

## SPO-105 Competitive Sealed Proposals Method of Procurement Module 1 Transcript

Slide #	Audio
M1_1.	<p>Aloha! This course is designed for executive branch departments and agencies conducting a solicitation utilizing the Competitive Sealed Proposals method of procurement, pursuant to Hawaii Revised Statutes 103D-303 and Hawaii Administrative Rules 3-122, Subchapter 6. Chief Procurement Officers of other jurisdictions may impose additional policies and procedures.</p> <p>Before we get started on the first of three modules for this course, there are a few things you need to know.</p> <p>Click the <b>NEXT</b> button to learn more.</p>
M1_2.	<p>This course provides general navigation functions. Use the Topics menu to jump to a specific topic in this course. Use the arrow buttons to play, pause, replay, or move backward and forward within a section. Use the Glossary menu to familiarize yourself with definitions and acronyms. Use the References menu to access the documents and websites referenced in this course. Use the Transcript menu to view the audio narration transcript.</p>
M1_3.	<p>Pursuant to rules, statutes, procurement circulars, and regulations, you must complete training prior to conducting or participating in procurement activities to ensure you receive the appropriate foundation to fulfill your responsibilities.</p> <p>In addition to obtaining written procurement delegation – pursuant to <i>Procurement Delegation Memo 2010-01</i> and <i>2010-02</i>, or as amended – you are required to complete <i>SPO 001</i>, <i>SPO 005</i>, <i>SPO 127</i>, and <i>SPO 150</i> training.</p> <p>If you will be procuring for construction, you must also complete <i>SPO 130</i> and <i>SPO 185</i> training.</p> <p>Before conducting competitive sealed proposals on the electronic procurement system, you must also complete electronic procurement buyer training.</p>
M1_4.	<p>In this module, you will learn how to:</p> <ul style="list-style-type: none"> <li>• Describe the Competitive Sealed Proposals method and when it is used;</li> <li>• Apply the rules, regulations, and statutes for competitive sealed proposals; and</li> <li>• Identify the preparation and information that go into the development of the solicitation, commonly known as a request for proposals (RFP).</li> </ul>
M1_5.	<p>For Module 1 of this course, you will learn what defines the Competitive Sealed Proposals method and when to use it. Next, you will learn about the evaluation committee and the role it plays in this process. Then, you'll focus on building an acquisition strategy, which helps you get set up for developing your solicitation, or RFP. Finally, you'll examine the considerations and specifications to include in your RFP.</p> <p>Click the <b>NEXT</b> button to get started.</p>
M1_6.	<p>Competitive Sealed Proposals Method – Learn what defines the Competitive Sealed Proposals method and when to use it.</p>
M1_7.	<p>There are several methods of procurement, each with specific procedures and conditions that must be met. In the event that a procurement falls under more than one method, it is best to use the method that is the most competitive. The focus of this course is the Competitive Sealed Proposals method.</p> <p>This procurement method is used when the price is not the most critical factor and there may be a need to hold discussions.</p> <p>The award is based on the RFP evaluation criteria and the highest scored proposal.</p>
M1_8.	<p>Public procurements are governed by the Hawaii Revised Statutes, or HRS, and the Hawaii Administrative Rules, or HAR. The statutes set the foundation and provide the procurement authority, while the</p>

