

State Procurement Office
Workshop No. 220

**Evaluating Proposals
For RFPs
For Health and Human Services**

Pursuant to HRS Chapter 103F

1

**What Have We Learned About the RFP
Process So Far?**

1. We started with **PLANNING** (HAR Chapter 3-142)
2. We did a **Request for Information (RFI)** (HAR Chapter 3-142)
3. We put together and issued the **RFP** (HAR Chapter 3-143)
 - a. Procurement Notices System (PNS)
 - b. Request for Proposals Website (RFPW)
 - c. Orientation
 - d. Addenda issued, if applicable
 - e. RFP available for a minimum of 28 days

2

The RFP Process So Far (continued)

4. Proposals are being submitted.

????????????????

What do we do with the proposals?

Where do we go from here?

3

As the RFP Coordinator, you need to:

- Continue to take charge
- Play an active role
- Take the time needed
- Ensure evaluators know the time commitment required

4

Submission and Receipt of Proposals

- Keep your clerical staff informed!
- Advise and provide instructions to other offices: both those that are designated drop-off points and those that are not.
- Date-, and if possible, time-stamp.
- Keep proposals in a secure place.
- Keep a register of all proposals received.
- After the proposals are opened, save the envelope in which mailed proposals are received.

5

When is the proposal considered received by the purchasing agency?

1. Proposals submitted by hand-delivery deemed received when actually received by purchasing agency.
2. Proposals received by U.S. mail deemed received on the postmark date, provided that the proposal is actually received by the purchasing agency within 10 days from the postmark date.

6

Late Proposals (HAR §3-143-603)

- Proposal received after the set deadline
- Reject ---- LATE is LATE
- Notice of rejection for late submission given to applicant.
- Disposal in accordance with HAR §3-143-612.
 - Agency may discard after 30 days, but applicant may retrieve before disposal.

7

Register of Proposals (HAR §3-143-615)

- Must be prepared and available to the public within 10 working days or a reasonable time period after the submittal deadline.
- Shall include:
 - RFP Title
 - RFP Number
 - Applicant Name

8

Public Inspection of RFP Documents (HAR §3-143-616)

“(a) ...shall be available for public inspection, to the extent permitted under current law governing information practices, after execution of a contract by all parties.”

(b) Keep a procurement file

9

Confidentiality [HAR §3-143-403(f)] [HAR §3-143-604]

- All proposal contents received in response to a RFP are to be kept confidential until all contracts are executed.
- If information about proposal contents is compromised, it affects the ability of the parties to negotiate.

10

THE EVALUATION PROCESS

11

Preliminary Review: Is it All There?

- Make a list of all required documents and check it off.
(What list can you adapt for this purpose?)
- All applicants shall be encouraged to register on the Hawaii Compliance Express (HCE):
 - ✓ DOTAX and IRS - Tax clearance
 - ✓ DCCA - Good standing
 - ✓ DLIR – Compliant with labor laws (unemployment, workers compensation, temporary disability, prepaid health insurances)

12

Missing Proposal Documents?

- Types of omissions

1. Required document missing, but would not provide new information, if requested.

Example: Table of Contents

2. Provider forgot to include additional information, but the proposal is still responsive to the RFP without it.

Example: Some budget justification forms

3. Omission so massive, the proposal is rendered non-responsive.

Note: This occurs infrequently

13

What is Considered a Responsive Proposal and a Responsible Applicant?

- Responsive Proposal
Conforms to the RFP in all material aspects.
- Responsible Applicant
Capable of performing the contract requirements.

14

The Evaluation Committee

15

The Evaluators (HAR §3-143-205)

- The procurement officer, or
- Evaluation committee of at least 2 state employees selected by the head of the purchasing agency or the procurement officer.

Note: Documentation of selection and any changes shall be placed in the procurement file.

16

Advisors

- Non-state employees may serve as advisors but they may **not** represent or act on behalf of a state agency in any selection/award.
- Cannot be an advisor if there is an actual or potential conflict of interest.

17

Question

We have an RFP where services are provided on multiple islands. Can we have a different evaluation committee for each island?

HAR 3-143-205(b)

“The procurement officer, or an evaluation committee of designated reviewers selected by the head of the purchasing agency or procurement officer shall review and evaluate proposals...”

18

Selecting Evaluators

Must have:

- Knowledge of the service.
- Sufficient education and training to evaluate
- Be committed to the procedures required for evaluation.
- Be able to work with other committee members.
- No conflict or appearance of conflict of interest.

19

Evaluators Cannot Have a Conflict of Interest

- Owns or has financial interest in an applicant.
- Has a relative who works for an applicant.
- Previously worked for an applicant.
- Current or past member of the board of directors for an applicant.
- Serves as advisor, consultant, representative, etc. to/for an applicant.
- Supervisor/subordinate relationship among evaluators.

20

Training Evaluators

- All evaluators should be trained even if they have participated in the development of the RFP.
- Training works best if trained together.
One mind.
- Provides an opportunity for evaluators to ask questions.
- Have a training agenda ([handout](#))

21

Commandments for Evaluators

1. Evaluators shall be trained and abide by instructions and rules.
2. There shall be no personal interest in any of the applicants; no conflicts of interest.
3. Read the RFP thoroughly and ask questions about any parts of the RFP that are unclear.
4. Know the evaluation criteria thoroughly.
5. Evaluate proposals based solely on the evaluation criteria stated in the RFP; don't compare proposals.

22

Commandments for Evaluators *(continued)*

6. Proposal contents are confidential and shall not be discussed with co-workers, family or friends or left unsecured.
7. Take notes and provide comments to justify scores.
8. Be courteous to the other evaluators by allowing them their turn to speak and treating them with respect.

