

Procurement Evaluation Concepts for Goods and Services

Priscilla DeLair, Julia Dixon
and Carolynn Supliski



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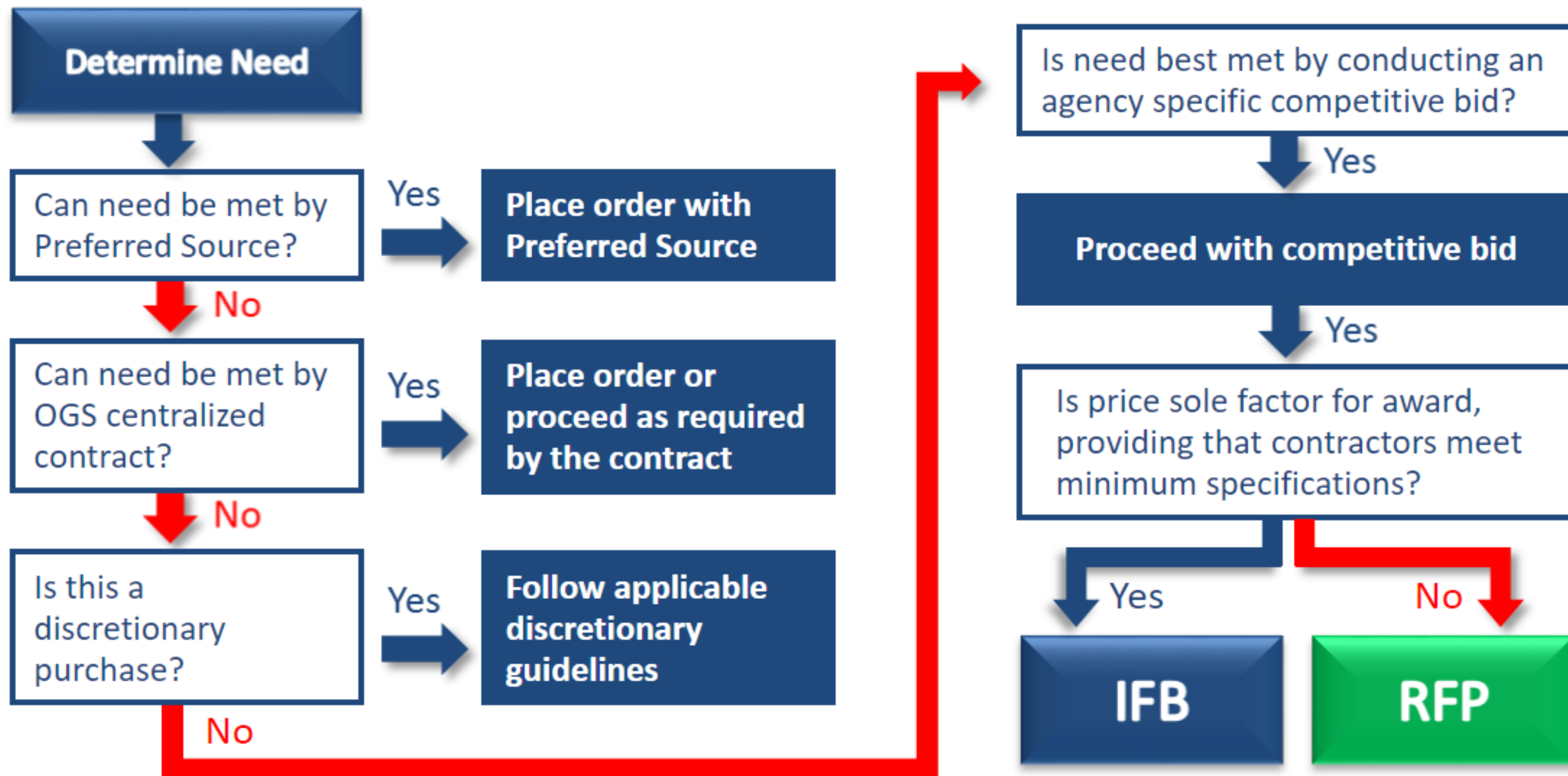
Bureau of Contracts

Agenda

- Introduction
- Procurement Overview
- Case Studies
- Procurement Record
- Conclusion
- Questions



Considerations Before Conducting Competitive Procurements



Preferred Sources



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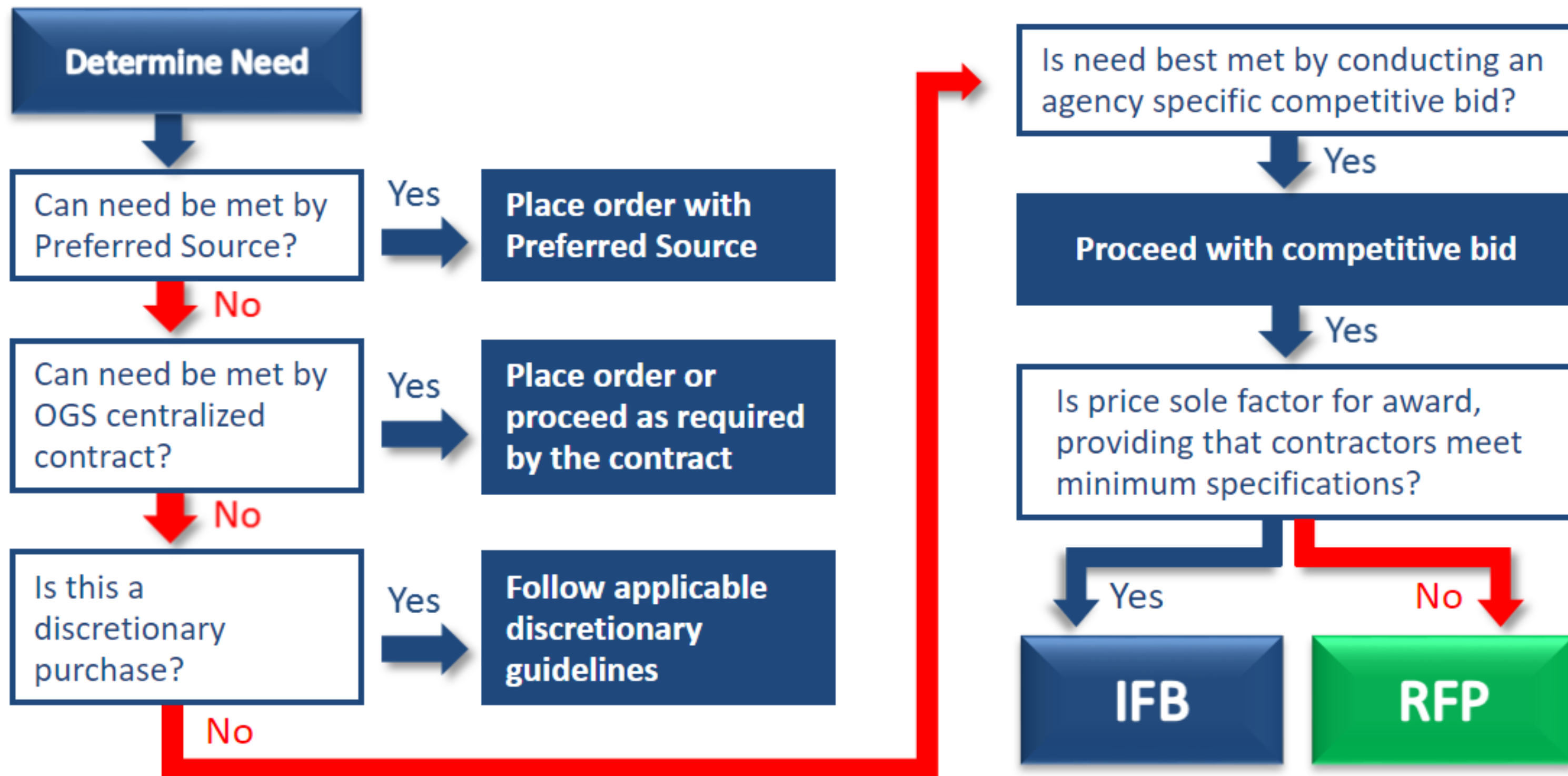


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Considerations Before Conducting Competitive Procurements



Developing and Implementing Proper Bid Requirements

Mandatory Bid Requirements

Importance

- Vague or undefined specifications could result in vendors inflating bids on fixed price contracts
- Most public organizations consider their distributed specifications to be of a high quality and easy to comprehend

Writing Good Minimum Qualifications

- What may be clear to you and your agency may not be clear to a potential vendor
- Should encompass specific skills and abilities that are “non-negotiable”

Mandatory Requirements

Lowest required level of knowledge, ability or experience that a company, or any proposed staff, must possess to be considered for award

- Measurable
- Pass/Fail
- Make sure you NEED it
- Must be met without alteration

Agency must have an established plan for reviewing mandatory requirements by individual or team



Case Study 1

Mandatory Requirements

Case Study 1 – Mandatory Requirements

Agency X issued an RFP for a Point of Sales System

Two (2) Pass/Fail Mandatory Requirements

Three Evaluators



Case Study 1 – Mandatory Requirements

Does this vendor fail to meet Mandatory 1, Mandatory 2 or both?

Mandatory Requirements		Sales King's Proposal
1	The Bidder must have successfully managed a point-of-sale system, for more than five (5) consecutive years and within the past eight (8) years <u>The contract for this engagement must be included as part of meeting requirement 2</u>	Point of Sale System Contract with NYC – 6 years
2	The Bidder must have managed a minimum of three (3) contracts, within the past eight (8) years. <u>At least one of the contracts evidenced for this requirement must meet requirement 1</u>	1. Rensselaer – 4 years 2. Albany – 3 years 3. East Greenbush – 6 years

	Evaluator 1	
	M1	M2
Sales King	?	?