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	<p>administrative rules establish the procedures. Any procurement that you conduct shall be in accordance with the statutes, rules, and policies.</p> <p>The statute that governs Competitive Sealed Proposals is HRS 103D-303. Administrative rules for Competitive Sealed Proposals are defined in HAR Chapter 3-122, Subchapter 6.</p> <p>Additional policies, procedures, and instructions are issued by the Administrator of the State Procurement Office via procurement circulars on the Hawaii State Procurement Office, or SPO, website.</p> <p>Take a few minutes to review these regulations by clicking each reference and reading through the information.</p>
M1_9.	<p>Prior to the preparation of the RFP, the Procurement Officer issues a written determination indicating whether the procurement officer or an evaluation committee shall evaluate the proposals.</p> <p>Your agency will prepare an RFP by brainstorming, researching, and discussing what criteria and other information will go into the RFP. The RFP is a solicitation for goods, services, or construction that identifies your agency's needs. It spells out the specifications and requirements that offerors must submit to be considered for the award of the procurement.</p> <p>When your RFP is ready, you will publish it so offerors can submit proposals with their ideas about how they intend to fulfill your need. Unlike other procurement methods where the State dictates all aspects of the contract, the Competitive Sealed Proposals method requires the offerors to specify in detail how the work will be performed and delivered, as well as how they will meet all other terms and conditions defined in the RFP.</p> <p>The procurement officer or an evaluation committee will review the proposals and score them using the established evaluation criteria.</p> <p>Depending on the intention of the solicitation, the award will be made to the offeror or multiple offerors who received the highest score based on the evaluation criteria.</p>
M1_10.	<p><i>[male voice]</i> What if our agency wants to build a new state library with some very specific requirements? Should we use the Competitive Sealed Proposals method?</p> <p><i>[female voice]</i> Does your agency want to detail exactly what the new library should look like, down to the electrical outlets and the carpet? If so, you might want to consider the Competitive Sealed Bidding method, where your agency would specify every detail.</p> <p><i>[male voice]</i> I'm not sure. I mean, we want to provide a lot of information about how big it is and, maybe to some degree, how it looks; but, I think we need to leave things like where outlets go to the professionals.</p> <p><i>[female voice]</i> If that's the case, the Competitive Sealed Proposals method would be used. In your RFP, you could specify the number of materials that the library should house, the holding capacity for people, and a completion date. Then, each offeror would propose its own vision for how to develop a library that meets the requirements.</p> <p><i>[male voice]</i> What if we have questions about things the offerors put in their proposals or want them to make changes?</p>

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	<i>[female voice]</i> You can meet with priority listed offerors to discuss their visions and get clarifications. Then, if deemed necessary by the Procurement Officer, those offerors can revise their proposals and submit their best and final offer, also called a BAFO.
M1_11.	<i>[male voice]</i> Let's see if you can identify the aspects of the Competitive Sealed Proposals method.
M1_12.	Evaluation Committee Responsibilities – Learn who can be members and what are their roles.
M1_13.	Sometimes, the procurement officer or the Head of the Purchasing Agency, also known as the HOPA, will conduct the proposal evaluations. However, when that person determines that an evaluation committee will be utilized, committee members must be selected and approved in writing before writing the RFP as those members will need to be involved with establishing the criteria.
M1_14.	Click each box to learn about the evaluation committee.
M1_15.	<p>The evaluation committee shall consist of a minimum of three governmental employees with sufficient qualifications in the areas of the goods, services, or construction to be procured. These people could be actual end users, financial or procurement personnel, or other agency representatives.</p> <p>The contract administrator or an appointed designee must be one of the members, even if that person is not the committee chair. Note that while the procurement officer serves as an advisor, that person is not considered a member.</p> <p>Private consultants and non-government employees can serve but must have sufficient knowledge and not be compensated (unless the HOPA approves). They must sign an affidavit as stated in HAR 3-122-45.01(2)(C).</p> <p>The names of the committee members will be placed in the contract file.</p>
M1_16.	<p>All committee members must participate in the development of the RFP.</p> <p>During the evaluation process, each member must be familiar with the information in the RFP, especially the evaluation criteria that will be used to score each proposal.</p> <p>Committee members will score each proposal individually and evaluate them solely against the criteria established.</p> <p>The committee may conduct confidential discussions with any offeror regarding the services they are to provide. In conducting discussions, committee members will not disclose any information derived from competing offerors.</p>
M1_17.	<p>All evaluation committee members must sign the attestation form, <i>SPO-024</i>.</p> <p>In this form, committee members must attest:</p> <ul style="list-style-type: none"> <li>• That they have no personal business or any other relationship that will influence their decisions;</li> <li>• That they will not disclose any information on the review; and</li> <li>• That they agree to allow their names to become public upon award of the contract.</li> </ul> <p>After each committee member signs his or her name at the bottom of the form, those forms will be placed in the contract file.</p>
M1_18.	<p>All evaluation committee members must complete the qualifications form, <i>SPO-044</i>.</p> <p>The procurement officer uses this information to validate each member's qualifications in the area of the goods, services, or construction being procured.</p>

