NOTICES

You may experience some audio difficulties with these videos due to buffering issues.

For the best video viewing experience, we recommend setting your monitor's screen resolution to 1074 by 768 pixels or higher

USDA United States Department of Agriculture
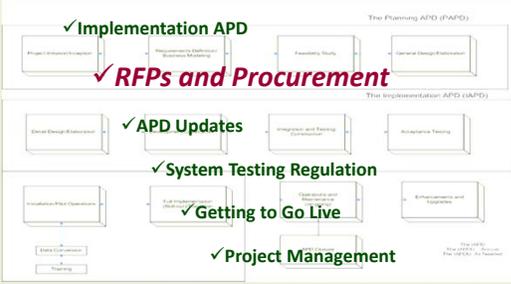**Food and Nutrition Service**

You are here...

✓ **APD Overview**

✓ **Planning APD**

✓ **Implementation APD**

✓ *RFPs and Procurement*

✓ **APD Updates**

✓ **System Testing Regulation**

✓ **Getting to Go Live**

✓ **Project Management**

RFPs & Procurement

Learning Outcomes

❖ The Power of the RFP – Getting What YOU want

❖ Open Competition & Conflicts of Interest

❖ Essential Components of an RFP

❖ The Importance of Being Specific

❖ Contractor Selection Criteria

❖ Bid Scoring

❖ The Contract is Your Protection

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RFP

IFB

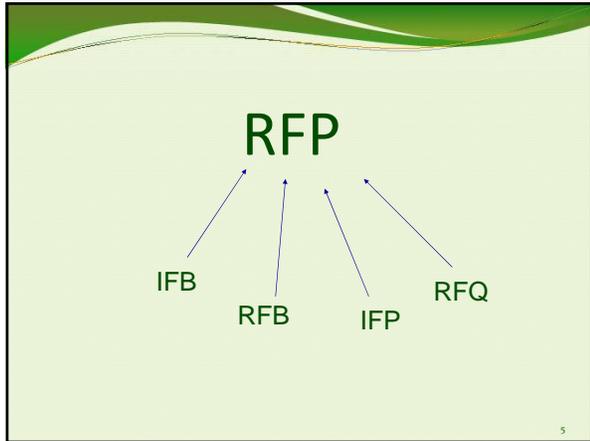RFB   IFP   RFQ

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A World of Contractors

Planning   Development

IV&V   Project
                            Management

Quality
Assurance   Implementation
                            Specialties

6

FNS Thresholds for Procurement Approval

Competitive {
SNAP > $6M total acquisition cost
WIC > $100K total acquisition cost

Non-competitive {
SNAP > $1M total acquisition cost
WIC > $100K total acquisition cost

Amendments {
All amendments >20% of the base contract, cumulatively

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FNS Timeframes

60 days

8

50 States
x 2 programs (WIC & SNAP)
+ WIC ITOs & US territories
+ states with multiple systems
x ~6 docs/project
÷ FNS staff
----
60 days

9

Bon Voyage

Stewardship

Ownership

Partnership

Stewardship

Partnership

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Ownership

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YOU need:

❖ Knowledge

❖ Confidence

❖ Backing

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State staff MUST:

- ❖ Know what you want
- ❖ Describe it accurately
- ❖ Recognize what resources you need to hire
- ❖ Describe them accurately
- ❖ Hire the contractor that has the right stuff
- ❖ Use tools to hold contractor accountable

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What you want   What they want

- ❖ Reasonable cost
- ❖ Low risk
- ❖ Reliable outcome
- ❖ Happy Execs
- ❖ On time
- ❖ Happy customers
- ❖ No bad press

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What FNS wants

HINT:
Use the RFP
Checklist in
901!

- ❖ Fair and **Open** competition
- ❖ Stewardship of Federal funds
- ❖ A process that results in access & integrity in benefit delivery
- ❖ A process that holds up to legal challenges
- ❖ Evidence that you are in control of your destiny

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RFP =

Getting What YOU Want

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Planning RFP

vs.

Development/

Implementation RFP

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Planning RFP

Used to hire professional services to help a State agency plan the project thoroughly, prepare the required documents, and secure state and federal approvals.

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DIY

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The Exception to the Rule:

State blanket purchase agreements or master contracts.

