Description and Examples (Binder 2) (page 42 of RFP)	YES	NO	_____

**New Mexico Department of Health  
Public Health Division  
Women, Infants, and Children (WIC) Program**

- |     |   |     |    |       |
|-----|---|-----|----|-------|
| 10. | Discussion of general tasks. Does the offeror state compliance specifically to each of the following: (page 2 -Summary scope of work)   |     |    |       |
|     | a. Project initiation which includes establishing lines of authority, reporting requirements, and activities that govern overall project.   | YES | NO | _____ |
|     | b. Identify Electronic Benefits Transfer (EBT) requirements including joint sessions with stakeholders.   | YES | NO | _____ |
|     | c. Incorporating EBT requirements into the current Logical design document.   | YES | NO | _____ |
|     | d. Analyze Outline Physical Design deliverable that will include at least 3 alternatives outlined including advantages and disadvantages including cost figures.  | YES | NO | _____ |
|     | e. Development of the Physical Design Document deliverable and to revisit the logical design and outline physical design as problems are identified..   | YES | NO | _____ |
|     | f. Development of the application identifying the 3 levels of operation i.e. State-level, District-level, and Clinic-level.   | YES | NO | _____ |
|     | g. Discussion of the formal test plan to be uses for acceptance of the application by the Department.   | YES | NO | _____ |
|     | h. Development of documents that include a data conversion plan, user manuals, implementation plan, support documentation (for Department staff to use in supporting and modifying the application at a later date), policy manual updates and conversion plan. | YES | NO | _____ |
|     | i. Discussion of Pilot implementation plans and the anticipated site usage.   | YES | NO | _____ |
|     | j. Discussion of Statewide implementation of the integrated system  | YES | NO | _____ |
| 11. | Use of subcontractors must be clearly explained in the proposal and major subcontractors must be identified by name. (Page 29 of RFP)   | YES | NO | _____ |
| 12. | Does the Offeror's proposed approach and resulting task plan incorporate a similar scope of work and comparable deliverables  | YES | NO | _____ |
| 13. | Does the Offeror describe the background, experience, and capabilities of the Offeror's organization & any subcontractors and consultants that are to be part of the project team.  | YES | NO | _____ |

- |     |  |     |    |       |
|-----|--|-----|----|-------|
| 14. | Name, address, and telephone number of the legal corporate entity proposed as prime contractor   | YES | NO | _____ |
| 15. | Name, address, and telephone number(s) of principal officer(s)   | YES | NO | _____ |
| 16. | Name, address, & phone number of corporate officer in charge   | YES | NO | _____ |
| 17. | Legal status of Offeror, i.e. corporation, sole proprietor, partnership, etc.  | YES | NO | _____ |
| 18. | Federal Employer Identification Number   | YES | NO | _____ |
| 19. | Does Offerors provide evidence of adequate financial strength and stability as part of the business proposal.  | YES | NO | _____ |
| 20. | For a publicly held corporation, a copy of the most recent three years of audited financial reports and financial statements with the name, address, and telephone number of a responsible person in the company's principal financial or banking organization authorized to release information on the Offeror's financial status.  | YES | NO | _____ |
| 21. | Offeror must include in its proposal evidence of its ability to secure a performance bond in the amount of \$1,000,000 in accordance with Article 21 of the contract terms and conditions presented in Appendix B  | YES | NO | _____ |
| 22. | Offeror must describe their understanding of structured analysis and design techniques of the specific methodology proposed for this project, and their ability to use the methodology to develop the specific deliverables as described in this RFP.  | YES | NO | _____ |
| 23. | The project schedule must identify all project tasks and Subtask milestones, deliverables, proposed personnel, responsibilities of each person, estimated number of hours required of each person to complete each task/subtask, and estimated elapsed time for each task/subtask.   | YES | NO | _____ |
| 24. | The Offeror must specify which functions and tasks will be performed on-site and off-site.   | YES | NO | _____ |
| 25. | The project schedule must be represented by Gantt charts, Pert charts and narrative.   | YES | NO | _____ |
| 26. | The Offeror must provide descriptions of the last three (3) projects completed that are similar in scope to this project and identify all current and recent (five years prior to the release of this RFP) contracts with WIC or public health agencies. For each project identified, provide the name of the client, dollar amount, dates of performance, and the name, address and telephone number of the client's Contract Officer, Project Director, and Information Systems Manager. | YES | NO | _____ |
| 27. | The Offeror must State whether it has had a contract terminated for default in the last five (5) years.  | YES | NO | _____ |

**New Mexico Department of Health  
Public Health Division  
Women, Infants, and Children (WIC) Program**

- |     |  |     |    |       |
|-----|--|-----|----|-------|
| 28. | The Offeror must assign to this project the following key personnel and identify their physical location during the conduct of the project   | YES | NO | _____ |
| 29. | <ul style="list-style-type: none"> <li>Senior Executive Officer</li> <li>Project Director</li> <li>Senior Systems Analyst</li> <li>Data Base Specialist</li> <li>Telecommunications/Network Specialist</li> <li>Junior Analyst(s) and Programmer(s)</li> <li>Training Specialist(s)</li> <li>Technical Writer(s)/Documentation Specialist(s)</li> </ul>  |     |    |       |
| 30. | The Offeror must indicate current commitment of key staff to other projects  | YES | NO | _____ |
| 31. | The Offeror must provide complete professional resumes for each proposed project team member, including information on education, professional background, recent experience, and specific technical expertise of relevance to the project   | YES | NO | _____ |
| 32. | The Offeror must provide for the Senior Executive Officer, Project Director and Senior Systems Analyst, at least three personal references.  | YES | NO | _____ |
| 33. | Does the Offeror propose the use of CASE technology in support of the project. Offerors must specify and describe the CASE tool proposed, the relationship of the CASE tool to the methodology and the task plan, and the Offeror's experience with the CASE tool including examples from previous engagements.  | YES | NO | _____ |
| 34. | Does the proposal include the following deliverables: <ul style="list-style-type: none"> <li>Project Initiation Report</li> <li>EBT Hybrid Requirements</li> <li>Updated Logical Design Document</li> <li>Outline Physical Design Document</li> <li>Physical Design Document</li> <li>Test Plan</li> <li>Application Certification Document</li> <li>Implementation Plan</li> <li>System Acceptance</li> <li>Closure of Project</li> </ul> | YES | NO | _____ |

# CLARIFICATION LETTER

August 6, 1996

D. Elaine Hatcher  
Proposal Specialist  
BDM Technologies, Inc.  
1999 Broadway, Suite 2000  
Denver, CO 80202

Dear Ms. Hatcher:

The Evaluation Committee has reviewed the proposal submitted by BDM Technologies on July 23, 1996, in response to RFP 60-630-90-00874 for category 5 (the demonstrable prototype).

Attached is a list of items for which the committee is requesting clarification.

Please acknowledge receipt of this letter by faxing the attached Acknowledgement of Receipt form to me immediately upon receipt but no later than the close of business, 5:00 p.m. MDT, Wednesday, August 7, 1996. Please do not mail the form.

