Request for Proposal (RFP)

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1. When should a Request for Quote (RFQ) be used, instead of an RFP?

Both the RFP and RFQ are procurement methods for goods or services. An RFQ should be used when the detailed specifications for the goods or services are known and can be described, such that the awarding of the contract to a responsive and responsible offeror will be based solely on price. An RFP should be considered when the use of an RFQ is not appropriate.

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2. As I prepare my RFP, can I contact RCUH for help?

Definitely. If you need help, you are encouraged to contact RCUH Procurement as early in the process as possible.

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3. Do I need to submit my RFP to RCUH Procurement for review?

Yes, this is required for all RFPs, for which the estimated dollar value is $25,000 or greater. While not required for RFPs not meeting that threshold, it is strongly encouraged, as RCUH can help to ensure that the RFP (especially the evaluation criteria) is clear and complete. Advance notification to RCUH that an RFP is in process will help to ensure timely review by RCUH. Please allow RCUH three business days for review.

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4. How much time should I allow for the RFP process?

The amount of time allowed should depend on the nature and extent of the proposal requirements described in the RFP. Sufficient time should be given to enable the offeror to prepare a responsive proposal of high quality. Not allowing for adequate time decreases the likelihood of a successful procurement.

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5. How should I disseminate my RFP?

Dissemination should allow sufficient exposure to potential offerors in order to receive an ample number of proposals (minimum of three). Dissemination methods can include posting in a newspaper of general circulation, posting on a website, or sending the RFP directly to a list of potential offerors. In addition, efforts can also be focused on publications, websites and directories of relevant trade groups.

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6. What is an acceptable quantitative method for scoring the price portion of the proposal?

The points allocated to higher-priced proposals should be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price. For example:

Proposal A $100,000 50 points (maximum points)

Proposal B $125,000 40 points (($100,000 X 50)/$125,000)

Proposal C $150,000 33.3 points (($100,000 X 50)/$150,000)

While this is a commonly used method, other objective methods may be used.

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7. Why should I be concerned about the financial stability of the vendor?

When you select a vendor, you are relying on the vendor’s ability to carry out the scope of work to its successful completion. If a vendor has to shut down during the course of your project, and is not able complete your work, it will take time to find a new vendor to complete the work, and at a price that may be higher than that of the original vendor. You are at risk for going over budget and not meeting your deadline.

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8. How do I evaluate the financial stability of the vendor?

The following due diligence measures can be taken in an attempt to ensure that the vendor is financially capable of delivering the goods/services. Performing as many of these measures as possible will increase the confidence level in the vendor.

a. Review the vendor’s audited financial statements.

b. Evaluate the vendor’s S&P/Moody’s rating. Standard & Poor’s (S&P) and Moody’s are nationally recognized credit rating agencies. The ratings represent the credit worthiness and financial stability of an organization. *See* <http://standardandpoors.com> and <http://moodys.com>.

c. Evaluate the vendor’s Better Business Bureau rating. The rating is based on complaint history. *See* <http://hawaii.bbb.org/Find-Business-Reviews/>.

d. Perform online complaint history searches. At the website of the State of Hawaii, Department of Commerce & Consumer Affairs, Office of Consumer Affairs, there are links that allow you to perform such searches. *See* <http://hawaii.gov/dccafltar/ocp/check-out-a-business-online.html>. Ask the vendor for references to customers for whom the vendor has done work similar to the work you require.

e. Verify that the vendor is fully compliant with Hawaii Compliance Express. The HCE is an electronic system that allows vendors doing business with state or county agencies to quickly and easily obtain proof that they are compliant with applicable laws. You can create an account to check on a vendor’s compliance at <https://vendors.ehawaii.gov/hce/>.

f. Consider the purchase of a performance bond.

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9. Do I need to conduct a pre-proposal conference?

The purpose of a pre-proposal conference is to provide all interested offerors with the opportunity to assemble as a group and ask questions about the RFP prior to submitting their proposals. To ensure that all attending offerors have a consistent understanding, a written record of all of the questions and answers are to be provided to all interested offerors. A pre-proposal conference is not required. You may use your discretion as to whether a pre-proposal conference will benefit your particular procurement.

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10. After receiving the proposals, if I decide to ask offerors to make presentations to the evaluation committee, do I need to include all offerors?

No, you may create a priority list of the offerors who submitted the highest-ranked proposals.

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11. Can I amend my RFP?

Yes. If there is a need for any substantial clarification or change in the RFP, the RFP may be amended by an addendum to incorporate the clarification or change. Addenda to the RFP shall be distributed to potential offerors using the same distribution method used for the initial RFP. Offerors who have already submitted their proposals shall be permitted to submit new proposals or amended proposals by the Closing Date for Receipt of Proposals.

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12. A potential offeror has contacted me with questions about the RFP. How do I respond?

The procurement process must be fair and open to all potential offerors. You must inform the potential offeror that questions must be submitted in writing, with the questions being posted verbatim and the answers to all questions being provided to all potential offerors, as explained in the RFP. Any question asked after the Closing Date for Receipt of Offeror Questions cannot be responded to.

