



Request for Proposal

November 14, 2007

Request for Proposal

The RFP is a tool used to communicate your business requirements and desired features to vendors. Vendors respond with formal proposals. This is a cyclical process that usually requires clarification and negotiation from both sides.

- Used when:
Several different vendors and/or products are candidates
- Used for:
Soliciting competitive proposals and quotes

An RFP is one part of the System Design Life Cycle

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System Design Life Cycle

- System Planning
 - Survey Phase – Determine feasibility
- System Analysis
 - Study Phase – Understand the problem and opportunities
 - Definition Phase – Capabilities about what a system must do (not how)
- System Design
 - Configuration Phase – How will a system meet the business requirements?

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System Design Life Cycle (Cont'd)

- System Design (Cont'd)
 - **Procurement Phase - RFP**
 - Design Phase – Mapping business requirements and processes to the solution
- System Implementation
 - Construction Phase – Implementing the functional solution
 - Delivery Phase – Rollout, training, documentation
- System Support
 - Maintenance Phase - Continuous Improvement – Fixes and Enhancements

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System Design Fundamental objectives

- Identify and research specific products that could support the recommended solution
- Solicit, evaluate, and rank vendor proposals
- Select and recommend the best vendor proposal
- Establish requirements for integrating the awarded vendor's product

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RFP Process

- Identify and research specific products
- Focus on hardware and/or software requirements
- Specify the functionality, features, and critical performance parameters
- Research – To identify potential vendors that supply the products (short list)
 - Internal standards
 - Information services
 - Trade newspapers and periodicals
 - Other like organizations

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RFP Process

– Solicit Proposals from Vendors

- Inputs
 - Potential vendors
 - Options
 - Business and Technical criteria
- Outputs
 - RFP

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RFP Process

– The RFP

- Primary purpose to communicate requirements and features to vendors
- Requirements and features are categorized
 - Mandatory – Must be provided by a vendor
 - Extremely Important – Desired from the vendor
 - Desirable – Can be done without

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RFP Process

– Sample

- Introduction –
 - Background, summary of needs, explanation of RFP
- Standards and Instructions –
 - Who may talk to who and when
 - Required response format
 - Demonstration expectations
 - Reference expectations
 - Documentation expectations
- Requirements and Features –
 - Hardware, Software
 - Security
 - HIPAA Compliance
 - Service
- Technical Questionnaires
- Conclusion

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RFP Process

– Evaluate and Rank Vendor Proposals

- Purpose to evaluate and rank all validated vendor proposals
- Collect and review all details of the validated proposals
 - Vendor demonstrations – Verify your requirements are met
 - Reference contacts
 - Site visits
- Evaluation criteria and scoring should be established before evaluation occurs

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RFP Process

– Evaluate and Rank Vendor Proposals

- Weighting Techniques
 - On a point scale
 - Hard-dollars: Costs you have to pay to the selected vendor for equipment and software
 - Soft-dollars: Additional costs you will incur if you select a particular vendor (such as cost to overcome a particular shortcoming)
- Evaluate and rank the vendor proposals
 - Currently Available, Under Development, Customization, Not Available

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RFP Process

– Award Contract and Debrief Vendors

- Present recommendations to management
- Create contract and award to winning vendor
- Debrief losing vendors – Be careful not to burn bridges!



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RFP Process

- **Establish Integration Requirements**
- How is the new system to be incorporated into any existing systems?
 - Review hardware and software specifications
 - Review data and process models

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- The Business Requirements do drive Technology – The Technology **does not** drive Business
- Do not write an RFP to a specific vendor
- Build the ranking system prior to receiving the vendor responses
- Ethics