Case Study 1 – Mandatory Requirements

Mandatory Requirement Evaluation Result

	Evaluator 1		Evaluator 2		Evaluator 3	
	M1	M2	M1	M2	M1	M2
Sales King	F	F	P	F	P	P
Sales R Us	P	P	P	P	P	P
Dollars LLC	F	F				
Penny Pinchers	P	P	P	P	P	P
Spending Inc			P	F		
Cash Flow Pros	P	P	P	P	P	P

Case Study 1 – Mandatory Requirements

Issues Raised

	Evaluator 1		Evaluator 2		Evaluator 3	
	M1	M2	M1	M2	M1	M2
Sales King	F	F	P	F	P	P
Sales R Us	P	P	P	P	P	P
Dollars LLC	F	F				
Penny Pinchers	P	P	P	P	P	P
Spending Inc			P	F		
Cash Flow Pros	P	P	P	P	P	P

Case Study 1 – Mandatory Requirements

Considerations

- Are the mandatory requirements clear?
- Are the mandatory requirements too restrictive?
- How many mandatory requirement evaluators are needed?



Case Study 2

Pass / Fail

Case Study 2 – Pass/Fail

Agency X released a solicitation for transportation services

These were the mandatory requirements listed in the solicitation:

- Attachment 1: Bid Submission Checklist
- Attachment 2: Bidder Qualifications Submission Form
- Attachment 3: Procurement Lobbying Act Certification
- Attachment 4: NYS EO 177 Certification; NYS FL Section 1 Certification; and
Non-Collusive Bidding Certification
- Attachment 5: Diversity Practices Questionnaire
- Attachment 6: Cost Proposal
- Vendor Responsibility Questionnaire, either online via the New York State VendRep System or complete paper questionnaire

Case Study 2 – Pass/Fail

Evaluation Document

Evaluator 1

Name of vendor being evaluated: Bussín'

- Responsiveness
 - 10 points highest; 0 points lowest

Score 0

Notes:

Review performed by: MVDP Date: 4/8/25

Case Study 2 – Pass/Fail

Evaluation Document
Evaluator 2

Name of vendor being evaluated: Bussín'

- Responsiveness
 - 10 points highest; 0 points lowest

Score 3

Notes: -Received on time
-Lacking Cost Proposal
-Not a Charter

Review performed by: Wout Date: 4/8/25

Case Study 2 – Pass/Fail

Evaluation Document
Evaluator 2

Name of vendor being evaluated: Bussín'

- Responsiveness
 - 10 points highest; 0 points lowest

Score 5

Notes: -No mention of charter
-cost?

Review performed by: Prímoz Date: 4/8/25

Case Study 2 – Pass/Fail

Considerations

- Were the mandatory requirements evaluated in a pass-fail manner?
- Was the criteria applied consistently by all evaluators?



Method of Award

Method of Award

State Finance Law Section §163(1)(i) (IFB)

- “Lowest price” means the basis for awarding contracts for commodities among responsive and responsible offerers

State Finance Law Section §163(1)(j) (RFP)

- “Best value” means the basis for awarding contracts for services to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers



Case Study 3

Low Bid Cost Evaluation

Case Study 3 – Low-Cost Bid Evaluation

Agency X issued an IFB for Lockable Storage Boxes

These were the mandatory requirements listed in the solicitation:

- Storage boxes will be used for documents
- Each box must measure 10" X 13" X 24"
- Also required is a matching lid and lock
- A minimum 10,000 boxes, lids and locks are required
- Locked boxes must be waterproof
- Box, lid and lock cannot weigh more than 30lbs



Case Study 3 – Low-Cost Bid Evaluation

Lockable Storage Boxes Blank Bid Form

Vendor	Boxes	Lids	Locks	Quantity	Grand Total Bid Amount	Comments
Securely				10,000		
Lock Us Up				10,000		
Be Safe Boxes				10,000		

Case Study 3 – Low-Cost Bid Evaluation

Lockable Storage Boxes Bid Analysis

Vendor	Boxes	Lids	Locks	Quantity	Grand Total Bid Amount	Comments
Securely	\$90	\$4	\$6	10,000	\$1,000,000	NA
Lock Us Up	\$75	\$15	N/A	10,000	\$900,000	*Lids are compatible with any lock
Be Safe Boxes	\$80	\$5	\$4	10,000	\$890,000	*Price includes 20% 5 Net 30 discount

Case Study 3 – Low-Cost Bid Evaluation

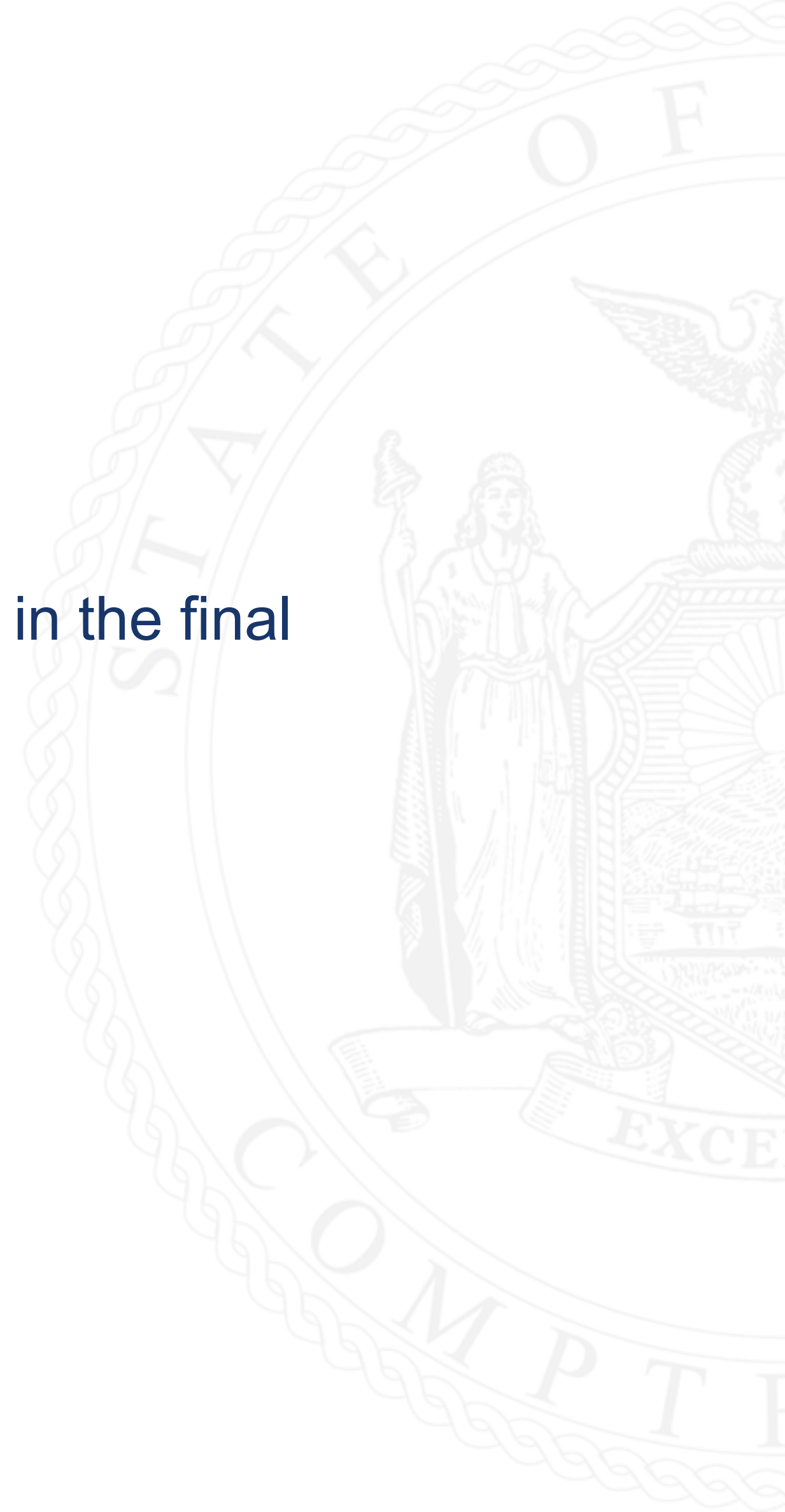
Issues Raised

Vendor	Boxes	Lids	Locks	Quantity	Grand Total Bid Amount	Comments
Securely	\$90	\$4	\$6	10,000	\$1,000,000	NA
Lock Us Up	\$75	\$15	N/A	10,000	\$900,000	*Lids are compatible with any lock
Be Safe Boxes	\$80	\$5	\$4	10,000	\$890,000	*Price includes 20% 5 Net 30 discount

Case Study 3 – Low-Cost Bid Evaluation

Considerations

- Was the bid instruction clear?
- Was each vendor's bid conditions or exceptions considered in the final bid amount?