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YES

If the original contract or master agreement:

❖ Was competitive
❖ Included THIS type of work
❖ Had scope or $$ parameters

Open

Often used for hardware purchases or small consulting tasks, such as assistance with writing a small scope RFP

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NO

If the original contract or agreement:

❖ Wasn't competitive, but just a process of signing up on a list or meeting minor qualifications
❖ Was for unrelated services

Not meant for major procurements!

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CAUTION

Blanket purchase agreements or master contracts should not allow

Conflicts of Interest

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Slide 28

All Federally funded procurements must be …

Open

(No unfair advantages in the bidding process)

Contractor who develops requirements, specifications, or tasks, or writes the RFP…   →   **Bid on that work** 🚫

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Slide 29

Option #1

TRICKIER
(AND NOT APPLICABLE TO THE DEVELOPMENT CONTRACTOR!)

❖ All possible roles or functions

❖ In one RFP at the beginning

❖ All bidders must bid on all the parts, priced individually

❖ State can pick and choose

OR

29

Slide 30

Option #2

Make it clear in the first RFP that the winner will help define other roles and that they will NOT be eligible to bid on those functions.

easy

30

The same contractor should

NEVER

define the work and
then bid on it   OR

do the work, and
then evaluate it.

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So far we know…

1. FNS thresholds and 60 day review time
2. The importance of project OWNERSHIP
3. An RFP is to get you what YOU want
4. The allowable uses of a master contract
5. The pitfalls of conflicts of interest
6. FNS's obsession with **Open** competition

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Implementation RFP

Used to hire professional and technical skill sets to design a new system, write or adapt the software, produce documentation, and test and implement the system.

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Components of an RFP

Introduction & Overview

- ❖ Current processing environment
- ❖ Workload data
- ❖ New system environment (including projected growth)

Hint: This stuff is in 901's procurement chapter!

1

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Components of an RFP

Solicitation Instructions and Conditions

- ❖ Terms and Conditions - legal and purchasing requirements
- ❖ Proposal structure and content
- ❖ *Procurement* schedule
- ❖ Q&A process
- ❖ Submission process

2

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Components of an RFP

Statement of Work (SOW) – the MEAT!

- ❖ Desired project schedule
- ❖ Functional requirements
- ❖ Deliverables
- ❖ Installation, Conversion, Maintenance requirements
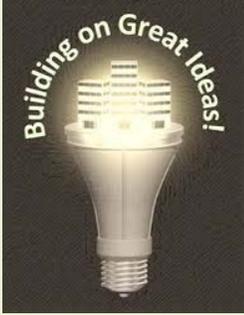- ❖ Personnel requirements

3

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Don't start from scratch!

Did they get what they asked for?

Building on Great Ideas!

How did they stay on schedule?

Only 3 change orders?!

Did they win that dispute?

37

FRεD

Tasks and Deliverables:

❖ Create a detailed project timeline
❖ Guide state through design or functional verification process
❖ Document requirements and tech specs
❖ Write or adapt the application code
❖ Create user and technical documentation
❖ Conduct testing
❖ Convert data from the old system
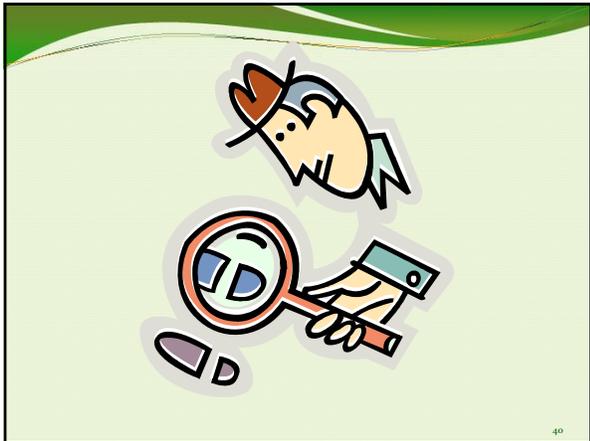❖ Conduct or support training
❖ Operate or train the Help Desk

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RFP =

Getting What YOU Want

State staff MUST:

❖ Know what you want
❖ Describe it accurately
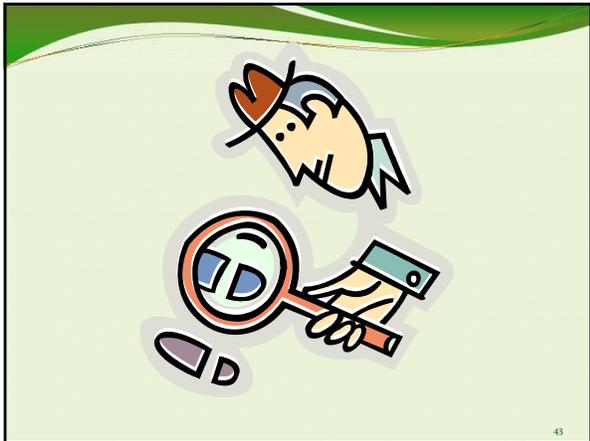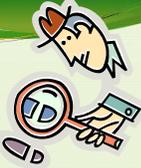❖ Recognize what resources you need to hire
❖ Describe them accurately

Don't

Rely on bidders' questions
to clarify things you didn't explain fully.

➢Bid the product they built for the last customer
➢Guess
➢Bid high enough to cover the unknowns

So what???

"Pay me now ❌

and

Pay me later"

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48

SCOPE CREEP
It happens

Components of an RFP

Management Plan
- ❖ Identify who the contractor will report to
- ❖ Describe the project management structure
- ❖ Define the type and frequency of status reports required
- ❖ Specify who will review and approval of work performed
- ❖ Clarify roles of state staff and other contractors

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Performance Criteria

- ❖ Timeliness
- ❖ Accuracy
- ❖ Transparency
- ❖ Accountability
- ❖ Open communication
- ❖ Frequent feedback
- ❖ Accessibility

Components of an RFP

Evaluation and Award Process
- ❖ Identify evaluation criteria
- ❖ Specify weight or points for each one
- ❖ Describe the scoring process
- ❖ Specify the minimum technical score
- ❖ Explain how bidders will be notified

5

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Reuse! Revise!

Don't Reinvent!

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Functional Requirements Document

- ❖ In the IAPD
- ❖ In the RFP
- ❖ Used by bidders
- ❖ In your development process

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Management Plan

❖ In the IAPD
❖ In the RFP
❖ In vendor proposals

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DO

√ Ensure that RFPs contain enough detail to clearly define requirements.

59

DO

√ Describe requirements and timeline expectations in specific terms to provide the contractor with adequate information to develop a responsive bid.

60

DO

√ Describe acceptable levels and measures of performance for products and/or deliverables.

61

DO

√ Assign people with enough technical expertise to the evaluation panel

√ Allow them enough time to really read and score all the proposals

√ Provide them training on how the process works and what the selection criteria mean

62

DO

Describe the _performance_ and other relevant requirements of the procurement.

DON'T

Specify a "brand name" product instead of allowing "an equal" product to be offered, unless you're talking about a state technical standard.

Open

63

DON'T

❖ Place unreasonable requirements on firms to qualify to do business.

Keep it Open

64

DON'T

❖ Specify geographical preferences.

❖ Shorten the bidding period to make up for schedule shortfalls.

Open

65

DON'T

❖ Require unnecessary experience

❖ Include unlimited liability clauses

Open

66

DON'T

❖ Allow noncompetitive pricing practices between firms or affiliated companies

❖ Permit organizational conflicts of interest

❖ Allow noncompetitive awards to consultants on retainer contracts

❖ Take any arbitrary action in the procurement process

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Mandatory Criteria
vs.
Scored Factors

68

The Nanny Interview

Minimum Mandatory Requirements

❖ At least 18 years old
❖ Has a driver's license
❖ No arrests or convictions
❖ Can read
❖ Has taken CPR class

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The Nanny Interview

Scored Factors

- ❖ Years of experience
- ❖ Number of children supervised at one time
- ❖ Experience with your children's ages
- ❖ References from previous employers
- ❖ Formal education

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You Do This Already!