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13. An offeror has informed me that they wish to modify their proposal. Are modifications allowed?

Proposals may be modified prior to the Closing Date for Receipt of Proposals, as provided for in the RFP.

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14. An offeror has informed me that they wish to withdraw their proposal. Are withdrawals allowed?

Proposals may be withdrawn prior to the Closing Date for Receipt of Proposals, as provided for in the RFP. A proposal may also be withdrawn after the Closing Date for Receipt of Proposals, although you will likely want to make it clear to the withdrawing offeror that it may not be invited to propose on future work.

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15. I received a proposal five minutes after the deadline. How do I handle this?

Only proposals submitted by the deadline can be accepted. An offeror should be informed that its proposal was not accepted, if it is late. All offerors are responsible for complying with the terms of the RFP.

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16. When can I ask for a Best and Final Offer (BAFO)?

Unless you restrict yourself from doing so in the RFP, you may ask for a BAFO. Typically, the invitation to submit a BAFO is limited to the offerors that submitted the highest ranking proposals. Care must be taken not to significantly alter the scope of work stated in the RFP, and that all offerors invited to submit a BAFO remain on the same competitive level. You should require that BAFOs be submitted in writing. For the offerors that do not submit a new offer, their immediate previous offer should be considered as their best and final offer.

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17. Can I change the proposal evaluation criteria?

An addendum to the RFP for a change in evaluation criteria must be distributed to all offerors and potential offerors, providing all an opportunity to submit or resubmit their proposal. This can be done before or after the Closing Date for Receipt of Proposals. Departing from the evaluation described in the RFP and addendums, if any, may invalidate the entire RFP if it is determined that any offeror was potentially advantaged or disadvantaged.

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18. What if not all of the references contacted respond?

Ensure that you require an adequate number of references be provided by each offeror, such that in the event certain references fail to respond to you, you can continue to make requests until you have obtained what you believe to be adequate.

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19. Should the scoring of the proposals be done individually by each evaluation committee member or as a group?

Unless your RFP specifically designates one way or the other, it is at your discretion. However, it is generally recommended that the scoring be done individually, followed by compiling a combined score of all individual scores.

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20. Should the final score of the proposals be a total or an average of all of the individual scores?

Either method provides the same ranking, so either is method is acceptable.

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21. An offeror has informed me that they made a mistake in their proposal. How do I handle this?

Proposals may be corrected or withdrawn prior to the Closing Date for Receipt of Proposals, as provided for in the RFP.

If the Closing Date for Receipt of Proposals or the deadline for BAFOs (Best and Final Offers) has passed, whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, the proposal may not be withdrawn and the mistake shall be ignored.

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22. I received only one responsive proposal in response to my RFP. What are my options?

You have the following options:

a. The proposed procurement may be cancelled and re-solicited with changes;

b. An award may be made to the single offeror, provided that it is determined that the proposal submitted is responsive, and that costs are fair and reasonable; or

c. If the proposal of the one offer is not responsive, fair, and reasonable, an alternative procurement method may be conducted to include, but not be limited to, direct negotiations with the sole offeror first with the intent to negotiate terms that are responsive, fair and reasonable, and then with any contractor or vendor should negotiations with the sole offeror fail.

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23. I did not receive any acceptable proposals in response to my RFP. What are my options?

If there are no proposals received or there are no responsive and responsible offerors submitting acceptable proposals, the RFP team (in consultation with RCUH Procurement) may determine that a revised RFP be issued, or that it is neither practical nor advantageous to issue a new solicitation. In the event of this determination, an alternative procurement method may be selected, to include but not be limited to, direct negotiations.

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24. Is a Determination of Cost or Price Reasonableness required for an RFP procurement?

Yes, a Determination of Cost or Price Reasonableness is required for all RFPs.

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25. Do I need to obtain approval from RCUH Procurement prior to awarding a contract?

Yes, approval is required on awards of $25,000 or greater. Advance notification to RCUH that an RFP is in process of being evaluated will help to ensure timely review.

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26. Which documents should be included in the procurement file for the transaction?

The following should be included:

1. Method used to disseminate the RFP.
2. List of vendors to whom the RFP was distributed, including the method used for their selection.
3. All formal communications (questions and answers).
4. Reference verification notes.
5. Offeror Proposals.
6. A description of the criteria used to determine who was invited for Oral Presentations.
7. BAFOs (Best and Final Offers), including a description of the criteria used to determine who was invited to submit BAFOs.
8. Proposal evaluation scoring sheets and summary selection sheet, signed by all evaluation committee members.
9. Committee members’ signed Affidavit -- Serving On An Evaluation, Review, or Selection Committee form. *See* [Attachment 52](http://help.rcuh.com/@api/deki/files/895/=Attachment_52_Affidavit_-_Serving_on_an_Evaluation%252C_Review%252C_or_Selection_Committee.doc)
10. RFP and any addenda.
11. Executed contract resulting from the RFP.