

Mind your RFPs & Qs

A Request for Proposals (RFP) can be a useful tool in the hiring of service providers. As with any tool, the results depend on how you use it.

Let's start with the purpose of an RFP, then its structure and content, and finally process.

1: Purpose**Define the project**

Most projects that involve service providers—such as planning consultants, web developers, graphic designers, or architects—have objectives subject to considerable complexities and nuances... or they should have, if they are to make the most of the investment of time and expense that goes into them.

The fundamental task of an RFP is to define the project you are planning to pursue. This is a crucial step, whether you intend to issue the RFP to multiple suppliers for competitive proposals, or are using it simply to specify your requirements to the one provider you've chosen to work with.

To assure that the results will encompass all of your concerns and opportunities, the first and most important step in the RFP process is to articulate—and develop internal consensus around—the full requirements and objectives of the project. This first step may seem obvious, but for various reasons, it is often not fully developed.

Defining objectives can require a good bit of self-education about the full potential impact of, say, a new web presence or a new facility, so that you can be a knowledgeable and self-advocating client. (In some situations, when the stakes are high, the knowledge gap is great, and you don't have a senior staff member or trustee with the experience to guide the development of an effective RFP, it is worth considering a consultant to advise you through crafting the RFP, and perhaps the selection process as a whole.

Some prospective clients will ask why they need to know the business of the consultant... isn't that what they are hiring an expert for in the first place? Yes, but... the more you know about where you want to go and how you can get there, the better choice you are likely to make in selecting a guide to take you there.

In any case, the prospective service provider doesn't start with a knowledge of your business, your values, your objectives. The most productive relationship between provider and client is one based on each knowing their own business, and each being eager to learn more about what the other knows.

A good designer, for example, will usually be ready to guide you down a visually compelling path. The trick is to make sure that the path offered is the one you want to be on; one that leads to your strategic goals. For that, you need to establish the initial direction as fully as you can before hiring a guide.

Get a sense of the approach

If an RFP is issued to several candidates, one of the objectives will be to see how each one interprets the material provided and approaches the project. Some responses may be boilerplate that doesn't respond specifically to the needs and objectives the organization has provided. Others may go off on a tangent or perhaps misinterpret the RFP entirely.

The best result is to get responses that give you new insights about what you are trying to accomplish, and/or how to go about it.

Minimize the cost

Often competitive RFPs are thought of as a way to get the best quality of services at the lowest possible cost. This is more likely if the other major variables (scope of services, and deliverables) can be clearly defined. Otherwise you'll end up with responses based on differing assumptions and interpretations, and you will not be able to compare them effectively. You may end up with much less than you hoped for, with additional costs required to meet your needs.

The best course of action if you don't have any sense of what a project should cost, is to do enough research to determine a range. Consultants will be able to suggest a scope of work within that range or give extra options beyond it, or forego the opportunity to respond if the project is not within an appropriate range for them.

On the other hand, if a service provider knows that your budget is very limited, he or she may well offer—with or without an RFP process—a leaner set of services, perhaps with options for extra services that can be provided for an additional fee.

In any case, in some kinds of work (architecture, for example) professional fees are not the major portion of the budget, so a low fee is less important than the track record of the provider in keeping the whole project within budget.

2: Structure & Content

Structure

The starting point for a good RFP can be a sample of one done for similar kinds of work, with emphasis on “starting point” and “similar”.

Often an organization will use as a template an RFP for very different kinds of work, with requirements that are not germane to the project at hand. This diverts focus from your requirements and objectives, and gives a signal that you’re really not clear about what you’re doing, which can be off-putting to the best service providers you most want to attract—and it won’t get you what *you* need.

Some RFPs are structured with lots of detailed questions and requirements for formatting answers. Responses to these RFPs may tell you a lot about how well the proposer pays attention to appropriate instructions and finesses others, but this approach also reduces the ability of responders to show how they structure their thinking. Since it takes extra effort to respond to this kind of RFP, and also sends a signal that you might be difficult to work with, the best providers, who can be most selective about their clients, may decline to respond.

Content

RFPs often omit information (e.g. scope of services, deliverables, time frame, budget) that is central both to creating and evaluating responses. Usually this is done with the intention of having the service provider reveal more about how she works or to get him to offer the lowest possible fee. While these intentions are understandable, and even sometimes effective, more often they can be impediments to getting the best results, for several reasons:

- If you define the work as clearly as possible, you assure that it will be focused on your needs and not the accumulated assumptions of the service provider about the needs of others.
- The specifics of the project may affect the choice of service provider in ways you may not yet be aware of. In the case of website design, for example, your objectives for the site will affect your choice of a platform to build it on, which in turn will constrain the list of web developers to consider. The more you know about and

communicate your intentions, the more likely you will be to find the right match early on.

