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Practical Tips for Getting the Best Out of Your RFPs



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By

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Undertaking competitive procurements, periodically, is a Government Finance Officers Association (GFOA) best practice. It helps ensure an agency is knowledgeable about products and services that address its needs and may increase efficiencies. It also informs of the spectrum of companies offering such services, and helps ensure that an agency obtains needed services at a competitive cost. Additionally, competition promotes fairness. Providers are more likely to participate in a fair process, and citizens and interested parties appreciate an agency's care of their moneys.

In creating Request for Proposals (RFPs), public agencies benefit from wide availability of tools and resources that guide the formal process. These include GFOA RFP templates and best practices, the IGFOA Knowledge Exchange, their colleagues' existing RFPs and checklists, among other tools.

The purpose of this article is to identify practical "tips" that will help focus your searches on your needs and encourage a broader response and more meaningful proposals.



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1) Understand what exactly you seek. Define the scope of the service and end goal. Consider whether you are combining too many wishes in your RFP. Do a little pre-RFP research. For example, are you seeking a broker-dealer or an investment adviser? Are you looking for the lowest cost or the best value? Are you looking for one vendor to provide all services?

2) Start with a template but know it is just a starting point. In its various best practices and guides, the GFOA cautions public agencies to be careful in using templates or an RFP of another public agency. Appreciate that your needs are unique. Do not be caught up in descriptions or requirements that are simply not relevant for your agency. Proofread to make sure there are no references to the “original” entity and to ensure there are no contradictions within the RFP.

3) Consider your requirements – exactly what you need in the deliverable. Often included in RFPs are items required by an agency. These may include: compliance with ethics rules, term of agreement, errors and omissions insurance requirements or minimums, compliance with entity specific regulations. Consider your own requirements. Provide a copy of your investment policy and detail your collateral requirements.

4) Request appropriate documentation of financial strength. What financial information is important for your analysis? Consider the financial ratios and size of the institution. Is it important for the institution to be rated?

5) Provide appropriate background on your agency. Include information that is important for bidders to understand. Include details on the type and size of the organization, as well as your current account structure and processes, average balances, activity volumes, and services used.

6) What is a reasonable insurance requirement? How much insurance coverage does your entity require? Is the minimum requirement realistic? Are you disqualifying firms that may otherwise be a good fit?

7) Determine the value of a local service provider. Consider the rationale behind the requirement for a local office or presence. In certain instances, having this requirement might make sense, but in others, having a local presence may not add real value.

8) Consider whether having a history in the state is necessary or whether a history with public agencies, in general, is sufficient. This requirement tends to limit competition and an influx of new providers. Does this really make sense for you? If it is important for your partners to have industry experience this may drive which firms should receive the RFP.



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9) Determine exactly what you need from the respondents in their proposals and consider limiting the length and size of the response. Try to avoid gathering unnecessary information or missing necessary answers. This discourages the inclusion of boiler plate language and may make the review process simpler.

10) Outline the RFP. List the order of the RFP sections.

11) Include a numbered questionnaire in word format and have fillable forms for required exhibits. This makes it easier for respondents to ask questions (and refer to the number of a question) and to respond. If the request includes a cost proposal form, include this in excel and as part of the cost proposal, ask for services that are used and average volumes. This will help ensure the evaluation process is “apples to apples.”

12) Avoid asking the same question multiple times. Asking what is essentially the same question in various ways does not get the agency a deeper understanding and may frustrate the respondent, or, at least, distract their efforts to provide valuable information and responses.

13) Avoid open-ended or vague questions. Such questions make comparison across respondents more challenging.

14) Present a reasonable timeline and set milestones along the way. Allow for adequate time for responses and decision-making. Make sure the allotted time is not too long, nor too short. Proofread to ensure dates listed are consistent throughout the proposal.

15) Plan for a pre-response Q&A to answer any respondent questions.

16) Consider including an opportunity for vendors provide information on additional services. This allows bidders to address issues and provide information on new or value add solutions that you may not have specifically requested. Limit the time/space for this.

17) Determine and communicate how the responses will be evaluated. Provide a scoring matrix summary that defines how the criteria is weighted (qualifications of the proposer, quality of the approach, implementation schedule, fees, rates, etc.)



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