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This post was created in October 2016 by John Lewis, President and Founder of Intelligent Futures (www.intelligentfutures.ca)

Why RFPs often suck (and how to make them better)

Most of us have a complicated relationship with Request for Proposals (RFPs). Speaking with the folks who issue them and those who respond to them, no one seems to find this a satisfactory process. We all agree that a transparent process is essential in the spending of public dollars, but there are unquestionably some things that can be done to improve how these processes occur.

This post is designed to explore the ways the RFP process could be changed to help support community building. It should be noted that there are all kinds of RFPs. There are some RFPs that just require an explicit delivery of activities. That is more of a commodity-based approach, which is usually a different kind of process than what I'm talking about. This post focuses on projects where true professional and creative services and solutions are required. The identities of those who shared their thoughts have been concealed to protect the innocent/traumatized.

The worst-case RFP scenario comes to life

Last year, we put together a proposal for a municipality here in Alberta that was looking for a visioning process around some vacant land in the community. It was quite unique as it had elements of community engagement, visioning, strategic planning, land use planning and economic development. The description of work wasn't great and they didn't share the budget. Unfortunately, we were unsuccessful in our bid. As we always do, we asked for a debrief so we can learn and improve. Here's what we were told:

- There were 14 firms that bid.
- The bids ranged from \$10,000 to \$210,000. The average bid value was around \$40,000.
- The actual budget they had for the project was \$10,000. The winning proposal's budget was \$12,000. They were able to find the extra \$2,000.

This is probably the best (worst) example that we have seen of what can be so problematic about the RFP process:

- The scope of work in the RFP was so unclear that there was a cost difference of \$200,000 between the highest and lowest proposals.
- No budget was shared to give a sense of expectations and context.
- Both these factors resulted in what ended up being a significant waste of time and resources for most of the firms that put a proposal together. More information would have made it clear the project scope was not a good fit for many firms before they ever put pen to paper.

Common issues

In the vast majority of RFPs that we have seen, there is a significant lack of clarity around what the host organization is actually looking for. Too many proposals and approaches are based on guesswork, and in the end that benefits no one. RFP documents often have the following general qualities:

- Lack of clarity on the required work. The description of work often reads like insider information.
- No budget is shared.



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- The key information is buried in a mountain of legalese and procedural information. As Sascha Haselmayer of Citymart said: “No one has ever been punished for putting too many conditions and clauses in a public contract.”
- Very limited context explaining where the project came from and why it exists.
- Quality proposals take a significant amount of time and effort from proponents. I recently asked a group of firms about their average time spent on a proposal. The general consensus was a minimum of 40–50 hours for a well thought out proposal. If we use these numbers in the example I provided above, that would equate to at least 560 hours of time across the bidding firms for the worst-case scenario RFP. Estimate an average rate of \$100/hour, that’s \$56,000 of effort put forward on a project that had a \$10,000 budget. When you extrapolate this over time and across multiple municipalities, this situation can create a domino effect of templates and regurgitation by bidding firms.

The end result is an approach that isn’t remotely close to encouraging the most creative or productive solutions for our communities.

How to make it better

As mentioned, I understand why the RFP process is necessary. It just appears to have gone down a track that has lost sight of the core purpose: building better communities. Citymart’s Haselmayer also wrote:

“Putting the citizen first in procurement requires empathy first and foremost. If we reduce procurement to an exercise in bureaucratic risk management, we undermine the purpose of city government spending — to create value for citizens. It requires a culture change in which the risk of not using our resources to get the best solution to our citizens is valued highest.”

With that in mind, I have eight concrete solutions for municipalities and other RFP-issuing agencies to consider:

Solution #1: Share your budget.

This is a really big deal. If I asked you to go buy me a car, one of your first questions would be “How much do you want to spend?” Otherwise, you might suggest a Tesla, when I only have the budget for a used Pinto. Sharing a budget helps potential proponents understand the level of effort and ambition that a municipality has for a project. As Jacob Lew said:

“the budget is not just a collection of numbers, but an expression of our values and aspirations.”

I have heard people argue: “If we give out the budget, the proposals will just work up to that number.” Yes, they absolutely will. But isn’t that what budgets are for? They reflect the level of resourcing the organization is willing to put towards a project. Any responsible firm will build their proposal to that budget. This means that the initiating organization has a chance to truly compare apples to apples, as the bidding firms are telling you what they can do within the same budget. Adding a budget makes it easier on everyone in the end—and promotes better results.