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M1_19.	<p>In addition to the normal responsibilities of the committee members, the chairperson must perform additional duties, such as:</p> <ul style="list-style-type: none"> <li>• Apprising members of changes to the RFP throughout the process;</li> <li>• Conducting committee meetings;</li> <li>• Assigning committee work to avoid duplication of effort;</li> <li>• Ensuring each score sheet is made part of the procurement file;</li> <li>• Summarizing scores to determine priority-listed offerors;</li> <li>• Conducting oral discussions, if needed, with those priority-listed offerors;</li> <li>• Coordinating all written inquiries and responses about the RFP and proposals; and</li> <li>• Conducting debriefings, when designated by the Procurement Officer.</li> </ul>
M1_20.	<p><i>[male voice]</i> Now that you know a little more about the evaluation committee, let's see if you can determine if the employee in this scenario can be a member.</p>
M1_21.	<p>Let's try another one.</p>
M1_22.	<p><i>[male voice]</i> Let's try one more.</p>
M1_23.	<p>Acquisition Strategy – Learn how to develop an acquisition strategy.</p>
M1_24.	<p>Prior to a solicitation, your procurement team will make decisions that drive the effective execution and management of the procurement.</p> <p>Some key topics that should be discussed include:</p> <ul style="list-style-type: none"> <li>• Project scope,</li> <li>• Project specifications,</li> <li>• Project deliverables,</li> <li>• Critical business requirements,</li> <li>• Method of procurement,</li> <li>• Contract type,</li> <li>• Estimated schedule,</li> <li>• Estimated costs and budget,</li> <li>• Anticipated benefits,</li> <li>• Performance measures (if applicable),</li> <li>• Alternatives,</li> <li>• Key considerations,</li> <li>• Constraints and risks,</li> <li>• Team assignments, and</li> <li>• Procurement deadlines.</li> </ul> <p>In this module, we will address some of these topics in detail and touch on other topics when we discuss the parts of an RFP in Module 2.</p>
M1_25.	<p>It is important to fully understand the scope of your procurement before you solicit it by defining the detailed features, functions, and requirements of the desired goods, services, or construction.</p> <p>Take time to gather information before putting together your RFP. Be sure to consult with stakeholders and review historical purchases.</p> <p>Having a well-defined scope up front helps in developing detailed functional specifications and preventing work not originally contemplated and proposed.</p>
M1_26.	<p>Along with defining the scope, be sure to discuss essential functions of the needed good, service, or construction with stakeholders to ensure you fully understand the requirements of the procurement when conducting market analysis.</p> <p>During this discussion, consider asking questions like:</p>

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	<ul style="list-style-type: none"> <li>• Why are the goods, services, or construction needed?</li> <li>• Who or what business area is impacted?</li> <li>• What key functions must be met?</li> <li>• What factors impact this purchase?</li> <li>• What is the estimated or approved budget?</li> <li>• When are the goods, services, or construction needed?</li> <li>• Where will goods be delivered?</li> <li>• Where will services or construction be performed?</li> <li>• How must services be provided?</li> <li>• What key approvals are necessary and who must provide them?</li> <li>• What specific quality or quantity needs must be considered?</li> </ul> <p>These types of questions can also help you identify the types of specifications you should consider.</p>
M1_27.	<p>Finally, you will need to develop the evaluation criteria. List the criteria and assign a number of points that will be awarded for each. Record how many points are possible and determine the minimum number of points needed for an offer to be acceptable. Although it's not required, you may want to attach a copy of the evaluation sheet to the RFP.</p> <p>Keep in mind that you don't need to score mandatory requirements because you wouldn't consider an offer that didn't have those; but, you would want to score any desirable requirements that go beyond those mandatory ones.</p>
M1_28.	<p>Let's see if you can identify some of the evaluation criteria an evaluation committee might consider.</p>
M1_29.	<p>RFP Considerations – Learn what considerations and specifications to include in an RFP.</p>
M1_30.	<p>When researching and identifying your needs, take the following into consideration.</p> <ul style="list-style-type: none"> <li>• Understand that there may be multiple cost components for your project. For example, there is a design component and a construction component for a Design-Build project.</li> <li>• Determine which elements will be mandatory and which will be desired, but not required.</li> <li>• Explain the format you want to use for pricing.</li> <li>• Describe the goods, services, or construction in enough detail to convey the purpose and need.</li> <li>• Identify all specifications and/or scope of work for the goods, services, or construction.</li> </ul>
M1_31.	<p>There are a few things to keep in mind when writing your RFP. You want to be specific about your needs, but not too specific. Concentrate on the functionality of the product or service and details about the scope of work that are important. For example, if you need Widget A developed so that it rotates at a specific speed, state the desired speed in the RFP. If, as part of the scope of work, you need contractors to work in a specific location or to not work more than a specific number of hours, state those requirements in the RFP.</p> <p>Unless it's a requirement, avoid being too specific, like naming a specific brand and model.</p> <p>If you do list that as an example, add the words "or equal."</p> <p>Prior approval from your CPO is required for restrictive specifications.</p> <p>Also be careful about how you word your specifications. The word "may" suggests that a feature is optional. The words "shall" or "will" suggest that the feature is mandatory. Only make specifications mandatory when they MUST be included in order to obtain the desired results.</p> <p>Refer to HAR 3-122-13 <i>Development of Specifications</i> for more information.</p>
M1_32.	<p>Let's look at the various types of specifications. Click each specification type to learn more.</p>