23

The Evaluation

24

Scoring

1. Evaluators may score individually; scores are tallied/averaged.
2. Evaluation committee decides on scores as a group.

Advantages of the Group Method

- Share findings, discuss basis for score
- One evaluator may find something another has overlooked.

25

Sample Scoring

<http://hawaii.gov/spo2/health/rfp103f/attachments/rfp8451298948792.pdf>

<http://hawaii.gov/spo2/health/rfp103f/attachments/rfp8541301522732.pdf>

26

Evaluation Procedures

- Based solely upon evaluation criteria and their relative priorities as established in the RFP.
- Evaluations shall be in writing.
- Numerical evaluations shall include a **written explanation of scores given** in accordance with criteria in the RFP.
- After all proposals are evaluated, they shall be ranked from least to most advantageous based on evaluation scores.

27

Correction of Errors After Submittal Deadline (HAR §3-143-606)

Only **patent errors** are correctable. A patent error is an error that is readily ascertainable by a reasonably knowledgeable person in the field of health and human services.

Examples:

- Arithmetic errors
- Typographical errors
- Transposition errors
- Omitted signatures
- Omitted table of contents

28

Which of the Following Are Patent Errors?

- Applicant omitted the checklist.
- Applicant submitted the wrong performance measures and wants to submit the correct ones.
- Applicant did not sign the proposal application.
- Applicant forgot to submit the budget justification for personnel.

29

Discussions with Applicants after Proposal Submittal Deadline (HAR §3-143-403)

- Clarify elements of the RFP or proposal.
- Facilitate refinement of proposals.

Establish procedures for discussions (and follow them):

- Sufficient time to speak with all applicants.
- Format for discussions.
- Topics to be discussed.

30

Addenda After Submittal Deadline (HAR §3-143-301(d))

- After submittal deadline, an RFP may only be modified for purposes of:
 - Clarification
 - Correction
 - Making modifications that does not constitute a material change
 - Final revised proposals
- Addenda shall be distributed to all responsive and responsible applicants submitting a proposal.

31

What is a material change?

Material change is any change that would have affected a potential applicant's decision not to apply.
[HAR §3-143-403(e)]

Are these Material Changes?

- Increasing the units of service from the RFP by 50%?
- Adding an extra \$100,000 to the contract?
- Changing the content of required monthly reports?

32

Final Revised Proposals (HAR §3-143-607)

To allow fair and equal opportunity for all responsive and responsible applicants to:

- Make a best and final offer, or
- Respond to matters such as those raised at the discussions.

33

Final Revised Proposals (continued)

- Issue notice by addendum to all applicants who submitted proposals. Shall include:
 - Information that addendum is request for final revised proposals
 - Submittal deadline
 - Procedure for submittal
 - Instructions that only the sections amended should be submitted
 - Statement that if the applicant does not submit a final revised proposal, the last proposal submitted shall be the final revised proposal.

34

What happens if:

- Only one proposal received?
- All proposals received were either not responsive to the RFP or not submitted by a responsible provider?
- No proposals received?

35

Inadequate Response to an RFP (HAR §3-143-609)

Treatment of a Single Proposal

1. Cost analysis
2. Award
 - Proposal is responsive, terms are reasonable and satisfactory; and
 - Other prospective applicants had a reasonable opportunity to respond
3. Reject the proposal if; reissue the RFP or cancel altogether.

36

Treatment of a Single Proposal (continued)

4. Enter into direct negotiations with applicant
 - Purchasing agency shall do a written determination
 - 1) The need for the service continues;
 - 2) The single proposal is not satisfactory and reasonable; and
 - 3) There is no time to issue a new request for proposals or re-solicitation would likely be futile.

37

*No Proposals or
No Useful Proposals Received*

1. Reissue RFP
2. Alternate service delivery - reconfigure service and issue new RFP
3. Cancel the procurement altogether
4. Select without competition

38

*No Proposals or
No Useful Proposals Received (continued)*

4. Selection without competition (continued)

- Purchasing agency shall do a written determination based on:
 - 1) Competition in the marketplace;
 - 2) Will the potential cost to resolicit, exceed the benefits; and
 - 3) Any other relevant factors.

39

Rejection of Proposals
(HAR §§ 3-141-201, 3-141-202 and 3-143-610)

- Basis for rejection
 - Failure to cooperate or deal in good faith
 - Inadequate accounting system
 - Late proposal
 - Proposal not responsive
 - Provider not responsible
- Notice of rejection shall be sent to applicant.

Note: An applicant may protest a proposal that has been rejected.

40

Can we cancel the RFP between after the submittal deadline and before the award?
(HAR §3-143-613)

Yes, for:

- Faulty specifications
 - Purchasing agency left out major service factors
 - No adequate responsive proposals received
 - Reasons for believing that proposals were not independently arrived at, collusive action, or submitted in bad faith
 - Lack of funding
 - Any other reason determined to be good cause
- Notice of cancellation shall be sent.

41

Procurement File Documentation

- If evaluation is by averaging scores of individual evaluators, the evaluation sheet (scores and comments) from each evaluator become part of the procurement file and is accessible to the public after a contract is executed.
- If evaluation is by developing a group score for each section/bullet, the group scores and comments must become part of the procurement file and are accessible to the public after a contract is executed.

42

Documentation (continued)

- The following must be included in the procurement file with regard to evaluation:
 - A listing of all evaluators and any changes made to evaluators.
 - The final evaluation score sheet for each applicant and the basis for the scores (comments).

43

Documentation (continued)

- Register of proposals
- If applicable,
 - Record of cancellation of RFP
 - Rejection notices

44

State Procurement Office
<http://hawaii.gov/spo>
Click "Health and Human Services..."

Questions?

Contact:

Corinne Higa

587-4706

corinne.y.higa@hawaii.gov

45