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Some organizations have taken the budget issue a step further and removed fees out of the evaluation process altogether. They share the budget, but also let proponents know that there is no benefit to coming in below the budget. This shifts the focus from playing a shell game with numbers, to focusing on delivering the highest quality project...for the budget that is available.

Solution #2: Put first things first.

All too often, the actual point of the RFP is a needle in a haystack of legalese. A recent RFP we looked at featured the first 18 pages of the document as the rules, insurance requirements and legal terms of the process. The first time there was any actual mention of what firms should build the proposal around was on page 19. The grand total of information on the project (compared to the legalese) was 11 per cent. Another recent RFP we looked at had the actual scope of work listed as Appendix E. This situation has a couple of consequences:

- It means that the people reading the document have to spend a lot of time sifting through information that isn't relevant to the key things they are looking for: is this an opportunity we want to consider and what approaches can we recommend to help solve this problem?
- It sends a message that the initiating organization prioritizes bureaucracy over impact, which could be a red flag for some firms. This can lead to fewer firms bidding and fewer solutions for the organization to consider.

Solution #3: Frame your project as a problem, challenge or a question.

Often, an RFP will outline the very specific details of the work to be done. This means that the initiating organization has pre-predicted the approach required to address their issue. This can serve to greatly limit the creativity that proponents can bring to the table, which obviously restricts potential solutions. An example of an engagement RFP could be something like: "We need engagement services to deliver six open houses for our project."

Open houses are just a tool. The important aspects here are understanding what you want to talk to the community about, what you are trying to achieve with engagement and what you would like to see as a result of engaging the community.

We have engaged more than 40,000 people in our processes since 2014. We have a whole suite of engagement tools that can be used to achieve different results. Going straight to an RFP that's based on open houses would exclude the discussion of any of those tools. One of the benefits of bringing in an "outsider" is that you get to access the diversity of skills, ideas and experiences of a range of firms. An alternative to this fictional engagement RFP could be:

"We are looking for support to develop and deliver an engagement program that accesses the wisdom of the community into (name the issue) and builds stronger relationships with the municipality."

As much as you can, frame your needs in terms of a challenge or question that requires a solution. This frees up the creativity of the bidding firms and allows the initiating organization a chance to evaluate a much wider array of possible solutions.

Solution #4: Start your RFP-writing process with your evaluation criteria.

In speaking with folks who put together RFPs, a common practice is to get a previous RFP to use as a template, then make changes where the content varies. At the end of this process is a tweaking of the evaluation criteria. If you **start** with the evaluation criteria, then you will be crystal clear on the skills, characteristics and experience that you are looking for in order to



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facilitate your decision. This level of clarity will greatly focus the RFP itself and will benefit the decision-makers and the proponents alike, with better outcomes all around.

Solution #5: Put page limits on the substantive parts of the proposal.

If you post an RFP, you (hopefully) will be receiving many submissions to consider. Why not make it easier on yourself and limit the length of the proposal? This forces proponents to actually write a proposal that is tailored to the needs of your project, as opposed to just blindly copying and pasting material from other proposals they have in their archives. The ability to concisely and coherently articulate their ideas is the hallmark of a quality firm. By challenging proponents to share their ideas in a confined space, you are able to evaluate their ability to deliver tailored solutions for your context.

Solution #6: Share your governance structure.

Just about every RFP we've seen asks for the organizational structure of the bidding team, but almost none share their own organizational structure. It's equally important for the bidding firms to understand the relationship of the actors on the client side, as this can have an impact on recommended solutions or how a project is managed. This also allows for a better project start once a firm is selected.

Solution #7: Make your document a searchable PDF.

This seems very specific, but as you are looking through a 50-page document to find a key word (like budget, for example), it saves a lot of time and hassle for the firms investigating the RFP. Please don't just print and scan a document and then make it into a PDF. A searchable PDF saves time and grief for everyone involved. If you don't know how to make a PDF, here are some instructions.

Solution #8: Share your budget.

I know I already mentioned this. It's a really big deal.

Building better cities

The above-mentioned suggestions can also provide a competitive advantage of sorts. I spoke with one organization that explicitly strives to create RFPs to which firms actually like to respond. They feel it gives them the best chance to get the best firms and the most creative solutions for their projects. That is a much more ambitious goal than "the procurement division told us we have to do it this way."

At the end of the day, the focus of an RFP process should be on creating better communities and improving the lives of citizens. By making some of these changes, firms will have a clearer sense of what a project's needs are, and they will be able to develop novel solutions to a problem, helping build better cities for all of us.