If you have any questions regarding this request, please submit them to me in writing by fax. Answers will not be provided over the telephone.

You must respond in writing to this request for clarifications by 12:00 p.m. (noon) MDT, Friday, August 9. Please address your response to me and have seven (7) copies hand-delivered to the address listed in the RFF in Room 125. If no one is available to sign for the package in Room 125, please deliver it to the Director's office on the same floor in the Pollon Building (Room 111). Failure to respond with all requested documentation will result in disqualification of your proposal for Item 5.

Thank you for your interest in our procurement and your prompt response to the Committee's request.

Sincerely

Marcia U. Rodda  
Procurement Manager

## **GENERAL REQUIREMENTS**

1. Confidential data are normally restricted to confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information (RFP, page 28).
  - a. The Evaluation Committee is unable to locate an explanation why narratives regarding corporate experience and resumes should be treated as confidential.

## **MANDATORY REQUIREMENTS**

1. **Key Personnel References.** Offerors must submit three (3) references for each proposed key personnel from clients for whom the staff member performed similar work. Key personnel are defined as: Senior Corporate Management proposed to be responsible for the contractor's performance and empowered by the contractor to legally bind the contractor on this ISD2 application support contract; the on-site Project Manager and all managers who will support the daily operation of the system. (RFP, page 45).
  - a. The Committee is unable to locate references for senior corporate management proposed to be responsible for the contractor's performance and empowered by the contractor to legally bind the contractor on this contract.
2. **Staff Experience.** The RFP at page 43 states: ". . . [O]fferors should provide a staff organization chart and resumes thoroughly describing the experience of their proposed staff with respect to distributed processing and/or client server technology."
  - a. Offeror states on page 2-146 that "[a]lthough, per the RFP, personnel references are not required for the Distributed Processing Proposal (Binder 2), BDM offers reference information for some of the key people we propose for this effort."
    - (1) The committee is unable to locate a resume for Tom Grazda.
  - b. The organization chart must include the title, name and experience category for each proposed individual with an

accompanying narrative that describes the individual's proposed job duties and the location where those duties will be performed (RFP, page 43).

- (1) The Committee is unable to locate proposed job duties or the location where the duties will be performed for Mike Adams, Technical Services Manager.
3. The person assigned as the Project Manager must have five (5) years of progressive management experience with three (3) of the past five (5) years with successful experience in a similar position. The Project Manager should have documented knowledge and experience with the Information Engineering Methodology. The Project Manager should have documented knowledge and experience with human services applications and the computing system environment used by the Department.
  - a. The proposed Project Manager appears not to demonstrate the required experience in a similar position (i.e., distributed processing). The Committee cannot locate documented knowledge and experience with Information Engineering Methodology nor documented knowledge and experience with human services applications large online management information systems and the computing environment used by the Department. The most recent MIS involvement appears to be in 1987.
4. Offerors must submit five (5) corporate references from clients who have received similar services to those proposed by the offeror for this contract, especially those projects in the public sector that have occurred within the past five (5) years. Offers that include the use of subcontractors for significant portions of the scope of work must include five (5) references for each major subcontractor. Each reference must include the name of the company, company address, name of the contact person, current address, telephone number and the date and description of the services provided (RFP, page 45, #5).
  - a. The corporate references provided do not demonstrate that similar work was provided (i.e., distributed processing). The Committee cannot locate documented knowledge and experience with distributed processing technology.

# DISQUALIFICATION LETTER

STATE OF NEW MEXICO

## GENERAL SERVICES DEPARTMENT

John F. Simms, Jr. Building

715 Alta Vista, Santa Fe, New Mexico 87503

*Mailing address:* P.O. Drawer 26110 - Santa Fe, New Mexico 87502-6110

08 January 1993

AT&T  
1001 Menaul Blvd, NE  
Albuquerque, NM, 87107  
ATTN: Mr. Jim Napier, Senior Marketing Representative

Dear Mr. Napier,

AT&T's response to our RFP #93-363-404570, State Telephone System Maintenance and Services, has been thoroughly reviewed by our evaluation committee. This letter is to advise you that the AT&T proposal has been deemed non-responsive for the reasons documented in the attached.

Since no responsive proposals were received, the procurement has been cancelled. A new procurement will be initiated as soon as possible.

Sincerely,

Alvin T. Lewis, Procurement Manager  
Request for Proposals 93-363-404570  
State Telephone System Maintenance and Services

SUMMARY OF AREAS OF CONCERN:

1. MANDATORY ITEM NON-COMPLIANCE: RFP Business Specification #33, Work Order Activity Level, (RFP page 33) requires offeror "understanding and agreement that no particular level of MAC activity is guaranteed". AT&T's Offeror's Cost Proposal (Volume II, tab 1, item 1, page 1) "...requires a volume of MAC activity of 4800 hours per annum". The evaluation committee deems this item non-responsive.
2. MANDATORY ITEM NON-COMPLIANCE: RFP Technical Specification #9 a (2), Trouble Report Response, (RFP page 23) requires "..emergency response time of one hour for other sites in Albuquerque and Santa Fe and two hours at all other sites ". AT&T's response (Volume I, tab 1, item 9 a (2), page 10) states "Emergency response for Roswell, Las Vegas, and Truth or Consequences will be four hours ". (Underlining provided). 5 PBXs are affected. In addition, we are unclear whether other details within RFP Technical Specification #9 meet other response requirements, e.g., 15 minutes during business hours at the Governor's Office and the Simms Building, and "response" meaning a technician on site as opposed to remote access dial-in. The evaluation committee deems this item non-responsive.
3. MODIFIED GENERAL REOUIREMENT: RFP General Requirement #24, (page 18) Offeror knowledge, states that "Offerors are responsible for knowing the condition of switchrooms and equipment contained in them. Claims for relief from contract requirements or for additional compensation at any time which are based upon offeror lack of knowledge or awareness of conditions shall not be considered by the department.". AT&T's response (Volume I, tab 4, item 24, page 13) excludes "unforeseen circumstances" and "any pre-existing condition associated with non-AT&T products", and offers pricing negotiations. The evaluation committee deems this item non-responsive.
4. MODIFIED DEFINITION: RFP Definition of Terminology section (RFP page 6) defines several situations as "emergency", including "Any other situation declared an emergency by the Office of Communications". AT&T's response (Volume II, tab 2, item 1, page 14) suggests that "AT&T concurrence" is necessary for the declaration of an emergency. The evaluation committee deems this item non-responsive.
5. (POSSIBLE) MANDATORY ITEM NON-COMPLIANCE: RFP Business Specification #18, Stale Invoicing/Billing, (RFP page 30) specifies when bills must be received. AT&T's response (Volume I, tab 2, item 18, page 10) indicates compliance "pursuant to provisions....." contained in response "Volume II, Section 2 (Appendix B, Payment Provisions)". No such provisions referring to this item can be found so we cannot determine compliance with this mandatory item. The evaluation committee deems this item non-responsive.
6. MANDATORY ITEM NON-COMPLIANCE: RFP Business Specification #16, Performance Bond, (RFP page 29) specifies a monetary performance bond and lists forfeiture situations. AT&T's response (Volume I, tab 2, item 16, page 9) indicates compliance "pursuant to provisions....." contained in response "Volume II, Section 2 (Appendix B, Contract Termination)". The latter simply states (actually found in Volume II, section 3) that "Contractor shall develop with the State mutually agreeable terms and conditions.....". The evaluation committee deems this item non-responsive.

