



Rubric-based RFPs and proposals

Fewer proposals, more compliant, less costs – a lesson from the science and technology sector

by Chris F. Jones, MBA, FCMC

WRITING LOSING PROPOSALS in response to government professional services RFPs can be a huge waste of time and effort for vendors... and for buyers too. No matter how many proposals buyers receive, or how poor they are, they have to review every one with exactly the same care and attention.

Even simple competitive proposals prepared in response to a government RFP can cost each vendor \$5,000 to \$10,000 in time and expenses. Large and complex proposals cost many times this, sometimes running into hundreds of thousands of dollars. Sometimes the total cost to the vendor community exceeds the value of the engagement.

Who pays for all this “busy” work? Cal Harrison argues in his award-winning 2008 CA Magazine article “A Decent Proposal” that government clients, and through them the taxpayers, pay the whole cost in the long run. Something is seriously wrong with this picture and it’s time it was addressed.

The fallacy of maximizing vendor proposals

There is an illusion that the objective of an RFP process for professional services is to facilitate the maximum number of

responses from qualified vendors. But most of these responses will lose – and millions of dollars will be wasted to the vendor community, the buyers and the economy every year by writing and evaluating them.

Attempts to maximize vendor proposal numbers merely reinforce the notion that highly paid consultants have nothing better to do than write expensive proposals, most of which lose, and buyers have nothing better to do than read and evaluate them. With more proposals, there will be more losers and more money wasted by all parties involved.

Is this significant? I think so. Three government RFPs for management consulting services attracted hundreds of proposals, most of which failed to obtain any work. Another RFP attracted over 300 proposals but was cancelled because the buyer did not have the resources to review them all. The waste stares us in the face though no one thinks to calculate it because governments think that the vendors pay. They don’t.

Maximizing vendor proposals means maximizing losing proposals. Yet we want to encourage still more of them? I don’t think so. We really should be aiming for fewer, but more compliant proposals of higher quality – not more losers.

Is there a better model?

Can we change the RFP process so that instead of facilitating the maximum number of responses from qualified vendors the RFP attracts only the most qualified vendors in the first place? Innovative methodologies to do this are available. One well-proven approach – and the best the author has seen – was developed right here in Canada.

Some of the major science and technology research funding agencies in Canada use a competitive grant application process to choose who should receive research grants and who should not. Their proposal solicitation and evaluation processes are identical to a government professional services RFP process in all important respects. In particular, most of their proposal evaluation criteria are qualitative so they can't be measured with numbers alone.

Their experience shows that the two most important variables that affect the number and quality of vendor (applicant) proposals are (1) greater explicitness of the evaluation criteria in their RFP documents, resulting in (2) an improved capability for vendors to self-assess their own qualities before investing the time, effort and costs in writing the proposal.

They expected to receive fewer and better-qualified, more compliant proposals. And that is exactly what happened.

What is the function of an RFP?

An RFP for professional services has two procurement objectives:

1. to identify those vendors that can perform the engagement; and
2. of those that can perform the engagement, to determine which of them best meets the buyer's performance criteria, one of which is cost.

The concept of "qualified potential vendors" means that the buyer has to pay particular attention to objective 1 to determine which vendors, if any, are qualified to do the work. If RFP writers confuse these two objectives, or if they ignore objective 1, they might end up with a winner without knowing whether or not they are actually qualified to perform the engagement. Harrison cites an example where this actually happened. The winner (primarily on cost) turned out to be incapable of delivering the engagement.

Buyers usually focus on the comparative assessment in objective 2, assuming that all, or at least most, of the vendors can actually perform the engagement. Objective 1 is given less consideration.

But this is putting the cart before the horse. If the buyer's assessment should indicate that none of the proponents can perform the engagement then determining the best of them doesn't really matter – none of them should win. Would you engage a firm, or should the taxpayer, which can't even get to the finish line, even if it were the best of a bad bunch, or perhaps the least expensive? Yes, I know there are sometimes minimum point scores and two-phase proposals – but precisely because they use point scores they are not always effective in meeting objective 1 either.

The acid test of the criteria in an RFP is to answer the question "if we only get one proposal can we be quite sure that our assessment process will determine whether it should

win or lose?" If not, the RFP doesn't address objective 1.

The science and technology research granting community found a way to screen out those applicants that were less able to meet their needs. By having them not submit proposals in the first place, they were left with fewer and better proposals to evaluate.

The importance of vendor self-assessment

Buyers think their RFP criteria are for evaluating competitive proposals. So they are, but they are just as important to vendors for evaluating their chances of success.

One of the vendor's most important functions in proposal writing is to decide which RFPs should be responded to and which not – whether or not the considerable investment should be made in a competitive proposal in the first place. As noted above, this is not a cost-free activity.

One of the many factors in this decision relates to the expectations in the proposal evaluation criteria listed in the RFP. If they are fully explicit, they are more predictable than if they are not. If they are predictable, the vendor can self-assess his/her chances of success in almost exactly the same way as the buyer does in deciding a winner.