Case Study 4

Estimated Usage

Case Study 4 – Estimated Usage

Medical Samples Bid Analysis

Item	Bloodwork and Beyond	Phlebotomists Anonymous
Price Per Sample	\$50	\$100
Hourly Data Review	\$500	\$100
Hourly Expert Testimony	\$100	\$200
Grand Total	\$650	\$400

Case Study 4 – Estimated Usage

Samples with Historical Quantities

Item	Historical Quantity	Unit Price Bloodwork and Beyond	Extended Price	Unit Price Phlebotomists Anonymous	Extended Price
Price per Sample	10,000	\$50	\$500,000	100	\$1,000,000
Hourly Data Review	10	\$500	\$5,000	100	\$1,000
Hourly Expert Testimony	500	\$100	\$50,000	200	\$100,000
Grand Totals		\$555,000			\$1,101,000

Case Study 4 – Estimated Usage

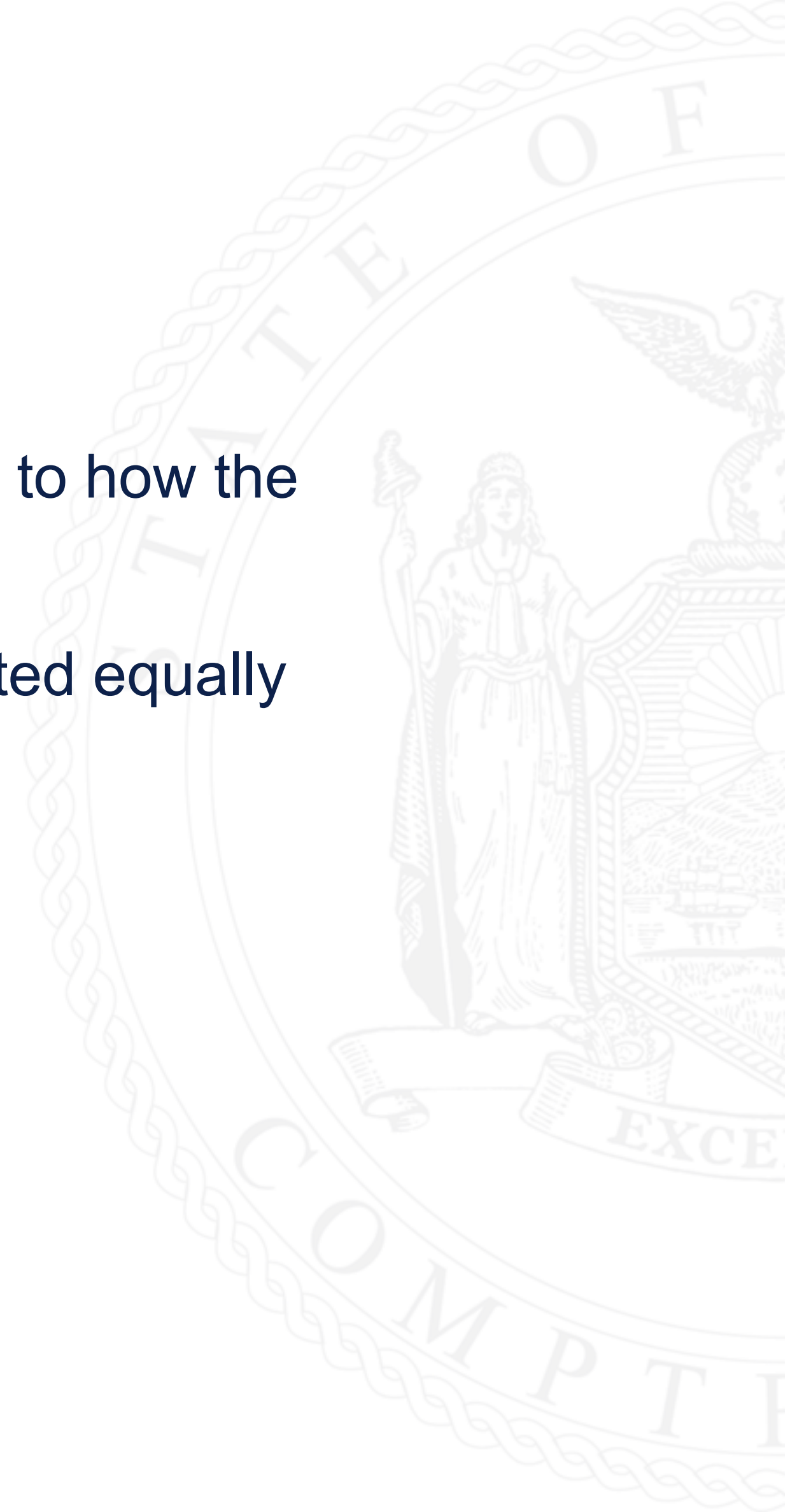
Samples with Historical Quantities

Item	Historical Quantity	Unit Price Bloodwork and Beyond	Extended Price	Unit Price Phlebotomists Anonymous	Extended Price
Price per Sample	10,000	\$50	\$500,000	100	\$1,000,000
Hourly Data Review	10	\$500	\$5,000	100	\$1,000
Hourly Expert Testimony	500	\$100	\$50,000	200	\$100,000
Grand Totals			\$555,000		\$1,101,000

Case Study 4 – Estimated Usage

Considerations

- The Method of Award must have a reasonable relationship to how the contract will be used
- Apply quantity to each line, can't apply equally if not weighted equally



Case Study 5

Tie Breaker

Case Study 5 – Tie Breaker

Agency X issued an RFP for Advisory Services resulting in two bids receiving the same composite score

Vendor	Technical Score	Cost Score	Composite Score
Consulting	46	30	76
Good Advice	60	26	86
Do This, LLC	54	18	72
Why Though?	62	24	86

Case Study 5 – Tie Breaker

Agency X issued an RFP for Advisory Services resulting in two bids receiving the same composite score

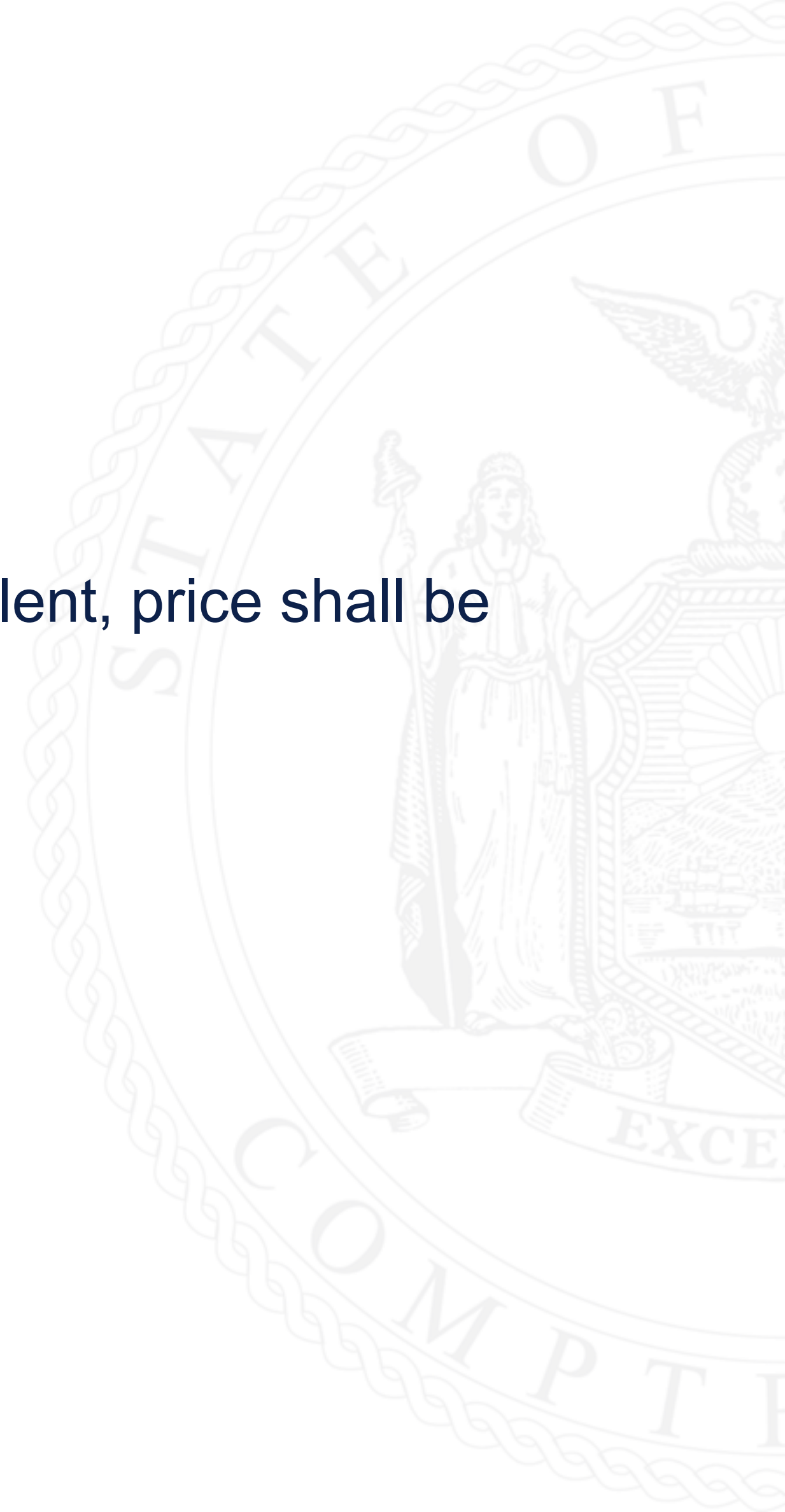
Vendor	Technical Score	Cost Score	Composite Score
Consulting	46	30	76
Good Advice	60	26	86
Do This, LLC	54	18	72
Why Though?	62	24	86

Case Study 5 – Tie Breaker

Considerations

- State Finance Law Section §163(10)(a)

In the event two offers are found to be substantially equivalent, price shall be the basis for determining the award recipient



Case Study 6

Scoring Ratios

Case Study 6 – Scoring Ratios

RFP specified relative weights of 75% Technical and 25% Cost

Technical Evaluation

- Understanding Scope – 20 Points
- Proposed Process – 40 Points
- Experience – 20 Points
 - Company – 10 Points
 - Personnel – 10 Points
- References (3) – 15 Points
- Certifications – 5 Points

Technical Score	
Randy's Rapid Resolutions	87
Carolynn Cloud Configs	81
Priscilla Codezilla, Inc	81
Julia's Systems and Stuff	75

Maximum Raw Technical 100 Points

Case Study 6 - Scoring Ratios

Initial Evaluation Summary

Vendor	Technical Score	Cost Score	Composite Score
Randy's Rapid Resolutions	87	19	106
Carolynn Cloud Configs	81	24	105
Priscilla Codezilla, Inc	81	17	98
Julia's Systems and Stuff	75	22	97