7. MANDATORY ITEM NON-COMPLIANCE: RFP Technical Specification #1, Scope of Work, subparagraph a, (page 21) states "The contractor shall be responsible for the maintenance of the state's telephone system and associated equipment. The contractor shall also be responsible for the maintenance of additional PABX telephone system and associated equipment which the state may add from time to time." AT&T's response (Volume I, tab 1, item A1a, page 1) indicates compliance per AT&T's overall response documents. These documents, however, contain clarifications, changes to terms and conditions, and additional terms and conditions sufficiently numerous to negate the claim of compliance. In general, it appears that AT&T has proposed a responsibility level much less than we envision. The evaluation committee deems this item non-responsive.

8. MANDATORY ITEM NON-COMPLIANCE: RFP Technical Specification #11, Scope of Trouble Report Responsibility. (RFP page 24) outlines the scope through identification of equipment and devices included. AT&T's response (Volume I, tab I. item 11 page 15), excludes riser and campus cabling. The evaluation committee deems this item non-responsive.

9. MODIFIED TERMS AND CONDITIONS: RFP General Requirement #15. Contract Terms and Conditions, permits offerors to propose changes to terms and conditions AT&T has chosen to do so. Some proposed changes are acceptable, some are not, and we are unclear concerning the impact of some. In view of the non-responsive items above however, discussion of these items would serve no purpose.

# **FINALIST NOTIFICATION LETTER**

## **NEW MEXICO HUMAN SERVICES DEPARTMENT**

P.O. Box 2348

Santa Fe, New Mexico 87504-2348

### **MEDICAL ASSISTANCE DIVISION**

#### **DEPUTY DIRECTOR**

September 2, 1993

Frank Ilcin, General Services Partner  
Deloitte & Touche  
127 Public Square  
Cleveland, Ohio 44114

Dear Mr. Ilcin:

In accordance with my telephone conversation of September 1, I am pleased to inform you that Deloitte & Touche has been selected as a finalist in the Medicaid Fiscal Agent Consultant procurement. We look forward to your participation in the oral presentation on September 8, beginning at 9:00 a.m. in Room 318 of the Capital Building located at Paseo de Peralta and Old Santa Fe Trail in Santa Fe, New Mexico.

During the oral presentation, you will be afforded the first thirty minutes to provide a summary of your proposal as well as information on the qualifications and expertise of your organization. The next two hours and fifteen minutes will be devoted to questions from the evaluation committee and answers. The final fifteen minutes will be available to you for summation and wrap up. Breaks will be taken during the course of questions and answers.

As a finalist you may submit written amendments to your proposal as well as a written best and final offer. The best and final offer must be based on 6,240 hours required to perform all tasks contained in the scope of work of the Request for Proposals. We are also asking all finalists to provide written explanations regarding their relationships with potential respondents to the Medicaid Fiscal Agent procurement and their parent companies. We are also requesting that finalists provide a written statement regarding MMIS-related billings during your company's previous fiscal year. Seven copies of any amendments and best and final offers should be submitted to the procurement manager prior to 12:00 p.m. (Mountain Daylight Savings Time) on September 7, 1993 at the following address:

Larry A. Martinez, Procurement Manager  
Medical Assistance Division  
Human Services Department  
P.O. Box 2348  
Santa Fe, New Mexico 87504-2348

Page 2

Street Address:

205 Montezuma  
Santa Fe, New Mexico 87501

The following are issues on which members of the evaluation committee have requested additional detail or clarification. You may wish to address these issues through amendments to your proposal, and may expect to receive related questions during the oral presentation.

1. Please provide additional information regarding the role of the staff members offered in your proposal. Specifically, we are requesting a detailed resource distribution, primarily staff resources, to complete the work associated with the four phases of the project.
2. We have submitted to our Office of General Counsel your additional terms and conditions as related to the proposed contract. We will inform you if we are unable to make those changes, and will assume, unless informed otherwise, that you will be willing to conform to the provisions of the proposed contract. Please be prepared, however, to explain your reasons for proposing the additional terms and conditions.
3. Please provide information on your most recent MMIS - related work, including any current MMIS - related contracts you may have.
4. Please provide copies of the Health Care Experience Matrix referenced on Page D-50 of your proposal, but not included.

Thank you for your time and attention in this regard. We look forward to your oral presentation.

Sincerely,

<signed>

Larry A. Martinez  
Procurement Manager

STATE OF NEW MEXICO  
**Taxation and Revenue Department**  
An Equal Opportunity Employer

MOTOR VEHICLE DIVISION  
Driver Services Bureau  
1100 South St. Francis Drive, Post Office Box 1028  
Santa Fe, New Mexico 87504-1028

July 15, 1996

Robert C. Hughes, President  
Viisage Technology  
531 Main Street  
Action, MA 01730

Dear Mr. Hughes:

Confirming my telephone message to you of this date, I am pleased to inform you that Viisage Technology has been selected as a finalist for Over-The-Counter proposals in the Enhanced Driver's License System procurement. Demonstrations are limited to four hours. Demonstrations must follow the attached agenda, and be presented by the person designated as the Project Manager for this project. We look forward to your participation in the oral presentation and demonstration on July 30, 1996 in the 1st Security Bank Building, 5301 Central NE, 14th Floor, in Albuquerque, New Mexico. (A map of the location is attached.) Viisage Technology will be given access to the demonstration room at 1:00 p.m. on July 29, 1996 to begin setting up for the demonstration which will start at 9:00 a.m. on July 30, 1996. You will be given four hours for the demonstration and two hours to remove the equipment after the demonstration is completed.

Please contact Ms. Mylene Lucero at 505/827-2269 as soon as possible to obtain information concerning connectivity and communication for using the New Mexico Test Database.

As a finalist you may submit written amendments to your proposal as well as a written best and final offer. The best and final offer must be submitted to the procurement manager prior to 5:00 p.m. (Mountain Daylight Time) on July 26, 1996 at the address shown on page 3 of RFP #62-333-60-00444.

The following are issues on which members of the evaluation committee have requested additional detail or clarification. You may wish to address these issues through amendments to your proposal, and may expect to receive related questions during the demonstration.

1. Please elaborate on the "audit capability" on page 1-46. We are interested in providing audit capability from the transaction point of view, not to account for supplies.