- When multiple variables (scope of services, deliverables, time frame, budget) are left open, a responder has to incorporate guesswork into the proposal. This is a problem for both sides:
 - Proposers will not be able to bring their best judgment to bear on the project as you would like it done or can afford to do it, so the responses may not be relevant to your needs.
 - Different proposers will make their own independent assumptions, which may or may not be explicit, so proposals may not be comparable, handicapping the selection process.
 - Putting a thoughtful proposal together can take a substantial amount of time and effort. Many good service providers, who keep as busy as they want to be with clients who come to them directly, don’t respond to open—or even limited-distribution—RFPs at all. Many more ignore RFPs that do not give sufficient guidance as to scope or budget.

What to expect:

When you issue an RFP to and get proposals from multiple prospects, you will likely see different levels of responsiveness—from cut and paste boilerplate to thoughtful consideration of the issues you face and how to approach them. This will offer you some insights into the way the proposers work, and the clarity and quality of thought and communication.

If you have framed the proposal well, you may get to see thoughtful alternative approaches to the project.

3: Process

As noted above, the most important part of the RFP process is the work that goes into preparing to write the RFP. That’s when you articulate your needs, put them in context, resolve any internal differences of opinion, research comparable projects, and set a budget.

At that point the focus shifts to sharing the RFP with one or more service providers. You may choose to work with a provider in whom you have confidence from previous experience. In this case the purpose of the RFP is to frame and describe the project. This can save time and money and enhance the quality of the result, by briefing the service provider on your intentions and expectations before the beginning of the work.

Or, you may use the RFP as a briefing tool with a few service providers that have been recommended to you.

If you decide to use it as part of a competitive process, however, it will be bearing more weight as a stand-alone source of information. In this case the issues discussed in *Purpose* and *Structure & Content* take on greater importance, along with considerations of process.

For a complex project, an RFP is usually not the best initial communication with prospective service providers. Developing a detailed proposal for a complex project requires significant investment by a service provider. You may not attract the best of them by asking for a lot of work before you have made the effort to learn whether they are the match you're likely to want. You may be looking for a low bid, regardless of quality, or for a different approach from that taken by the provider. A busy service provider will choose to respond to prospective clients who come to them with more intentionality.

You may wish to start with a Request for Qualifications (RFQ). This will bring you preliminary information from service providers who may be interested in the project, and will give you enough information to narrow the field down to a small number for further consideration.

The best next step is often an interview. What you learn in an interview about approach, attitude, and personal chemistry will be another filter, giving you a second dimension of selectivity. If you interview three to five prospects and emerge with one to three candidates, you will be in a good position to ask your finalists for a detailed proposal, and to get their best effort in describing how they would configure the work, how long the project should take, the allocation of responsibilities, the deliverables, and the costs.

If you decide to solicit competitive proposals—with or without these preliminaries—there are some rules of protocol that will produce better results:

- **Circulation:** Publicly funded projects typically must be advertised and open for any provider to respond to. If that is not required of you, it can be much more effective to limit the distribution to a small number of providers that you have already identified as appropriate matches. The research you do to find and refine your preferred list of providers will be good preparation for being an educated client. And the prospective providers will focus more attention on an RFP that you've targeted closely.
- **Openness:** Be as open as you can with information and any needed clarification, both to attract the best providers and to enable them to give you their best (and most comparable) proposals. Give at least a budget range and/or a very precise scope of services (many good providers simply don't respond if they would have to guess about the realism of your budget expectations). Reveal the number of providers you are asking for proposals. Mention the amount and kind of work you expect to be able to do in-house (by staff and/or volunteers).
- **Questions:** Give a date until which you will accept clarification questions from prospective providers, and note that you will share all questions and your answers with all prospective proposers. A level playing field benefits all parties.
- **Contract:** If you have any positions on critical contractual provisions, you may want to share them with prospective proposers to make sure the ground rules are understood by all. And later you should make the RFP an addendum to the contract.

Depending on the kind of services at issue, there are many variations and details that could be added to this overview. But an understanding of these basics will offer a much more promising start to the process of procuring professional services.

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