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M1_33.	Design specifications identify dimensional and other physical requirements of the item being purchased that explain how the product is to be fabricated or constructed. For example, if you needed a conference table, you would describe the size, shape, and the type of material used to construct it.
M1_34.	Performance specifications identify the functional or performance requirements of an item, what the item does, and how well it performs. For example, if you need to purchase a copier, you would describe what capabilities the copier should have, such as copies-per-minute, color or black and white, and the need for scanning capability.
M1_35.	Brand name or equal specifications identify one or more manufacturer's names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet the requirements. For example, if you are purchasing a pickup truck, you could name Ford F150 or equal and list minimum specifications. This way, if an offeror wanted to offer another brand, they could as long as it met the minimum specifications.
M1_36.	Qualified Products List (QPL) or state pre-approved specifications identify an approved list of goods, services, or construction items described by model or catalogue number. For example, you name a specific brand that the agency has determined meets the minimum requirements for a cleaning solution. Your RFP would name Clorox as the brand name on the QPL. If an offeror has a product that can meet the minimum specification by offering another brand name product, they would do so before the proposal due date. The agency would review the alternate product and, if the product meets the required specification, the agency would add that product to the QPL through an addendum. Unlike brand name or equal specification where the product is reviewed after prices are received, QPL specifications require the product to be reviewed prior to receiving prices.
M1_37.	<p>Your RFP should contain detailed specifications about the end-user requirements of the product or service to get the result you desire. These specifications can identify performance, quality, and operational characteristics.</p> <p>In compliance with HRS 103D-405 and HAR 3-122-10, be sure that when you identify these specifications, you are not being too restrictive, thereby limiting a fair and equal opportunity for all offerors. This allows suppliers and service providers to compare their product or service against your requirements and submit proposals, maximizing the competition.</p>
M1_38.	<i>[male voice]</i> Now that you know a little more about specification types, let's see if you can determine which types are being used in this scenario.
M1_39.	Let's take a minute to review some key points from this module.
M1_40.	<p>In this module, you were presented with information to help you navigate the Competitive Sealed Proposals method of procurement. You should now be able to:</p> <ul style="list-style-type: none"> <li>• Describe the Competitive Sealed Proposals method and when it is used;</li> <li>• Apply the rules, regulations, and statutes for competitive sealed proposals; and</li> <li>• Identify the preparation and information that go into the development of the solicitation, commonly known as a request for proposals (or RFP).</li> </ul>
M1_41.	<p>You've completed the first of three modules for the <i>SPO 105 Competitive Sealed Proposals Method of Procurement</i> training course. You must complete all three modules and pass an assessment to receive credit for this course.</p> <p>We've covered a lot of information in this module. To help you remember some of the most important parts of the Competitive Sealed Proposals method of procurement, we've created a quick reference guide that you can save and print. To access the guide, click the References menu in the top right corner of this module.</p> <p>Mahalo!</p>