2. Please give additional detail and specifics on the actual start up time shown on page 1-53 of your proposal.
3. We do not want the image and signature data to be transmitted to the EDL Server through the GSD mainframe (because we must pay GSD when we use their facilities) and with this in mind, please explain the arrow from the “Host Mainframe” to the “EDL Workstation” in Figure 1.c.2 on page 1-41.
4. Please give additional detail and specifics on back up of the EDL Server.
5. Please explain the statement on page 1-70 in the third paragraph “Unless there is physical damage done to the building in which this storage array is housed, or the RAID system is not properly maintained, ....” since the contractor will be responsible for maintenance.
6. Please clarify the Purging statement on page 1-72. Our requirement for purging is in relation to the permanent data in the EDL Server.
7. Please provide additional detail and specifics on the “Production Capability” on page 1-78. We do not see how an average for the whole state can accommodate the needs of Field Offices which vary from large to medium to small. We believe that production capability must take the office size into consideration to ensure that each site has the required capability to meet 150% of the average day’s DL/ID card requirements.

Thank you for your participation in this procurement. We are looking forward to your presentation and demonstration.

Sincerely,

<signed>

Jeannie Soto  
Procurement Manager

**NON-FINALIST NOTIFICATION LETTER**  
**TAXATION & REVENUE INFORMATION MANAGEMENT SYSTEM**  
**P.O.BOX 630**  
**SANTA FE, NEW MEXICO 87504 - 0630**

February 14, 1994

Ron Kreutzor  
Deloitte & Touche  
1010 Grand Avenue, Suite 400  
Kansas City, MO 64106-2232

Dear Mr. Kreutzer,

This letter is notification that your company's proposal, submitted in response to RFP # 20-333-10-02154 has been reviewed, and has not been selected as a finalist. On behalf of Secretary Minzner and the members of the Evaluation Committee, I want to express our sincere appreciation for the time and effort you and your staff have taken to respond to our Request for Proposals.

Sincerely,

<signed>

Jim McGiffin  
Procurement Manager

**NEW MEXICO HUMAN RESOURCES DEPARTMENT  
P.O. Box 2348  
Santa Fe, New Mexico 87504-2348**

**MANAGEMENT RECOMMENDATION LETTER**

Lou Higgins, Director  
Purchasing Division  
General Services Department  
Joseph Montoya Building  
1100 St. Francis Drive  
Santa Fe, New Mexico 87503

Re: RFP 20-630-81-00003

Dear Mr. Higgins:

The Evaluation Committee Report for the above referenced Request for Proposals for Consultation Services Associated with the Medicaid Fiscal Agent Procurement has been submitted to me. Upon review of the report, I concur with the findings of the committee, and am requesting the award for this procurement be made to Fox Systems Inc., subject to successful contract negotiations.

The term of the contract will be for a period of eighteen months with provisions for an optional six month extension. Fox Systems Inc. will perform the work contained in the Request for Proposals at an hourly rate of \$83.65, in an amount not to exceed \$568,000 for the duration of the contract period.

Should you require additional information regarding the recommendation of the committee, please feel free to contact Larry Martinez, Procurement Manager, Medical Assistance Division. His telephone number is 827-4371. Thank you for your time and consideration of this request.

Sincerely,

**RICHARD W. HEIM  
SECRETARY**

xc: Terry Davenport, Purchasing Division, General Services Department

# EVALUATION COMMITTEE REPORT, SAMPLE #1

NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348

Santa Fe, New Mexico 87504-2348

## MEMORANDUM

TO: Richard W. Heim, Secretary  
William A. Dunbar, Director, Income Support Division

FROM: Marcia Rodda, Procurement Manager

SUBJECT: Evaluation Committee Report - Interactive Voice Response, RFP NO. 30-630-90-00525

DATE: October 18, 1994

The department received three responses to its Request for Proposals for software development and support services for a VMX Interactive Voice Response (IVR) system, prior to the deadline of 2:00 p.m. Mountain Daylight Time, September 20, 1994. The companies who responded were: Mutare, Inc. of Rolling Meadows, Illinois; Voice Solutions, Inc. (VSI) of Houston, Texas; and DataTalk of Alexandria, Virginia. All three companies are certified by VMX to work on its proprietary hardware and software, as required by the department.

### Summary of Evaluation Committee Activity

The members of the evaluation committee were: Michelle Beyer, Planner/Director, Income Support Division, Program Support Bureau; Robert Weber, County Director, Southeast Bernalillo County ISD; Robert Lowder, District Operations Manager, ISD; Marcia Martinez, Systems Analyst Manager, GSD Office of Communications; Ann Gibson, Data Processing Manager, GSD Office of Client Services. The committee met on September 28, 29, 30, October 3, 4, and 5 to score the proposals. The evaluation criteria was developed by the committee prior to the preproposal conference of August 26, 1994. The Evaluation Point Table Summary attached reflects all the evaluation criteria used for scoring.

After initial evaluation, the committee determined that the point totals were sufficiently close to warrant asking all three offerors to participate in oral presentations as finalists. The offerors were notified of their selection as finalists, first by telephone on October 6 and then -by letter on October 7. All finalists were given the opportunity to amend their proposals and/or clarify specific areas of their proposals and to submit Best and Final Offers. The three oral presentations were held on

October 13, 1994 in the Right of Way Bureau conference room at San Mateo Plaza in Santa Fe. The committee met after the oral presentations ended on October 13 to score the oral presentations, the amendments and the Best and Final cost proposals. The Evaluation Point Table Summary containing the scores assigned to each offeror is attached.

**Methodology.** All three offerors use VMX/Octel's industry recognized methodology. The committee looked at the thoroughness with which this methodology would be applied by the offerors to the Department's proposed project. The differences in scoring for this area were small. Mutare scored 88.4; VSI 89.2 and DataTalk 97.3. One of the disadvantages of Mutare's methodology was that it did not include training. VSI's and Mutare's examples did not demonstrate the methodology's applicability to a large mainframe IVR system as well as the DataTalk proposal did.

**Experience.** The companies and their proposed staff members were rated on the experience demonstrated in dealing with human services or other client/customer types of information. The length and breadth of the companies' experience was similar. The scores were: DataTalk 293.6; VSI 291.6 and Mutare 286.4. DataTalk demonstrated a wider experience with government services; VSI has experience with a large number of client/customer systems, including taxes and banking; and Mutare's experience runs to large companies and locator and ordering types of applications.

**Project Plan.** DataTalk scored highest in project planning. VSI's and Mutare's Gantt charts and timelines were not as clear. VSI clarified the committee's questions at oral presentation and picked up an additional three points. Mutare's plan did not provide training. Mutare's plan was not clear on critical paths or concurrent tasks. Mutare demonstrated a draft plan at oral presentation but did not provide a copy because too many things were contingent on someone else's performance. Mutare received two additional points after oral presentation for clarifying their reascins for. not including training. The scores were: DataTalk 98.8; VSI 92.9; and Mutare 81.8.

**References.** All references for all three companies and their proposed staff members rated them an A or A-minus. Each was rated down for the following reasons: DataTalk's and VSI's documentation was described as "not outstanding". One reference said Mutare "does not do much training" and the systems referenced were not indicative of experience in the type of application the department is planning. The scores were: DataTalk 97.6; Mutare 96.7; and VSI 95.0.