Case Study 6 - Scoring Ratios

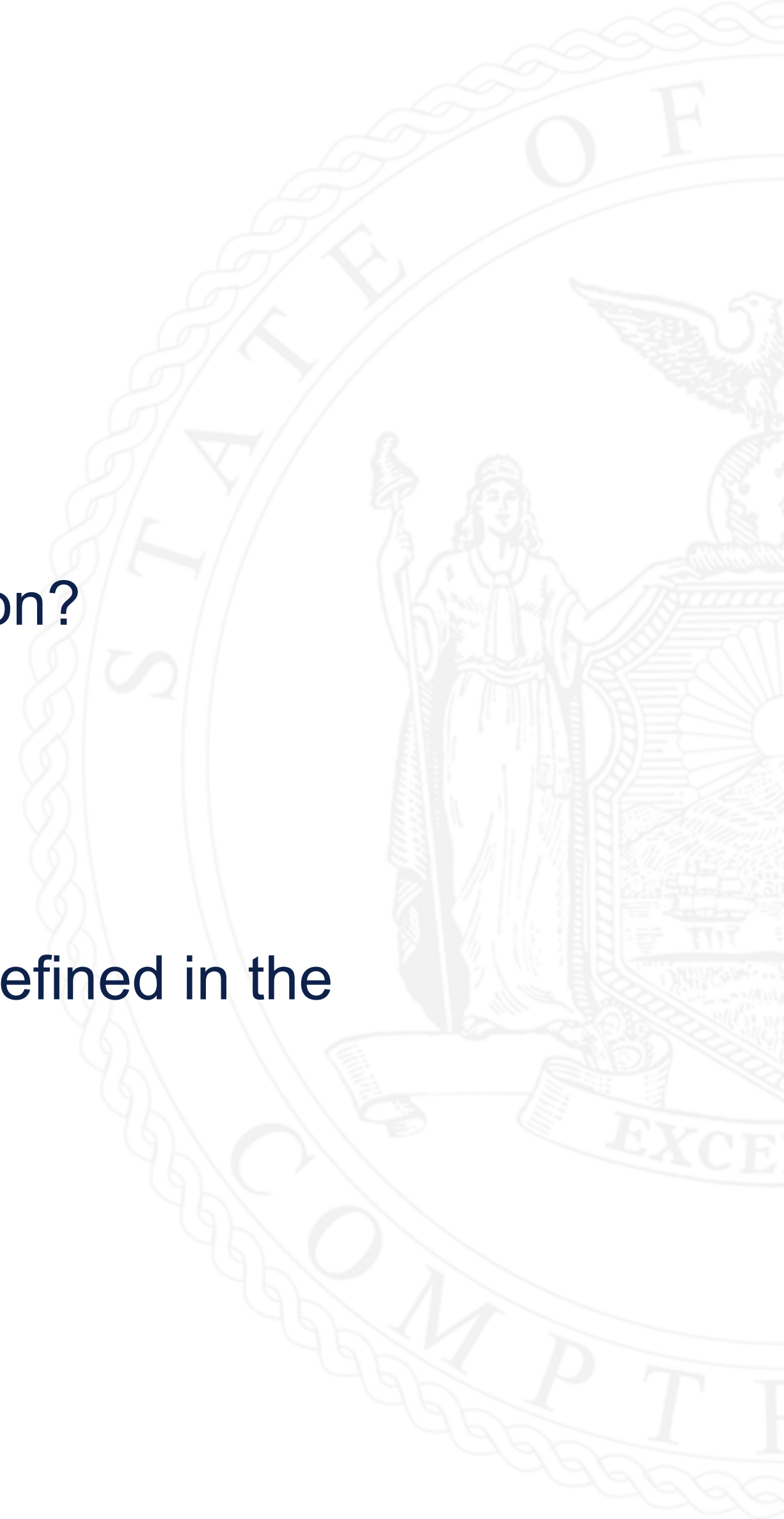
Normalized Evaluation Summary

Vendor	Technical Score	Cost Score	Composite Score
Randy's Rapid Resolutions	65.25	19	84.25
Carolynn Cloud Configs	60.75	24	84.75
Priscilla Codezilla, Inc	60.75	17	77.75
Julia's Systems and Stuff	56.25	22	78.25

Case Study 6 - Scoring Ratios

Considerations

- Were the weights disclosed?
- Were the relative weights correctly applied for the evaluation?
- Was the normalization necessary?
- If so, was the RFP clear that scores will be normalized?
- Do the range of points align with scoring methodology as defined in the evaluation instructions?



Case Study 7

Clarification

Clarification

What is a Clarification?

- A procurement tool to provide agencies an assurance of the offerer's full understanding of responsiveness to the solicitation requirements
- Where provided in the solicitation, state agencies may require clarification [SFL 163(9)(c)]

Things to consider when clarifying a vendor's response

- All clarifications must be addressed prior to award
- All offerers shall be accorded fair and equal treatment
- Solicitation reserves the right to seek clarifications and revisions of proposals

Clarification

What is an allowed vendor clarification?

- A mathematical error
- Allows additional information/further explanation

What is not allowed in a vendor clarification?

- The opportunity to remedy a technical and/or cost proposal
- Remedy a prior omission with new material change



Case Study 7A – Clarification

Agency X advertised an RFP for computer consulting services

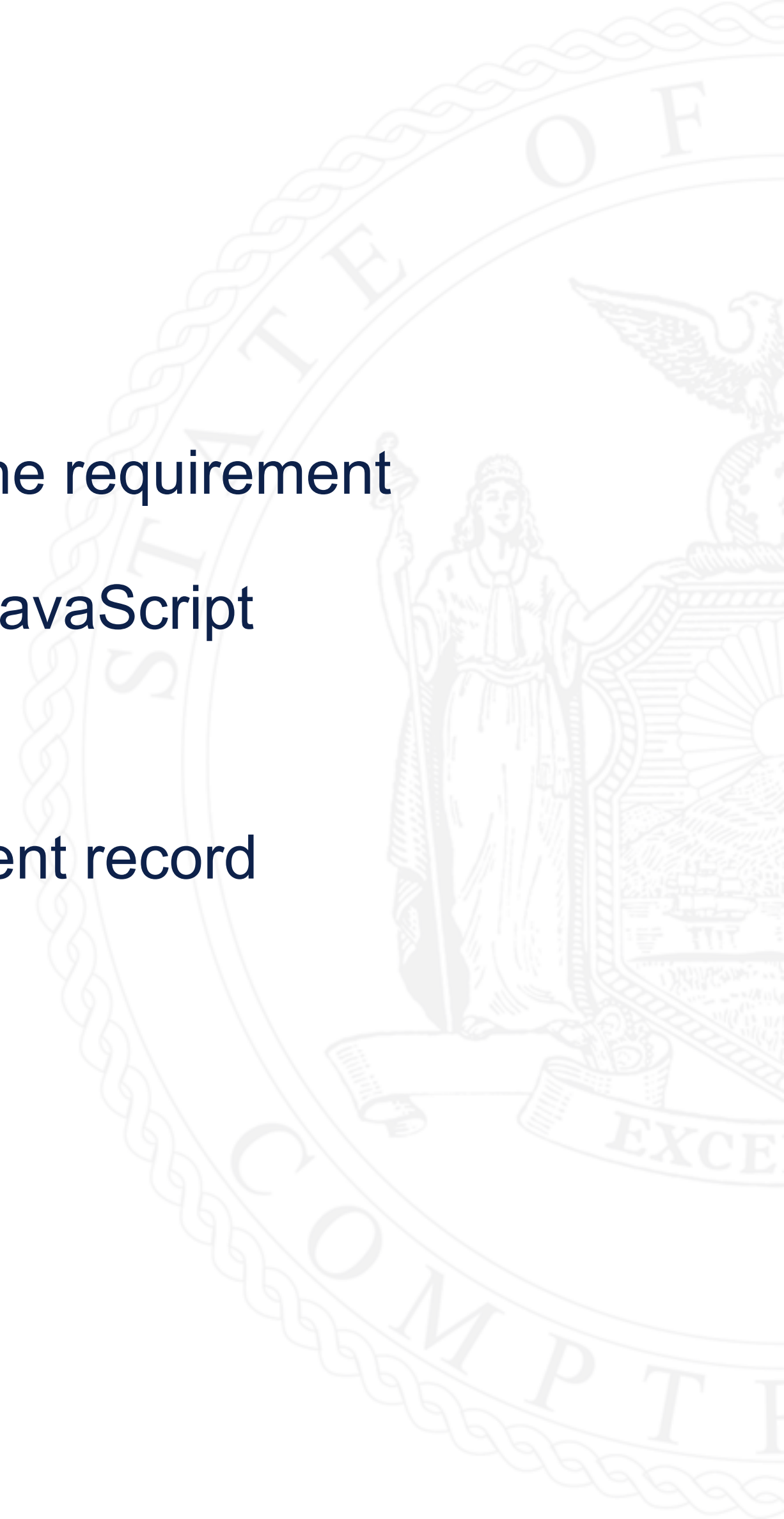
Requirement - Experience in JavaScript

- Vendor 1: “I have experience in JavaScript”
- Vendor 2: “I have experience in the required program”
- Vendor 3: “I have experience in programs that are similar to JavaScript”

Case Study 7A – Clarification

Actions for consideration

- Contact bidders who didn't clearly confirm they can meet the requirement
 - Ask Vendor 2 and Vendor 3 if they have experience in JavaScript
 - Give the vendors a chance to explain
- Submit the written communication as part of our procurement record



Case Study 7B – Clarification

Agency Z advertised an RFP for software maintenance services

Requirement – Propose rates for the following

- Hourly rates for the following titles
 - Job Title A
 - Job Title B
 - Job Title C
- One time start-up fee
- Annual maintenance fee

Three vendors responded, and each proposal had one cost item that required clarification