The more explicit the evaluation criteria, the more accurate the vendor self-assessment process can be. Then some vendors will not write a proposal because they can see that their chances of success are limited.

This is exactly what happened with the science and technology research proposals. Applicants found that the increased explicitness in the selection criteria enabled them to determine their chances of success without writing and submitting a proposal. Those which didn't do too well in the self-assessment process didn't take the trouble. The proposals that were submitted were of higher quality and more compliant than ever before – and there were fewer of them.

Increasing the explicitness in the RFP criteria increased the quality of the proposals submitted and sharply reduced the number of proposals which needed to be evaluated.

The power of explicit rubrics

Some of the major players in the Canadian science and technology research granting community use what have become known as "explicit rubrics" to make their evaluation and selection decisions.

- A rubric is a means of adding clarity, objectivity, transparency and rigour to an evaluation, rating or ranking process where the criteria are essentially qualitative or intangible and the numbers are either hard to come by, nonexistent or make no sense. This is the case with most government RFPs for professional services.
- An explicit rubric is one which contains explicit performance measures, written in plain language, for each explicit evaluation criterion. Point scores are never used to evaluate qualitative criteria.

This powerful combination of explicit criteria and explicit performance measures is fundamental to both their vendor self-assessment and proposal evaluation processes. Services procurement RFPs all use evaluation criteria of some kind. All use numeric scores for assessment and very few are

sufficiently explicit to enable vendor self-assessment. None that I have seen contained explicit performance measures written in plain language.

In the science and technology community the evaluation criteria vary depending on the specific objectives of the agencies' research programs, but the performance measures for each criterion all use the same generic four-step structure:

1. This criterion is not met.

2. This criterion is partially met.

3. This criterion is fully met (what the buyer is looking for).

4. This criterion is exceeded.

Each generic measure is then converted into an explicit measure, expressed in language, not in numbers. For example, if one of a buyer's several criteria were "the proponent's understanding of the vision and purpose of the program" the explicit rubric might be designed as the figure below illustrates.

EXPLICIT RUBRIC FOR CRITERION 1 – Proponent's Understanding of the Vision and Purpose of the Program		
Vendor Response		
Why do you think you meet this criterion? Limited to 250 words.		
Evaluation		
Generic performance measure	Explicit performance measure	Select one
This criterion is not met.	This proponent shows a limited understanding of the vision and purpose of the program.	
This criterion is partially met.	This proponent shows a good understanding of the vision and purpose of the program.	
This criterion is fully met (what we are looking for).	This proponent shows an excellent understanding of the vision and purpose of the program.	
This criterion is exceeded.	This proponent shows an excellent understanding of the vision and purpose of the program. In addition, the proposal provides insights into its vision and purpose beyond what would normally be expected.	



The RFP is actually a form which the vendor completes, not a narrative, so that every proposal is identical in format, and directly comparable in content.

Typically there are between six and twelve explicit rubrics contained in an RFP. When used in a procurement situation, the vendor can easily use the framework to make a pre-proposal self-assessment, using exactly the same criteria and measures as the buyers will to evaluate the proposal.

RFP format and proposal evaluation

A rubric-based RFP contains two components for each criterion as shown above – a space for the vendor to address the criterion (in a limited number of words) and, below that, the rubric. The RFP is actually a form which the vendor completes, not a narrative, so that every proposal is identical in format, and directly comparable in content.

Proposals are shorter. There are no more “apples and oranges” proposal comparisons and no room for the superfluous verbiage often included by vendors.

The buyers work as a peer group to conduct the proposal evaluation, each inserting their assessments into the rubric. The software uses the buyer’s evaluations to calculate the overall quality of the proposal and then lists them in the order of their ability to meet the buyer’s criteria. The proposal at the top of the ranking list, by definition, is the one which best meets the buyers explicit criteria in the combined opinion of the review team.

Before a winner is announced, the buyers take an hour or so together to review the results and discuss any major variances in their evaluations. They may override the decision if

they so choose, but only with written justification.

Accountability and transparency are achieved by each vendor receiving a comprehensive report of the proposal’s performance compared with the self-assessment. An anonymous comparison with the other vendors is also provided. Vendor de-briefings are a thing of the past, though the option for the vendor might be left open.

It sounds simple, and it is. Most people using the process for the first time say “why didn’t I think of that?” But the fact is they didn’t.

The result – fewer proposals, greater compliance, higher quality, less time and less cost. In my view, just what we should all be striving for on both sides of the table.

Government buyers and their professional services vendors should be thinking about a shift in procurement philosophy whereby RFPs are better targeted, use more explicit criteria, use explicit performance measures, and are designed to attract a smaller number of more compliant, higher quality proposals rather than the maximum number of responses from qualified vendors – just as the Canadian science and technology research granting community learned to do some years ago. 

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