**Oral Presentations.** As noted above, all three offerors were selected as finalists because of the small difference in scores.

As in the other areas, the scores for oral presentation were very similar: VSI 98.4; Mutare 98; and DataTalk 97.2.

Although DataTalk began its presentation by announcing a change in proposed staffing for the project caused by a family emergency for one of its staff, the presenter was able to answer all questions. Whereas, Mutare and DataTalk demonstrated IVR systems developed for other clients, VSI designed and demonstrated a system for HSD. DataTalk stated they would learn our needs during the design phase; VSI created for us a system targeted to our specified needs. Mutare answered all the committee's questions and amended its cost proposal in its Best and Final Offer. Mutare did not provide copies of the flow chart used in its demonstration because some of the tasks were dependent on entities other than Mutare. Mutare also does not provide user training because it feels that training is not necessary if the system is well designed. Its proposal did not include training for technical staff.

**Costs.** The Department requested an overall project cost and firm hourly rates for future on-site and off-site programming services. Because it submitted the lowest cost proposal, VSI received the perfect score of 300. DataTalk scored 244.86 and Mutare scored 199.81. The cost formula contained in the RFP was used to award points for costs. The two hourly rates are averaged.

Cost Proposals in Best and Final Offers:

**Fixed Project Cost - Phases 1 through 4**

<u>Mutare</u>	<u>VSI</u>	<u>DataTalk</u>
\$29,000	\$19,656.25	\$25,000

Hourly Rates

<u>a.</u>	<u>On-Site</u>		
	<u>Mutare</u>	<u>VSI</u>	<u>DataTalk</u>
	\$225 (1st 8 hrs)	\$106.25	\$135
	\$125 thereafter		
<u>b.</u>	<u>Off-Site</u>		
	<u>Mutare</u>	<u>VSI</u>	<u>DataTalk</u>
	\$125	\$106.25	\$85

Total Points Awarded:

<u>Mutare</u>	<u>VSI</u>	<u>DataTalk</u>
851.11	967.1	929.36

Recommendation of the Committee. The committee considered all three offerors qualified to perform the work specified in the Request for Proposals. As a result of the scoring, the committee respectfully recommends that the contract to perform the scope of work as outlined in the Human Services Department Request for Proposals for an Interactive Voice Response system be awarded to Voice Solutions Inc. (VSI), subject to agreement between the Department and VSI on the Department's Terms and Conditions prior to award.

Thank you for your time and consideration of this recommendation.

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Robert Lowder  
Evaluation Committee Member

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Robert Weber  
Evaluation Committee Member

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Ann Gibson  
Evaluation Committee Member

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Marcia Martinez  
Evaluation Committee Member

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Michelle Beyer  
Evaluation Committee Member

Attachments

cc: Aug Narbutas, Deputy Secretary  
Fred Muniz, Deputy Secretary  
Terry Davenport, Purchasing Division, GSD  
Sigfrid Olson, OGC

INTERACTIVE VOICE RESPONSE RFP  
Evaluation Point Table Summary

	Points Avail	Points Awarded		
	Mutare	VSI	DataTalk	
<b>PROPOSED METHODOLOGY</b>	<b>100</b>			
Thoroughness (35)	31.6	31	33.2	
Applicability (35)	29.4	34.2	34.3	
Quality of Examples (30)	27.4	24	29.8	
Subtotal	88.4	89.2	97.3	
<b>EXPERIENCE . -</b>	<b>300</b>			
Corporate Experience (100)				
With Human Services or client/customer accts (25)	22.6	23.8	24.2	
Knowledge of proposed methodologies (25)	25	23	24.4	
Large, complex organizations (25)	25	24	24.8	
Years with IVR, VMX.(25)	25	25	25	
Subtotal	97.6	95.8	98.4	
Staff Experience (200)				
With large mainframe IVR (30)	26.8	30	30	
Human Services, client/customer applications(30)	29	30	30	
Large corporations (30)	30	30	30	
With large, complex database (30)	30	30	30	
Years developing VMX Systems (30)	30	30	30	
With a Variety of IVR applications (30)	30	29.8	29.6	
Other experience (awards, etc.) (20)	13	16	15.6	
Subtotal	188.8	195.8	195.2	
Total Experience	286.4	291.6	293.6	
<b>PROJECT PLAN</b>	<b>100</b>			
Thoroughness (50)				
Design (10)	8.2	9	10	
Development (10)	8.4	8.6	10	
Training (10)	2	9.6	9.9	
Implementation (10)	8.4	9.9	9.6	
Monitoring (10).. -	10	10	9.3	
Quality (50)				
Critical Success Factors (10)	10	8.4	10	
Tasks (10)	9.6	9.8	10	
Milestones (10)	7.6	8.8	10	
Resources (10)	10	9.4	10	
Critical Paths (10)	7.6	9.4	10	
Subtotal1	81.8	92.9	98.8	

REFERENCES	100		
Validate information in proposal (10)	9.2	10	10
Applicability to HSD IVR (30)	28.8	30	30
Technical performance (30)	28.7	25	27.6
Management relationship (30)	30	30	30
Subtotal	96.7	95	97.6
ORAL PRESENTATIONS	100		
Quality and clarity of presentation (25)	24.6	24	24.6
Ability of presenter to answer questions (25)	24.6	24.4	25
Demonstration (25)	24.6	25	24
Demonstrated understanding of the project (25)	24.2	25	23.6
Subtotal	98	98.4	97.2
COSTS	300		
Total Project Cost (Four Phases) (250)	169.45	250	196.56
Firm Fixed Hourly Rate for Programming (50)	30.36	50	48.3
Subtotal	199.81	300	244.86
TOTAL	851.11	967.1	929.36

# EVALUATION COMMITTEE REPORT, SAMPLE #2

December 1, 1995

## MEMORANDUM

TO: Alex J. Valdez, Secretary  
Paul K. Minogue, Deputy Secretary

FROM: Simon Padilla, Procurement Manager

SUBJECT: Community Provider Payment System Needs Analysis  
Evaluation Committee Report, RFP#60-665-11-04979

In accordance with the Request for Proposals for the Needs Analysis for a Community Provider Payment System, three responses were received prior to the November 7, 1995, 2:00 p.m. Mountain Standard Time deadline. The responses were received from ADIA Information Technologies; BDM, Federal; and Fox Systems Inc.

### *Summary of Evaluation Committee Activity*

The evaluation committee consists of Leroy Martinez, Information Systems Bureau; Leo Kahn, Financial Accounting Bureau; Yolanda Martin, Community Provider Payment Section; Gene Lujan, Information Systems Bureau; (all from Administrative Services Division) and Laura McAllister, Program Manager, Long Term Care and Restorative Services Division. The Evaluation Committee met on November 16, 1995 to score the proposals using the criteria developed and included in the Request for Proposal. Specific evaluation instruments had been developed by the Committee prior to the referenced meeting date. (A copy of the evaluation instrument is attached.)