Case Study 7B – Clarification

Before Clarification

Required	Vendor A	Vendor B	Vendor C
Job Title A	\$100	\$	\$100
Job Title B	\$80	\$80	\$80
Job Title C	\$60	\$60	\$60
Estimated 2,080 Hours or Each Job Title	\$499,200	\$291,200	\$499,200
One Time Start-Up Fee	\$	\$3,000	\$300,000
Annual Maintenance Fee	\$4,500	\$4,500	\$4,000
Total	\$503,700	\$298,700	\$803,200

Case Study 7B – Clarification

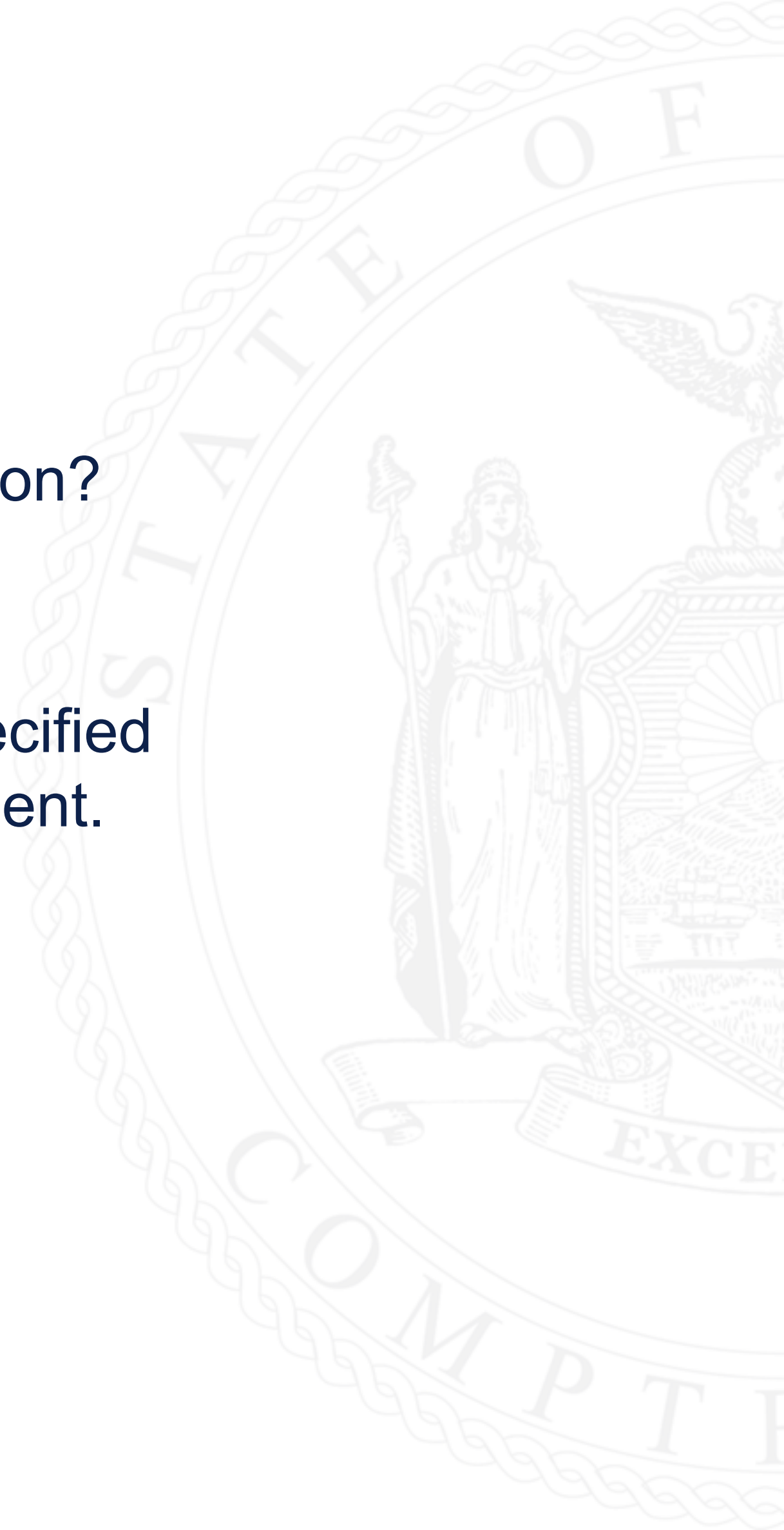
Vendor’s Responses

Required	Vendor A	Vendor B	Vendor C
Job Title A	\$100	\$80	\$100
Job Title B	\$80	\$80	\$80
Job Title C	\$60	\$60	\$60
Estimated 2,080 Hours or Each Job Title	\$499,200	\$291,200	\$499,200
One Time Start-Up Fee	\$0	\$3,000	\$300
Annual Maintenance Fee	\$4,500	\$4,500	\$4,000
Total	\$503,700	\$457,600	\$503,500

Case Study 7 – Clarification

Considerations

- Were all vendors afforded the same opportunity for clarification?
- Did the clarification result in a material change to the bid?
- Per State Finance Law § 163(9)(c), failure to include this specified reserved right precludes use of clarifications in the procurement.



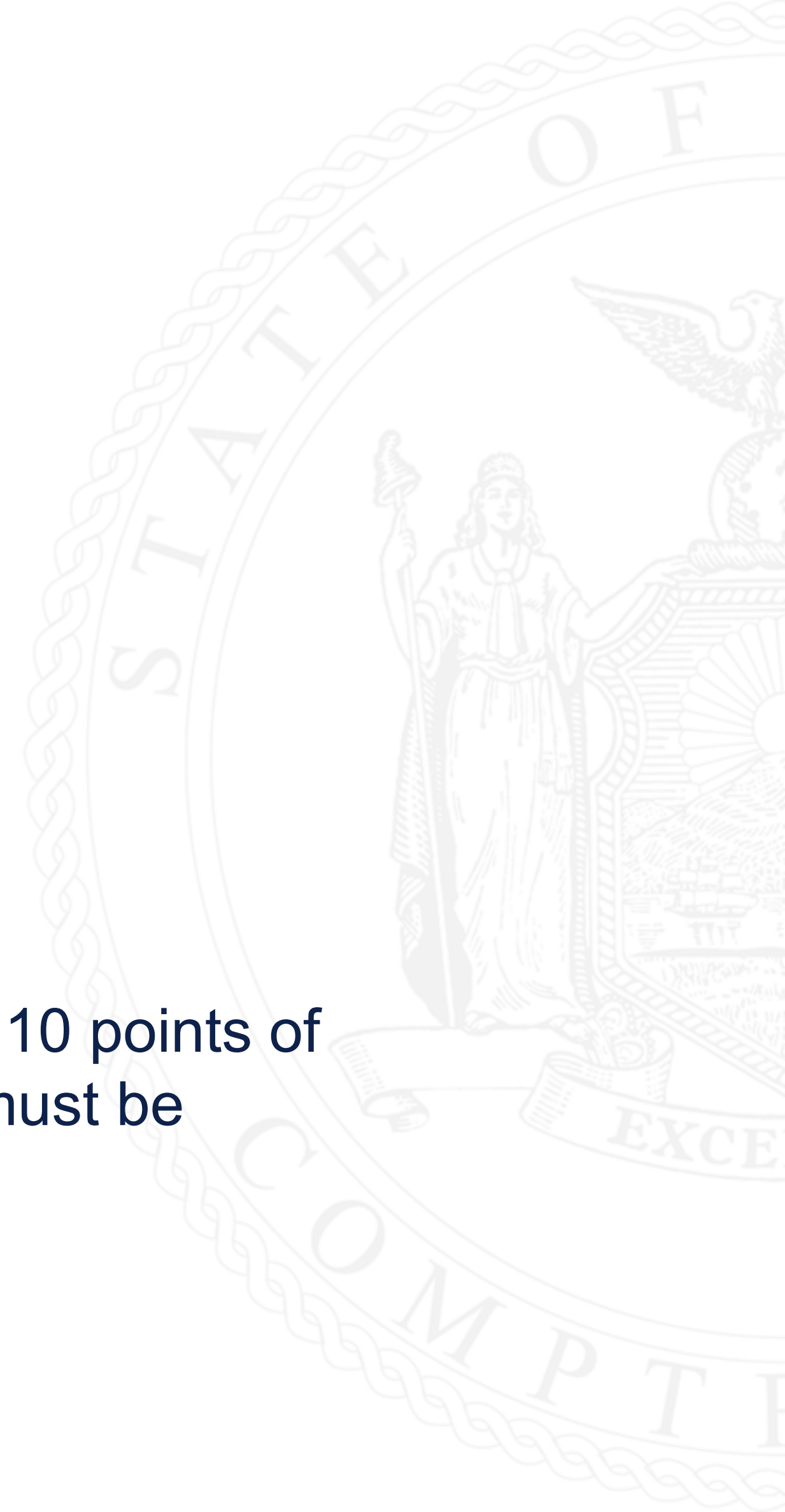
Case Study 8

Shortlisting

Shortlisting

What is Shortlisting?

