Webinar Description

Stir the Pot: Effectively Requesting Proposals and Evaluating Vendors

Do you have a current vendor who is just a bad egg? Do you have a project area where there are simply too many cooks in the kitchen? If your organization’s current vendors aren’t working out the way you’d like, you should consider creating and distributing a Request for Proposals, or RFP. In this webinar, you will learn when and how to create an RFP, what key considerations should be taken prior to distributing the RFP, and how to evaluate proposals once they’re in hand. By the end of this webinar, you will be able to approach the RFP creation process while remaining cool as a cucumber.
Webinar Overview

1. RFP Basics
2. Vendor Basics
3. The Evaluation Process
4. RFP Myths

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RFP BASICS
What is an RFP?

- Request for Proposals
- Document to elicit bids
- Find a solution to a problem
- Used for projects or services

Keep in Mind...

- Generally used for complex, unique projects
- Every RFP is different
- Puts vendors on an even playing field
Key Ingredients for an RFP

1. Organizational Overview
2. Project Goals
3. Target Audience
4. Project Deliverables and Specifications

More Key Ingredients for an RFP

5. Project Requirements
6. Proposal Format
7. Request for References
8. Delivery and Contact Instructions
9. Proposal Evaluation Timeline
Some RFPs also include a title page and a table of contents, along with an executive summary or abstract of the proposal requirements.
What Types of Vendors Do Nonprofits Use?

• Firms for re-branding
• IT experts for implementation and training
• Consultants for strategic planning or Board coaching
• Website or graphic designers
• Expert fundraising firms

Signs Your Vendor is a Bad Egg

• Imposes unreasonable price increases
• Violates your trust
• Makes serious or frequent mistakes
How to Tell Your Old Vendor

• Be sensitive
• Provide feedback and information about why you’ve chosen to go through the RFP process
• Keep the relationship as strong as possible

RFP Respondent Red Flags

1. Asks questions that were clearly answered in the RPF
2. Unreliable or conflicting references
3. Unresponsiveness towards needs and ideas
4. Tries to sell you products or services that you don’t need
5. Has a history of not supporting the products that it sells
6. Unclear pricing structure
### When does a conflict of interest happen in the RFP process?

- Personal relationship
- Financial incentive
- One person wearing multiple hats

### What should I do about it?

- Conflict of Interest statement
- Loyal team of evaluators
- Prohibit organization “insiders” from applying

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**THE EVALUATION PROCESS**
Steps in the Evaluation Process

1. Evaluation Team
2. Decision Criteria
3. Define Mandatory Requirements
4. Complete and Send out RFP
5. Develop RFP Evaluation Schedule

Evaluation Team

Evaluating RFP responses is a team effort, made up of people with varied talents and expertise.
- Odd number
- Clear leader
- Larger team, longer process

Decision Criteria

As a group the Evaluation Team should develop a predetermined scoring method.

- Simplify process
- Avoid bias
- Outlines priorities

SAMPLE Scoring Method

<table>
<thead>
<tr>
<th>Bid Evaluation Section</th>
<th>Possible Points</th>
<th>Weight</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>5</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Recommended approach / methodology</td>
<td>5</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Samples or examples of recent, similar projects</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Suitable proposed timelines</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Experience and qualifications of assigned staff</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Innovative solutions</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>
Conditions that are required in vendors’ responses should be specified by the Evaluation Team and graded pass or fail during the evaluation process.

1. Proper Licensing
2. Insurance and Bonding
3. Within Budget
4. Accredited References

Targeting Vendors

Develop a strategy before sending out your RFP

- Invite-only = 5-6 vendors
- Contact other nonprofits
- Avoid overly expensive vendors
- Open process = use of reliable website
Open Process Pros and Cons

Pros:
- More varied pool of vendors
- Ensures transparency
- More options

Cons:
- Longer Process
- Many vendors will back out when they realize it’s not “invite only”

Evaluation Schedule

- Initial review and scoring
- Elimination of weak bidders
- Initial interview with semi-finalists
- Secondary scoring and elimination
- In-person meeting with finalists
- Final decision and offer
- Negotiation and contract signing
How to Compare RFPs

• **DO NOT** solely base selection on the flashiest (or cheapest!) response

• **DO** pay attention to how directly questions are answered in interviews

• **DO NOT** ignore the importance of compatibility

Up next on the menu...

RFP MYTHS
Myth #1

The selection of a winning bidder should be mainly based on price.

FACT: The “best” price does not necessarily mean the lowest price.
An RFP should be extremely thorough so that the vendors know exactly what you want and how you want it done.

**FACT:** Not allowing space for creativity and originality from vendors is one of the biggest mistakes you can make.
Myth #3

Even if you do not choose a vendor following the evaluation process, you can still use their ideas for your project.

FACT: A vendor’s original ideas and creative designs are *their* executive property unless you pay for them.
RFP Resources

1. Gelman, Rosenberg & Freedman, How to Create an Effective RFP
   Describes what to include in an RFP
2. Putnam Consulting Group; Mindshare Consulting
   The negative sides of RFPs, as told by consultants
3. Entrepreneur; Werc
   Templates of RFPS
4. The RFP Database; RFP Canada
   Publication sites for open process RFPs

Other Resources:

- The Staff Screening Notebook
- Exposed: A Legal Field Guide For Nonprofit Executives
- Our Website
QUESTIONS?

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