Based on the initial evaluation, and in accordance with appropriate guidelines, it was determined that the point spread was such that all offerors were considered finalists and would be invited to participate in oral presentations. The offerors were informed on November 17, 1995 of their status. Letters were sent on November 20, 1995 informing the offerors of the date, time and location for the oral presentations. Additional clarification for particular areas of the proposals were requested, along with a request for all proposed project team members to attend and participate in the orals agenda, which was described in the letters sent. All proposals were determined to be responsive to the RFP requirements.

The oral presentations were conducted in Room N3400 of the Harold Runnels Building on November 28, 1995; and in Room A1008 of the Harold Runnels Building on November 29, 1995. Following completion of the oral presentations, the Evaluation Committee met to score the oral presentations, to determine the impact of the best and final offers presented by the offerors on November 27, 1995, and to recalculate the cost evaluation sub-category.

Attached is a copy of the combined offerors evaluation summary. The report details the evaluation components, the sub-components, the point value, and the scoring for each offeror. Overall, Fox Systems, Inc. scored the highest point value for all evaluation components totaling 759 with BDM, Federal scoring 727 and ADIA Information Technologies scoring 628.

**Project Approach**

With regard to Project Approach, Fox Systems, Inc. scored 42 points out of a possible 50. The Fox Systems, Inc. proposal was the most applicable and thorough approach to the project, and included a case tool. BDM, Federal and ADIA Information Technologies tied in the scoring for thoroughness and applicability as well as for project management. BDM, Federal was scored one point less than Fox Systems, Incorporated in case/productivity tool sub-component ADIA Information Technologies lost points in this sub-component as their approach did not specify particular productivity tools. ADIA Information Technologies presented additional clarification regarding the project approach as part of the Best and Final Offer as well as detailed information flows related to the process for compilation of the Detailed Study Report and the Draft Requirements Statement; the Evaluation Committee considered this information during the evaluation process.

**Methodology**

With regard to Methodology, Fox Systems, Inc. scored 44 points out of a possible 50. This proposal was deemed the strongest particularly as a result of Information Engineering concepts, Business Process Reengineering, customization of the questionnaire, and Joint Application Design facilitation techniques approach for defining business requirements. This approach was particularly deemed valid as the Department of Health business needs encompass many varied programs, customers and business functions. BDM, Federal proposed the use of a "DOH CPPS" working group as a form of steering committee yet their proposed role was not really described, and appeared as a substitute deliverables committee. ADIA Information Technologies was awarded points for the description of their understanding of the STRADIS methodology and experience with the application of the constructs of this methodology.

**Project Plan**

Regarding the Project Plan, the offerors presented the following summary of hours by major task as identified in the Request for Proposals:

Task	ADIA	BDM	Fox
1	272	214	56
2	1,296	526	1,006
3	32	15	84
4	0	5	0
5	600	486	1,090
6	646	28	104
Total			
Hours	2,264	1,274	2,340

Fox Systems, Incorporated received 59 points out of a possible 75 because the overall project plan was perceived to be very strong particularly in the development of the draft requirements statement. BDM, Federal received the least number of points in the sub-category for feasibility. The project plan approach as described by BDM, Federal did not account for the many data bases and programs operated by the Department. BDM, Federal also lost points in the sub-category for the thoroughness and efficiency of the plan. ADIA Information Technologies tied with Fox Systems, Incorporated for the feasibility of the project plan. Particular strengths were reflected in the application of effort to the development of summaries demonstrating overall organization/function relationship and the current processes performed in each organization.

### **Offeror Experience**

Regarding Offeror Experience, Fox Systems received 90 out of a possible 100 points. The combined experience of Fox Systems, Quadrant Consulting, and Corporate Resource Associates, Inc. (Quadrant and Corporate Resource Associates as subcontractors to Fox Systems, Incorporated) in the areas of health care, business process reengineering, JAD and IV&V services was indisputable.

### **Staff Experience**

Staff Experience represents a total of 175 points with Fox Systems, Inc. receiving the highest number of points, 118. Health care experience was the determinant sub-category in this category of points. The Evaluation Committee recognized and rewarded Fox Systems, Inc. for bringing that health care staff experience to their offer. In other subcategories, BDM was deemed as offering more GUI Experience and Data communication/networking experience. However, Fox Systems, Incorporated was also recognized as bringing extensive staff experience in providing IV&V services.

### **Corporate References**

Regarding the Corporate References category, minimal differences exist between Fox Systems, Incorporated and ADIA Information Technologies. References contacted for these offerors included additional contacts for the sub-contractors proposed. No negative or qualified references were offered by the contacts. In the case of BDM, Federal, two corporate references qualified their recommendations. Simon Padilla performed both the corporate and individual contacts on behalf of the Evaluation Committee. The results were discussed with the Evaluation Committee.

### **Individual References**

There were minimal differences in the scores for the individual references category. References contacted provided no items of concern.

### **Cost**

BDM, Federal submitted the lowest overall offer at \$118,949 and were awarded the maximum points in this category at 300. The Evaluation Committee expressed considerable concern at the oral presentation over the low number of hours submitted by BDM, Federal in their offer. Client Executive, Fred Mondragon stated that the deliverables would be provided to the satisfaction of the

Department of Health without regard to the actual hours applied by BDM, Federal within the Firm, Fixed Price offered. Points to all offerors were awarded based on the cost formula contained in the RFP.

Cost	\$229,075	\$118,949	\$214,740
Hourly	\$101.18	\$93.37	\$91.77

IV&V rates submitted were not considered in the awarding of points for cost in accordance with the Request for Proposals. These rates are to be considered during contract negotiations.

**Oral Presentations**

As a result of the oral presentations, Fox Systems, Inc. scored highest with the Evaluation Committee. Of 100 points, they were awarded 93 points with the presentation quality and staff knowledgeable and experienced sub-categories reflecting the key point advantages.

**Concerns**

Concern is noted by the Committee regarding the Fox Systems, Inc. combination of the same individual being project manager and lead analyst. Concern is expressed by the Committee regarding the low number of hours the ADIA project manager would spend on the project as the overall quality of the analysis appears to revolve around this individual's overall expertise. BDM, Federal lost significant points because of the lack of staff knowledge and experience. This was accentuated by the fact that there was only one analyst represented by the offer.

*Summary Table*

Evaluation Category	ADIA	BDM	Fox
Project Approach	33	38	42
Methodology	39	38	44
Project Plan	49	30	59
Offeror Experience	53	42	90
Staff Experience	75	91	118
Corporate References	99	84	100
Key Personnel References	45	45	47
Oral Presentation	79	59	93
Sub Total	472	427	593
Cost	156	300	166
Total	628	727	759

As the Summary Table reflects, Fox Systems Inc. received the highest number of points in each category except cost.

ADIA Information Technologies received the second highest number of points in five categories and tied in one category.

BDM, Federal received the second highest number of points in three categories, tied in one category and received the maximum for cost.