- Optional technique
- Limits the number of proposers to proceed
- Must be identified in the evaluation instrument
- Must consider both technical and cost scores
- Example RFP language
 - If the oral presentation is worth 10 points, anyone within 10 points of the highest scoring vendor is susceptible to award and must be shortlisted



Case Study 8 – Shortlisting

Agency X issued an RFP

The RFP specified the following

- Evaluation would be 70% Technical, 20% Cost and 10% Presentation
- Vendors will be shortlisted for a presentation
- One award would be made



Case Study 8 - Shortlisting

RFP Stated

The proposal receiving the highest composite score, and the next three highest scoring proposals, if they are all within 10 points of the highest total score, will be shortlisted and invited for an oral presentation

Preliminary Scores

Vendor	Technical Score	Cost Score	Composite Score
Tucanterprises	53.33	19.33	72.66
Jungle Industries	54.00	20.00	74.00
Lion Technologies	42.97	16.25	59.22
Oystertainment	59.00	16.70	75.70
Robinware	62.00	11.96	73.96
Grizzlycast	56.00	16.76	72.76

Case Study 8 - Shortlisting

The four shortlisted vendors were invited to oral presentations, and the results were as follows

Vendor	Technical Score	Cost Score	Composite Score
Oystertainment	59.00	16.70	75.70
Jungle Industries	54.00	20.00	74.00
Robinware	62.00	11.96	73.96
Grizzlycast	56.00	16.76	72.76

Case Study 8 - Shortlisting

Preliminary Scores

Vendor	Technical Score	Cost Score	Composite Score
Tucanterprises	53.33	19.33	72.66
Jungle Industries	54.00	20.00	74.00
Lion Technologies	42.97	16.25	59.22
Oystertainment	59.00	16.70	75.70
Robinware	62.00	11.96	73.96
Grizzlycast	56.00	16.76	72.76

Vendors Susceptible to Award

Vendor	Technical Score	Cost Score	Composite Score	Presentation	Final Composite Score
Tucanterprises	53.33	19.33	72.66	+10 points	82.66
Jungle Industries	54.00	20.00	74.00	+10 points	84.00
Oystertainment	59.00	16.70	75.70	+0 points	75.70
Robinware	62.00	11.96	73.96	+10 points	83.96
Grizzlycast	56.00	16.76	72.76	+10 points	82.76

Case Study 8 - Shortlisting

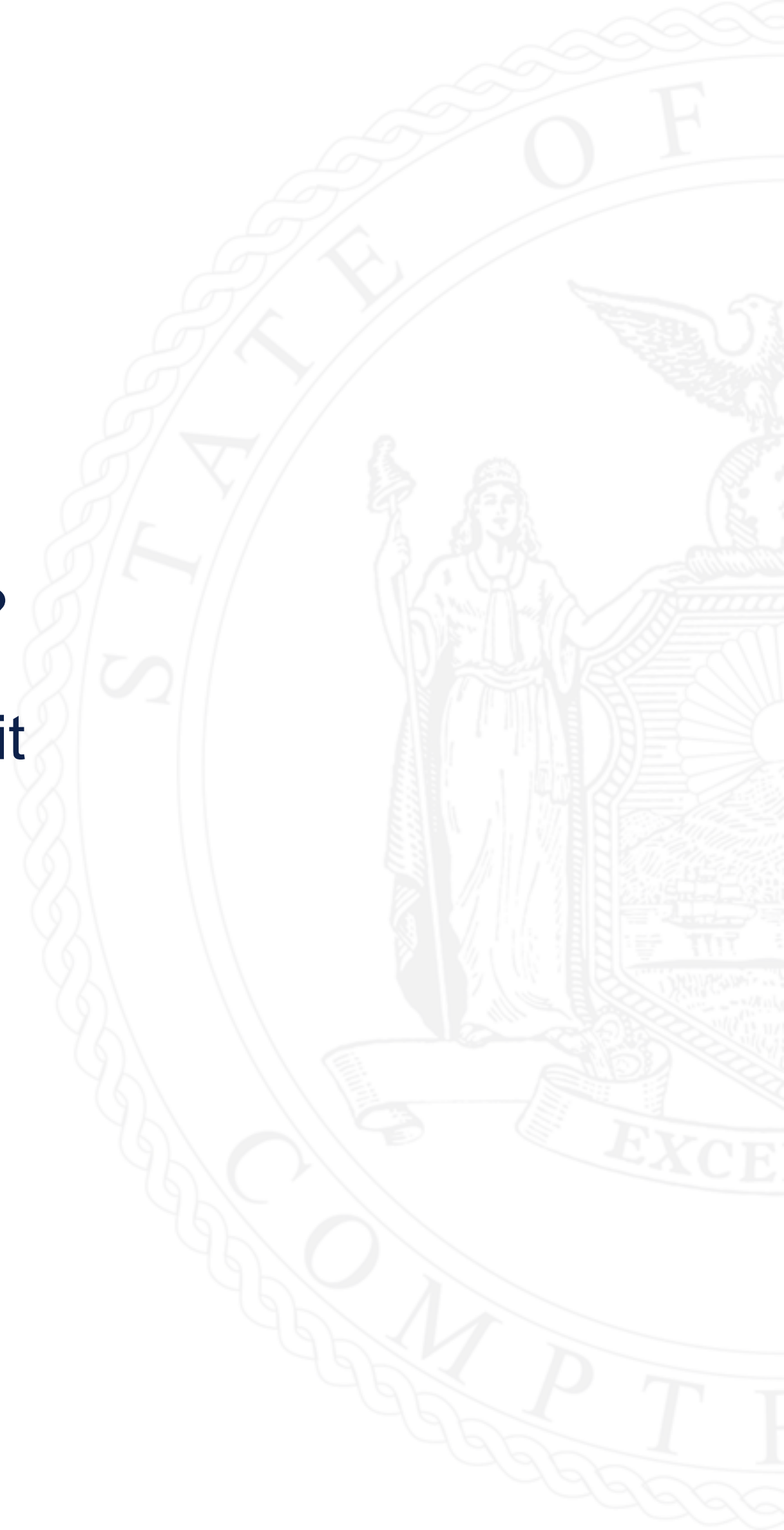
Shortlist Vendors

Vendor	Technical Score	Cost Score	Composite Score	Presentation	Final Composite Score
Tucanterprises	53.33	19.33	72.66	+10 points	82.66
Jungle Industries	54.00	20.00	74.00	+08 points	82.00
Oystertainment	59.00	16.70	75.70	+01 point	76.70
Robinware	62.00	11.96	73.96	+03 points	76.96
Grizzlycast	56.00	16.76	72.76	+09 points	81.76

Case Study 8 – Shortlisting

Considerations

- Was the RFP clear on the shortlisting language?
- Were all vendors susceptible to award properly shortlisted?
- Was the shortlisting appropriate for this procurement, or is it overly complicated?



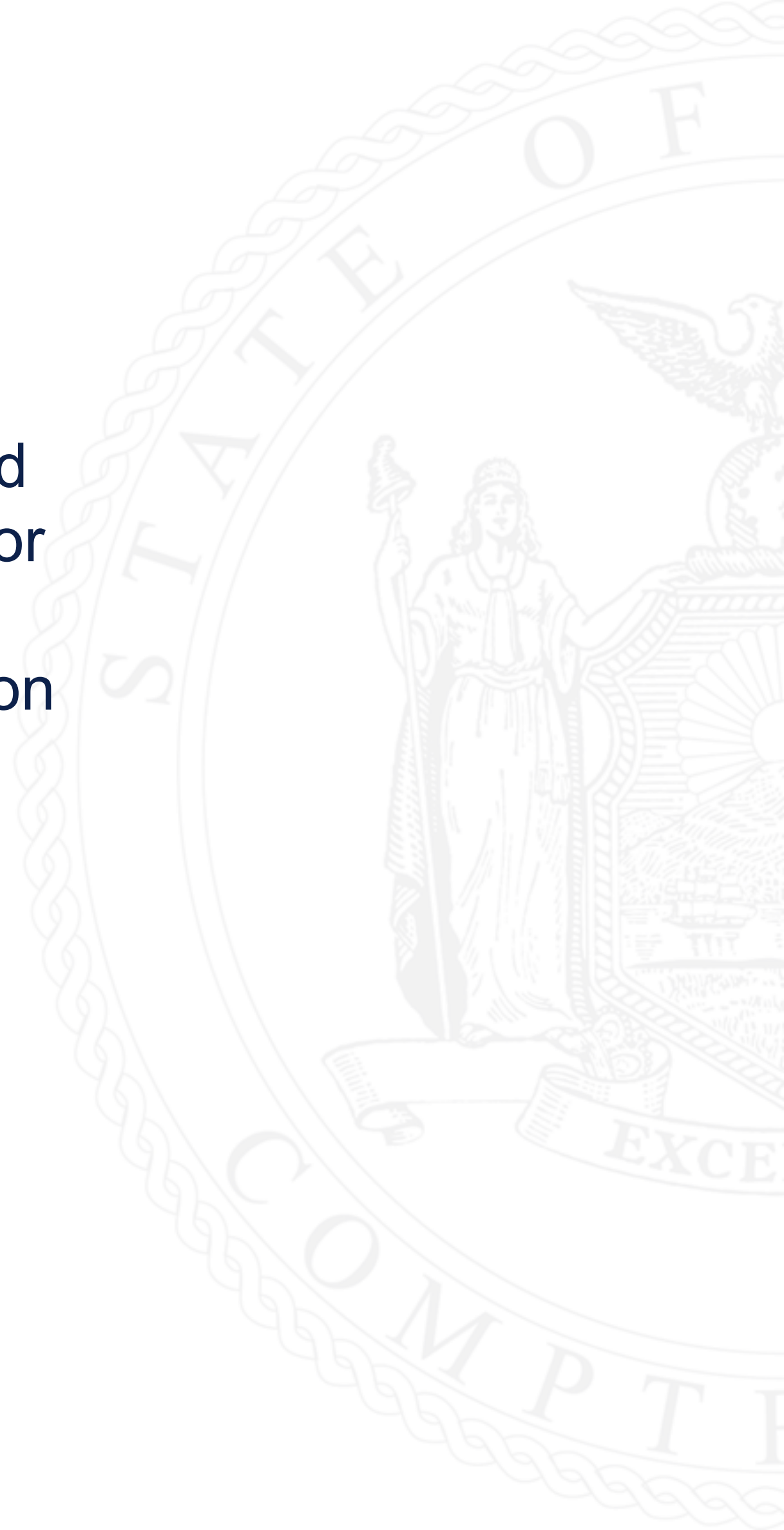
Case Study 9

Best and Final Offer (BAFO)

Best and Final Offer (BAFO)

SFL § 163(9)(c) states, in part

“Where provided for in the solicitation, revisions may be permitted from all offerers determined to be susceptible of being selected for contract award, prior to award. Offerers shall be accorded fair and equal treatment with respect to their opportunity for discussion and revision of offers.”