71

$$$

72

PRICE   TECHNICAL

TEST YOURSELF

High Technical score	High Technical score
High Cost score (*meaning a low price*)	Low Cost score (*meaning the price is high*)
Low Technical score	Low Technical score
Low Cost score (*meaning the price is high*)	High Cost Score (*meaning the price is low*)

EXAMPLES

**1000 possible points with
700 to technical & 300 to cost**

High Tech score	625	*Highest Tech score*	700
High Cost score	275	Low Cost score	100
Total Score 900		***Total Score 800***	
Low Tech score	350	Lowest Tech score	300
Low Cost score	100	*Highest Cost score* (low bidder)	300
Total Score 450		***Total Score 600***	

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EXAMPLES

**1000 possible points with
300 to technical & 700 to cost**

High Tech score	250	*Highest Tech score*	300
High Cost score	550	Low Cost score	300
Total Score 800		**Total Score 600**	
Low Tech score	150	Lowest Tech score	125
Low Cost score	300	*Highest Cost score* (lowest bidder)	700
Total Score 450		**Total Score 825**	

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3 Phases of Bid Scoring

1. Mandatory Minimum Requirements

2. Minimum Technical Score

3. Price and Final Score

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EXAMPLES

1000 possible points with
300 to technical & 700 to cost

High Tech score 250	Highest Tech score 300
Low Tech score 150	Lowest Tech score 125

And the winner is........

High Tech score 250	Highest Tech score 300
High Cost score 550	Low Cost score 300
Total Score 800	Total Score 600
Low Tech score 150	Lowest Tech score 125
Low Cost score 300	Highest Cost score 700 (lowest bidder)
Total Score 450	Total Score 825

TEST YOURSELF

High Technical score	High Technical score
High Cost score (*meaning a low price*)	Low Cost score (*meaning the price is high*)
Low Technical score	Low Technical score
Low Cost score (*meaning the price is high*)	High Cost Score (*meaning the price is low*)

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CAUTION

Proposal:

➢ States your requirements back to you

➢ Promises you *anything* you want (even if you don't know what that is)

➢ Offers what they have to sell, not what you asked to buy

82

SUB-CAUTION

Did you invite this?

83

Withdraw and Re-Issue???!!!
Are you kidding?!

84

If you don't have time to do it right,

you don't have time to spend in court.

85

It is ok for bidders to improve upon your ideas. That's GREAT!

86

Humphrey Bogart
Ingrid Bergman
Casablanca 1942

87

3 Phases of Bid Scoring

1. Mandatory Minimum Requirements ✓
2. Minimum Technical Score ✓
3. Price and final score ✓

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Go shopping for ideas in Handbook 901

Company stability   Experience   Staffing plan

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Handbook 901

Chapter 6 – Procurement

Criteria for Evaluating Proposals

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WHEW!

Are we done yet?

SORRY!

One more thing...
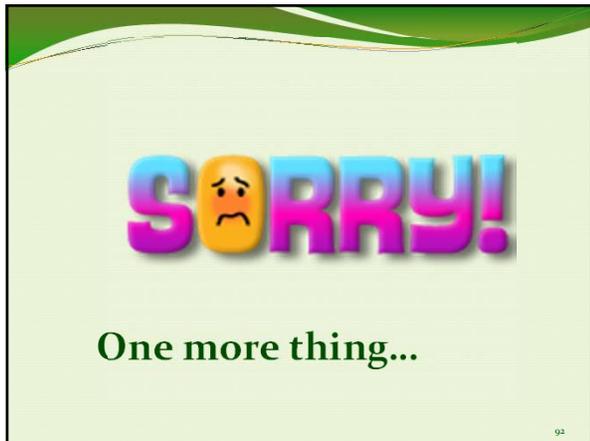
Write a Strong Contract

Don't Be Afraid to Use It!

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Contracts

Handbook 901
Chapter 6 – Procurement

All the Contract components, terms and conditions, checklists – *including FNS-required provisions*

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Learning Outcomes

❖ The Power of the RFP – Getting What YOU want

❖ Open Competition & Conflicts of Interest

❖ Essential Components of an RFP

❖ The Importance of Being Specific

❖ Contractor Selection Criteria

❖ Bid Scoring

❖ The Contract is Your Protection

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Your next goal…

- ✓ APD Overview
  - ✓ Planning APD
    - ✓ Implementation APD
      - ✓ RFPs and Procurement
  - ✓ *APD Updates*
    - ✓ System Testing Regulation
      - ✓ Getting to Go Live
        - ✓ Project Management

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Come See Us!

An engraved invitation from FNS Handbook 901
www.fns.usda.gov/apd

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