**Committee Recommendation**

Based on the evaluation performed, the committee recommends selection of Fox Systems Inc. to perform the scope of work outlined in the Request for Proposal for the Needs Analysis for a Community Provider Payment System. Overall, the Fox Systems Inc. proposal is considered to be superior by the committee. Particularly impressive were the corporate and staff healthcare experience, business process reengineering expertise and thoroughness of the oral presentation.

The committee further recommends that during contract negotiations appropriate wording be inserted in the contract to allow for temporary interruption of work. The need to interrupt work would only result if federal or state program definitions relating to block grants significantly influence direction of the project.

Thank you for your consideration of this recommendation.

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Leroy Martinez  
Evaluation Committee Member

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Leo Kahn  
Evaluation Committee Member

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Yolanda Martin  
Evaluation Committee Member

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Laura McAllister  
Evaluation Committee Member

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Gene Lujan  
Evaluation Committee Member

Attachments

	DEPARTMENT OF HEALTH				
	COMMUNITY PROVIDER PAYMENT SYSTEM NEEDS ANALYSIS				
	EVALUATION COMMITTEE REPORT				
	RFP# 60-665-11-04979 – combined offerors				
	Evaluation Sub-factor	Max pts.	ADIA Information Tech.	BDM Federal	Fox Systems, Inc.
1.1	Case/Productivity Tool?	10	4	9	10
1.2	Thoroughness/ Applicability?	25	18	18	20
1.3	Project Management?	15	11	11	12
	<b>SUBTOTAL</b>	<b>50</b>	<b>33</b>	<b>38</b>	<b>42</b>
2.1	Thoroughness/Examples?	25	15	20	21
2.2	Applicability?	15	14	13	15
2.3	Deliverables development?	10	10	5	8
	<b>SUBTOTAL</b>	<b>50</b>	<b>39</b>	<b>38</b>	<b>44</b>
3.1	Feasible?	30	21	8	21
3.2	Thorough and Efficient?	30	18	12	24
3.3	Plan and GANTT Professional?	15	10	10	14
	<b>SUBTOTAL</b>	<b>75</b>	<b>49</b>	<b>30</b>	<b>59</b>
4.1	Systems Analysis/Cost Est.?	25	20	10	20
4.2	Health Care Payment Systems?	25	11	12	25
4.3	Similar Project in Health Care?	25	8	10	25
4.4	IV&V Experience?	25	14	10	20
	<b>SUBTOTAL</b>	<b>100</b>	<b>53</b>	<b>42</b>	<b>90</b>
5.1	Systems Analysis?	25	18	18	24
5.2	Cost Estimating?	25	10	11	15
5.3	Health Care Payment systems?	25	11	11	25
5.4	GUI Experience?	25	4	8	7
5.5	Relational Databases?	25	10	14	16
5.6	Data Communication/ Networking?	25	17	18	13
5.7	IV&V Services?	25	5	11	18
	<b>SUBTOTAL</b>	<b>175</b>	<b>75</b>	<b>91</b>	<b>118</b>
6.1	Needs Met?	20	20	15	20
6.2	IV&V Beneficial/ Accurate?	20	20	20	20
6.3	Work Rating to Statusing, etc.?	30	29	23	30
6.4	Timely Deliverables/ Deadlines?	20	20	19	20
6.5	Contract Again?	10	10	7	10
	<b>SUBTOTAL</b>	<b>100</b>	<b>99</b>	<b>84</b>	<b>100</b>
7.1	Skills Rating?	10	8	9	9
7.2	IV&V Beneficial/ Accurate?	10	10	10	10
7.3	Work Rating to Statusing, etc.?	15	13	11	13
7.4	Timely Deliverables/ Deadlines?	10	9	10	10
7.5	Contract Again?	5	5	5	5
	<b>SUBTOTAL</b>	<b>50</b>	<b>45</b>	<b>45</b>	<b>47</b>
8.1	Cost	300	156	300	166
9.1	Understanding of Project?	25	24	13	23
9.2	Staff Knowledgeable/ Experienced?	30	24	14	27
9.3	Questions Answered Well?	10	7	6	9
9.4	Demonstrate CASE Proficiency?	10	4	9	9
9.5	Presentation Quality?	25	20	17	25
	<b>SUBTOTAL</b>	<b>100</b>	<b>79</b>	<b>59</b>	<b>93</b>
	<b>TOTALS</b>	<b>1000</b>	<b>628</b>	<b>727</b>	

# AWARD NOTIFICATION LETTER

**State of New Mexico  
DEPARTMENT OF HEALTH  
PRIMARY CARE & EMS BUREAU**

May 16, 1994

Professional Examination Service  
Mr. William Schoolman  
475 Riverside Dr.  
New York, NY 10115

Re: New Mexico RFP #20-665-42-13454, Emergency Medical Services Information Management System.

Dear Mr. Schoolman:

This letter is to advise you that on May 16, 1994, a Contract was awarded as a result of the referenced procurement. The Contract was awarded to EMS Data Systems, Inc., an Arizona corporation.

A copy of the Management Recommendation Letter and the Evaluation Committee Report has been attached for your review. In accordance with paragraph II.B.14., the protest period shall expire as of the close of business on Thursday, June 2, 1994.

On behalf of the Primary Care and EMS Bureau, and the Evaluation Committee, I want to express my sincere appreciation to you and other members of your company for the time and effort taken to participate in this important procurement.

Sincerely,

<signed>

Jim Derrick  
Procurement Manager

cc: Pat Cleaveland, Director, Public Health Division, DOH  
Barak Wolff, Chief, Primary Care and EMS Bureau  
Terry Davenport, State Procurement Office

# PUBLIC INSPECTION LETTER

March 18, 1993

Karen L Weavill  
Marketing Assistant  
Network Solutions. Inc.  
475 Kilvert Street  
Warwick, RI 02886

Dear Ms. Weavilt:

This is to respond to your March 9th request for copies of proposals submitted in response to RFP #10-630-60-00133.

There are two options available to you:

1. You may check out a copy of the proposal on-site and return it the same day. There are commercial photocopying services in Santa Fe that provide same-day service. This option has been successfully executed by other vendors wishing to obtain a copy of the winning proposal. You may contact me to schedule a date for on-site checkout.
2. You may pre-pay for Department personnel to photocopy and send you copies of the proposals. The Department policy for such photocopying is stated in 1.6, page 9 of the RFP. The cost is \$.35 per page. We estimate that there are 2,586 pages in the four proposals, for a total of \$905.10. If you notify me that you choose this option, we will provide you an exact page count and cost so that you can forward a check payable in the exact amount to the Human Services Department prior to our commencing copying. Shipping would be at your expense. There is a Federal Express pickup box in this building which could be used if you provided us a Fed Ex account number. The estimated weight is 15 pounds.

Please be advised that some pages of proposals are marked "proprietary;" we will exclude proprietary pages from copies provided to you.