Best and Final Offer (BAFO)

High Level Key Points

- In the best interest of the State
- Nonmaterial changes to the specifications
- Solicited in the same manner from all offerers
- Offerer must be susceptible of being selected for contract award



Best and Final Offer (BAFO)

BAFO

- Process needs to be defined in the solicitation
- The opportunity needs to be presented to responsible/responsive offerers who are susceptible to award
- The process needs to occur prior to the contract award

Negotiated

- Negotiate better price with awarded vendor after the contract award has been made
- Offered only to the awarded party
- Can't materially change terms
- Must be in the State's best interest

Best and Final Offer (BAFO)

Best Practices

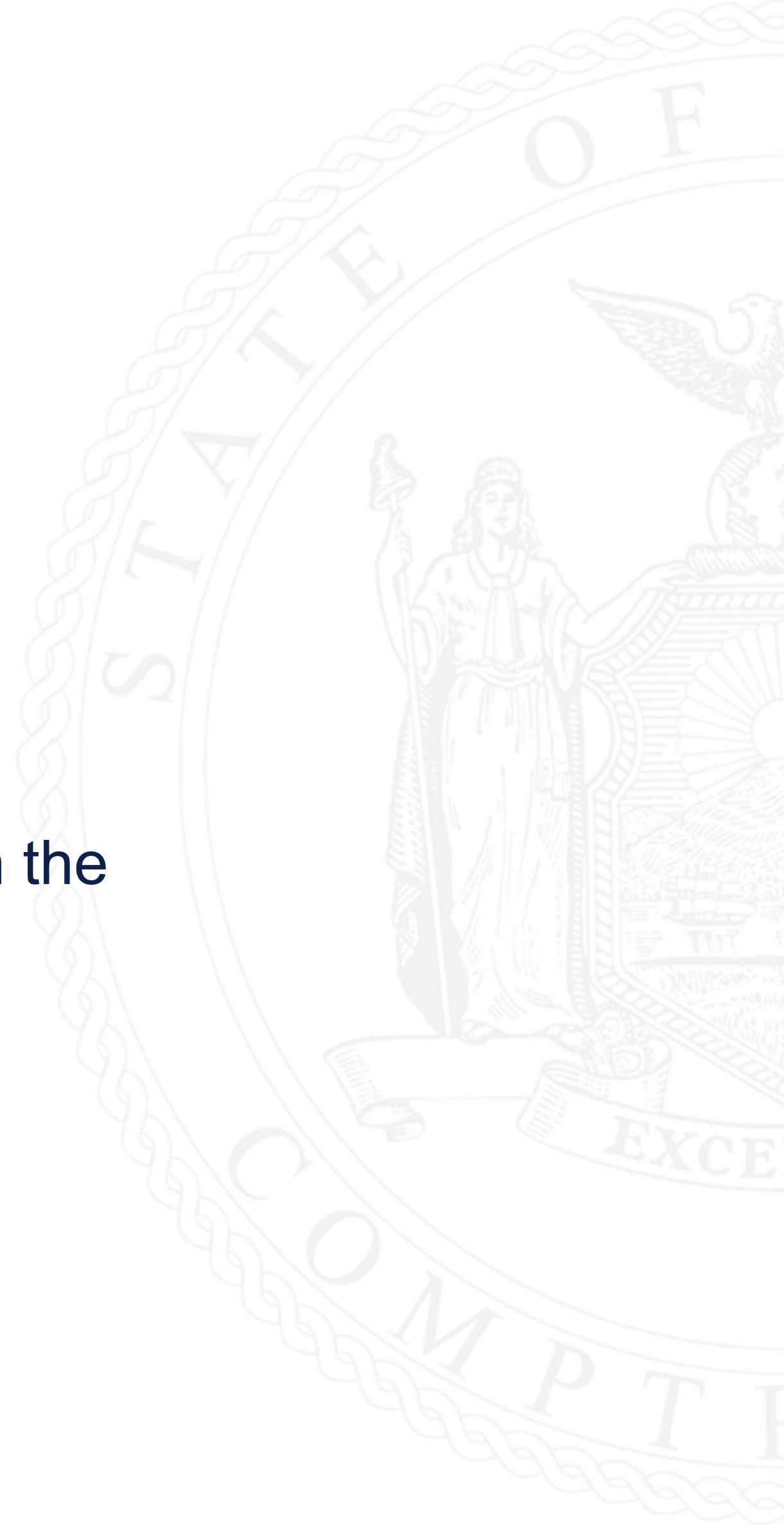
- At least two offerers are deemed susceptible of being selected for contract award
- If the solicitation includes optional components, offerers are required to provide a proposal for all options
- The agency has determined that using the BAFO will maximize the agency's ability to obtain best value as set forth in the solicitation



Case Study 9 - BAFO

Scenario

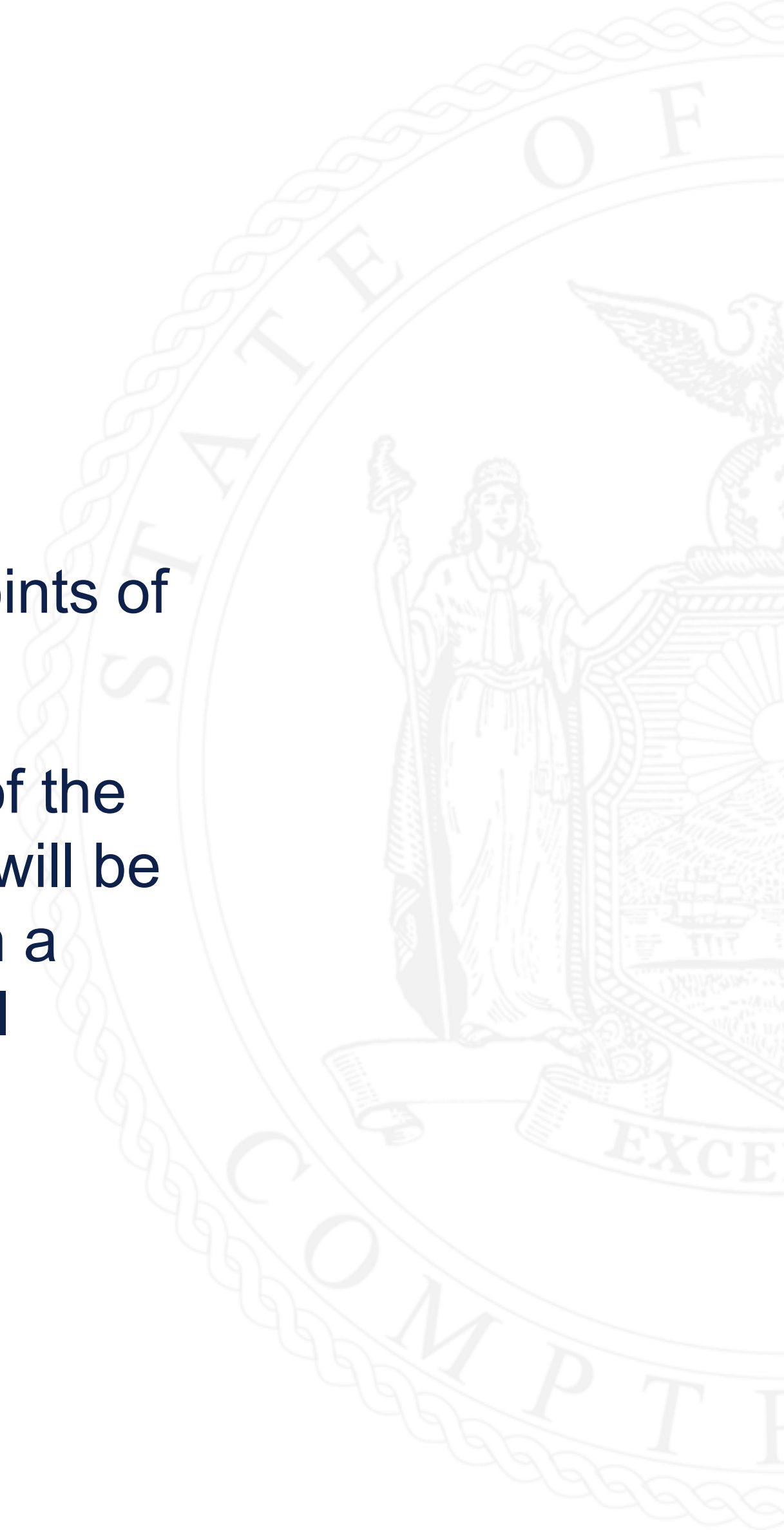
- Agency X is procuring a new computer system
- The agency anticipates many proposals, as this is a highly competitive field, and will require a detailed technical evaluation
- The agency determines to maximize best value. It will be in the State's best interest to include a BAFO



Case Study 9 - BAFO

Define the Process

- Technical 60%, Cost 30% and System Demonstration 10%
- To qualify for an interview, the vendor must be within 10 points of the highest composite score
- Following the interview, any remaining vendors within 5% of the highest composite score, including system demonstration, will be deemed substantially equivalent and asked to participate in a Best and Final Offer (BAFO) process where lowest cost will determine the award



Case Study 9 – BAFO

Score Matrix Summary

Vendor	Technical (60 pts)	Cost (30 pts)	Total	Interview Shortlist	System Demonstration (10 pts)	Final Composite Shortlist
A	48	20	68	No		NA
B	50	30	80	Yes	4	84
C	38	24	62	No		NA
D	49	27	76	Yes	10	86
E	60	23	83	Yes	6	89
F	55	12	67	No		NA
G	57	16	73	Yes	5	78
H	50	28	78	Yes	6	84

Vendors D and E would be eligible for BAFO based on pre-defined criteria for being susceptible to award