Sincerely,

<signed>

Don Levering  
IV-D System Director  
Child Support Enforcement Division  
P.O. Box 25109  
Santa Fe, NM 87504

ACKNOWLEDGEMENT OF RECEIPT

Received from Don Levering, 1 copy of Andersen Consulting's Proposal response to RFP 10-630-00133. This includes all pages in: volume 1A, pages I.1 through IV.C.72; volume 1B, pages IV-D.1 through Appendix C, Statement of Confidentiality; and volume 2, pages I.1 through VI.1 and including page 1-7 of the responses to the Departments Questions.

As a representative of BDMI, I agree to return these copies to your office complete and in good condition by 4:00 pm today, March 5, 1993.

Also received from Don Levering today, the copy of the Evaluation Committee Report.

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Pat Garcia, BDMI

**THE NEW MEXICO GROSS RECEIPTS TAX  
AND  
STATE GOVERNMENT PROCUREMENT**

MAY 1, 1996

WHAT IS THE GROSS RECEIPTS TAX?

The gross receipts tax is a tax on people (which includes every type of business organization) engaging in business in New Mexico for the privilege of doing business in New Mexico. The tax is imposed on the gross receipts of people who:

- > sell property (tangibles) in New Mexico,
- > perform services in New Mexico (services include construction activities and all construction materials that will become part of the construction project),
- > lease property used in New Mexico, and
- > sell research and development services performed outside New Mexico, but which are initially used in New Mexico.

WHAT IS THE GROSS RECEIPTS TAX RATE?

The gross receipts tax rate varies throughout the state from 5.0% to 6.875%. It is composed of the state base rate (5%), of which 1.225% is given to the cities, plus local options imposed by counties and municipalities. The tax rate can change no more often than twice a year in January and July.

Generally, the gross receipts tax rate to be used by the seller or lessor of goods or services is based on the business location of the seller. A major exception to the general rule applies to people in the construction business. Their location for tax rate purposes is the location of each construction project.

DETERMINING TAXABILITY OF GROSS RECEIPTS

There is a basic presumption in law that all receipts from selling or leasing property or services are subject to tax. However, to avoid pyramiding of taxes and to define the tax base, there are a series of exemptions and deductions provided in law. Any receipts not covered by a specific exemption or deduction are taxable.

In many cases, particularly when dealing with services, if a deduction is available for a specific transaction, the subsequent transaction must be subject to the gross receipts tax. For example, contractors are allowed to give their vendors NTTCs for construction materials (Type 6) and construction services (Type 7), but only when the sale of the completed construction project is subject to gross receipts tax.

#### DEDUCTION FROM GROSS RECEIPTS FOR SALES TO GOVERNMENTAL ENTITIES

Receipts from selling tangible personal property to a New Mexico governmental entity may be deducted from the seller's gross receipts (Sec. 7-9-54). However, this deduction may NOT be claimed for:

- > sales of materials incorporated into a construction project;
- > receipts from leasing property or licenses; and
- > receipts from the performance of services, including construction services.

For the seller of the tangible personal property to be eligible to claim this deduction, the purchasing governmental entity must provide the seller either a properly executed Type 9 NTTC (Non-taxable Transaction Certificate) or other proof that payment was from a governmental entity (e.g. purchase order). The seller needs only ONE NTTC from each buyer to cover all transactions OF THE SAME TYPE with that buyer. The seller must have the NTTC or other proof in his possession before he can claim the deduction (generally, the 25th of the month following the month of receipt).

#### WHAT IS CONSTRUCTION FOR GROSS RECEIPTS TAX PURPOSES?

“Construction’ is defined in Sec. 7-9-3(C) NMSA 1978. Regulation GR 3(C):5 more specifically defines construction as it relates to the oil and gas industry. Copies of both are attached.

#### WHAT IS A SERVICE FOR GROSS RECEIPTS TAX PURPOSES?

Sec. 7-9-3(K) NMSA 1978 defines service to mean “all activities engaged in for other persons for a consideration, which activities involve predominantly the performance of a service as distinguished from selling or leasing property....’Service’ includes construction activities and all tangible personal property that will become an ingredient or component part of a contraction project...” For example, a contractor who is engaged to design, engineer and build a prototype missile is selling a service, not a tangible.

HOW TO OBTAIN NON-TAXABLE TRANSACTION CERTIFICATES?

Any purchaser, including a governmental entity, who wants to issue NTTCs to his vendors must register with the Taxation and Revenue Department and complete an Application for Nontaxable Transaction Certificates. There is no charge for this. Additional NTTCs may be requested by completing another Application. All 1992 Series NTTCs will expire on December 31, 2002.

THE PROCUREMENT CODE AND GROSS RECEIPTS TAXES

Section 13-1-108 NMSA 1978 of the Procurement Code provides:

Contracts solicited by competitive sealed bids shall require that the bid amount exclude the applicable state gross receipts tax or applicable local option tax but that the contracting agency shall be required to pay the applicable tax including any increase in the applicable tax becoming effective after the date the contract is entered into. The applicable gross receipts tax or applicable local option tax shall be shown as a separate amount on each billing or request for payment made under the contract.

EVIDENCE OF SELLER’S REGISTRATION TO BE INCLUDED IN CONTRACT DOCUMENT

The Gross Receipts Tax Registration Act (Chapter 7, Article 10 NMSA 1978) requires any person leasing or selling property to the state or performing services for the state to be registered with the Taxation and Revenue Department to pay gross receipts tax. Evidence of compliance with this provision is generally accomplished by adding language at the end of the contract similar to the following:

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating tax.

CRS ID Number: \_\_\_\_\_

Date: \_\_\_\_\_

TAXATION AND REVENUE DEPARTMENT

By: \_\_\_\_\_

Personnel at any Audit and Compliance Division field office can complete this evidence of compliance during their normal business hours. Field offices are located in Santa Fe, Albuquerque, Roswell, Las Cruces, Farmington, Alamogordo, Clovis, Hobbs and Silver City.

## WARNING

This brief overview provides general information only and does not address compensating tax, the availability of other types of NTTCs that contractors can provide to their vendors and subcontractors, the liability of governmental entities to pay governmental gross receipts tax on certain of their receipts, or many other features. It does not constitute a regulation or ruling as defined under Sec. 7-1-60 NMSA 1 978. Taxpayers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this overview.

# THREE-YEAR FINANCIAL HISTORY FORM

OFFEROR NAME: \_\_\_\_\_

MEASURE	YEAR -- 3 (eg.1994)	YEAR -- 2 (eg. 1995)	YEAR -- 1 (eg. 1996)
Total Current Assets			
Total Current Liabilities			
Cash & Equivalents			
Trade Receivables			
Net Sales			
Cost of Sales			
Annual Interest Expenses			
Earnings Before Interest & Taxes			
Net Fixed Assets			
Tangible Net Worth			
Profit Before Taxes			
Total Assets			

Signature of Authorized Representative: \_\_\_\_\_

**Offeror should not write below the relevant pages/paragraphs of the offeror's annual balance sheet(s) wherein the specific measures are reported.**