Final Offers

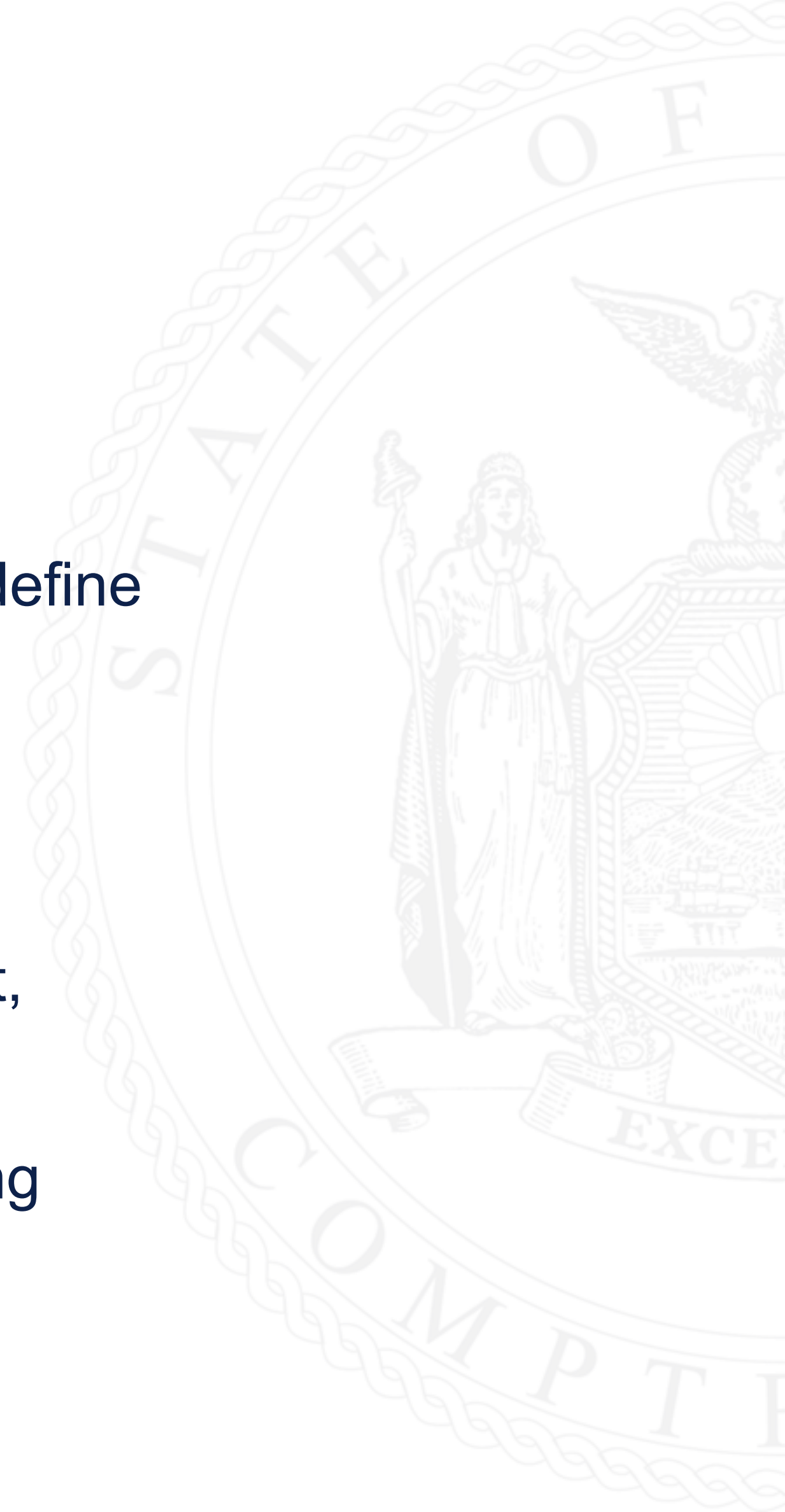
Vendor D \$8,565,000

Vendor E \$8,750,000

Case Study 9 – BAFO

Considerations

- Does this process result in best value?
- How will an agency identify “substantially equivalent” and define this ahead of time?
- Is this procedure appropriate for this service, or is it overly complicated?
- If the agency reserves the right for BAFO but doesn’t use it, how can they be sure they obtained the best price?
- An agency may want to consult their counsel prior to issuing solicitations with BAFO options



Maintaining Complete Procurement Records

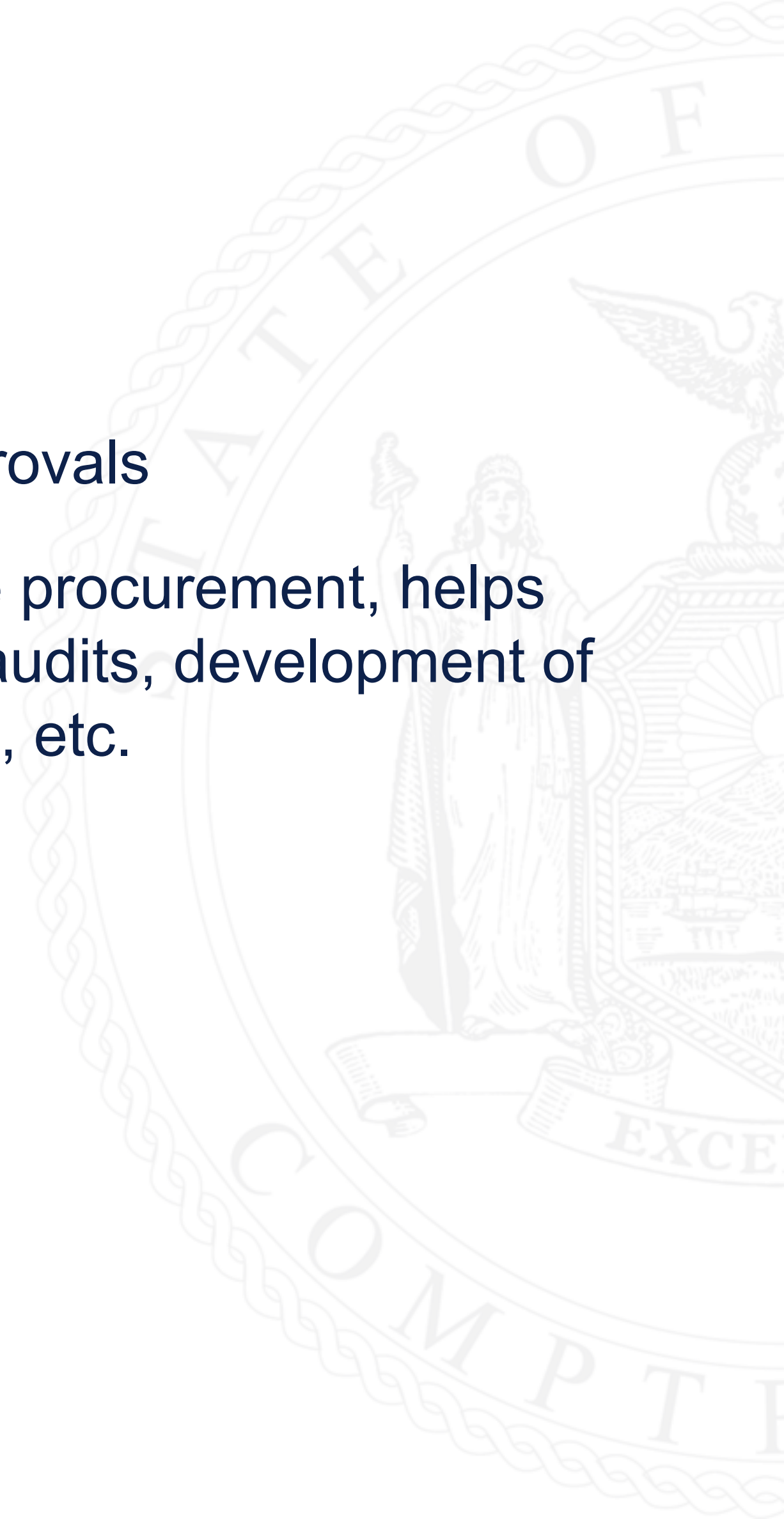
Procurement Record

Who is Responsible?

- Individuals who conduct the procurement process, obtain necessary approvals and monitor contract performance
- Including
 - Procurement professionals
 - Contract managers
 - Legal staff
 - Office and Program managers

Life Cycle

- Facilitate faster approvals
- Tells the story of the procurement, helps with staff changes, audits, development of future procurements, etc.



Significance and Benefits

Significance

- State Finance Law requires you document your process
- Applies to discretionary and non-discretionary procurements
- Documents decisions and approaches
- Basis for audit

Benefits

- Definition of need
- Procurement development
- Procurement administration
- Contract award
- Contract administration and close out



Procurement Record Categories / Buckets

<u>Bucket #1</u>	<u>Bucket #2</u>	<u>Bucket #3</u>	<u>Bucket #4</u>
Transaction Identifying Documents	Contract Documents	Procurement Record Documents	Vendor Responsibility Documents
<ul style="list-style-type: none">• STS/AC340• Procurement Record Checklist• Cover Letter/Memo of explanation• Approved CRER, if applicable• Companion CRER documents, if applicable	<ul style="list-style-type: none">• Contract• Signature Page• AG approval, if applicable• Civil Service Approval, if applicable• Most current Appendix A• Consultant Disclosure Form A, if applicable	<ul style="list-style-type: none">• Advertising Documents• IFB or RFP• Solicitation List• Evaluation Documents• Award Documents• Post Award Documents• B-1184/PTP Approval• Lobbying Law Forms• ST-220-CA, if applicable• OSC Governmental Entity Representation Form	<ul style="list-style-type: none">• Vendor Responsibility Profile• Vendor Responsibility Questionnaire hard copy if not certified online• Workers' Comp & Disability Coverage Certifications or Proof of Exemption

Questions?

Thank you.

