



Let's Build an RFP!

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What you build
isn't as important
as how you build it.



What you purchase isn't as important
as how you purchase.

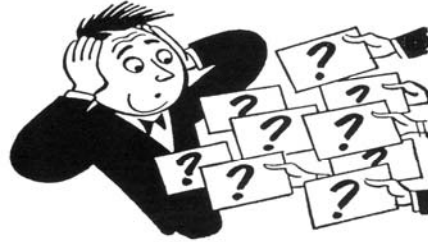


Mind Your P's and Q's

- Bid
- RFQ
- RFI
- RFP

Why Build an RFP?

- Outdated equipment
- Changes in technology
- Better service
- Pricing/savings
- New responsibilities
- New requirements from customers



The Steps to Success



1. Research
2. Meetings inside/
outside the company
3. Assemble a crew
4. Draft/publish the RFP
5. Vendor review
6. Call references
7. Compare responses
8. Award contract
9. Receive/accept equipment or service

Research



Research

- Vendor literature
- Periodicals
- Fellow professionals
- Trade shows
- Capacity planning

Meetings



Meetings

Inside the Company:

- Purchasing/procurement
- Legal
- Customers
- Product users

Outside the Company:

- Vendors
- Financial advisors
- Fellow professionals

Assemble a Crew



Assemble a Crew

- Customers/affected departments
- Procurement
- Legal
- Lead operators
- Information Technology (MIS)
- Facilities Management

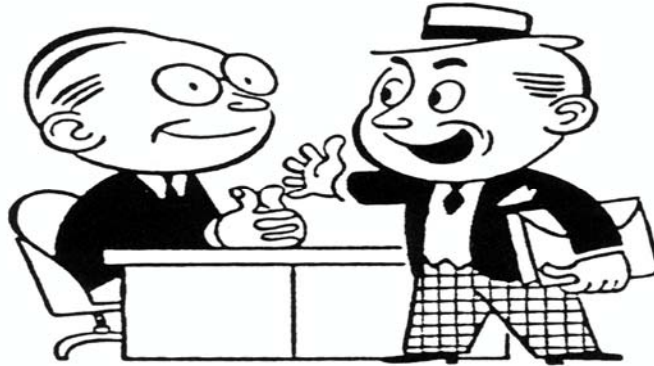
Draft/Publish the RFP



Draft and Publish the RFP

- State the type of product or service
- Specify what the product **MUST** be able to do
- State desirable capabilities of product (optional)
- Specify what the proposal **MUST** include:
 - Format of response
 - Description of product
 - Cost of product (lease/buy compare)
 - Delivery times
 - Acceptance testing
 - Warranty/cost of maintenance
 - Service standards
 - References
 - Vendor profiles
 - Limitations/exclusions
- Specify **DEADLINE** for submitting questions and response

Vendor Review



Vendor Review

- Vendor conference
- Written responses to questions
- Factory visits
- Site visits
- Financial performance

Call References



Call References

- What specific product do they use?
- How long have they used product?
- General feelings about product?
- Operator requirements?
- Service response time?
- Have they used competitor products?
- Why didn't they choose another vendor?
- What would you have done differently?
- Is a site visit possible?
- Thank you for your time!

Compare Responses



Compare Responses

- Scoring chart
- Financial comparison
- Service comparison
- Follow-up presentations
- References

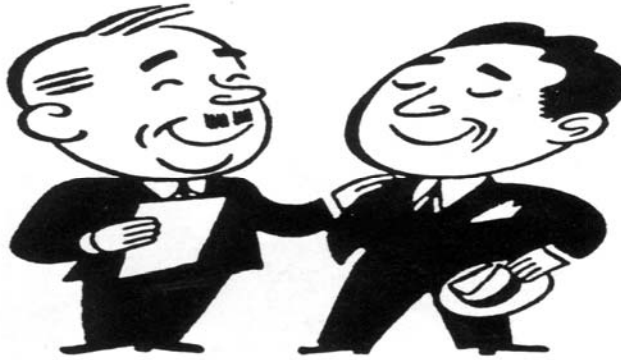
Scoring Chart

Area of RFP	Rank 1 - 5	Vendor A Raw Score 1 - 10	Vendor A Weighted Score	Vendor B Raw Score 1 - 10	Vendor B Weighted Score
Printer functions (speed, capacity, MICR)	5	7	35	9	45
Audit function	4	8	32	8	32
Interface with Existing Software	4	8	32	8	32
Data stream support (LCDS, IPDS, Postscript, PDF)	4	7	28	9	36
Printer service / maintenance program	5	8	40	8	40
Project management approach	3	9	27	8	24
Timeline	4	8	32	9	36
Total Weighted Score			226		245

Financial Comparison

Vendor A						
Projected Annual Volume		36,000,000				
Prints included (18,000,000 per year)		30,000,000				
Overage		6,000,000				
Purchase			Lease		Lease	
Printer and Software	\$	310,500.00		2 Yr	\$	-
Shipping / installation	\$	10,000.00		4 Yr	\$	-
				5 Yr	\$	11,800.00
Total	\$	320,500.00				
Service			5 Yr Lease + Service			
Monthly Fee	\$	5,069.00				
Monthly Overage	\$	1,500.00				
Year One	\$	78,828.00		Year One	\$	141,600.00
Year Two	\$	78,828.00		Year Two	\$	141,600.00
Year Three	\$	78,828.00		Year Three	\$	141,600.00
Year Four	\$	78,828.00		Year Four	\$	141,600.00
Year Five	\$	78,828.00		Year Five	\$	141,600.00
Total Service	\$	394,140.00				
Total 5-Year Cost of Ownership	\$	714,640.00	Total 5-Year Lease Costs	\$	708,000.00	

Award Contract



Award Contract

- Notify selected vendor and competitors.
- Review the purchase and maintenance contracts with legal and purchasing.
- Ensure that testing and delivery dates are included in contract.
- Establish factory acceptance and site acceptance standards.
- Establish operator training schedule and location.

Receive/Accept



Receive/Accept

- Proper delivery notification?
- Installation in accordance with contract?
- Training completed?
- Does product perform to your standards?

“How-To” Tips



“How-To” Tips

- Multi-year maintenance agreement
- Train operators to perform preventive maintenance
- “Late delivery” rebate
- Free software upgrades
- Equipment replacement clause
- Discounts for future purchases
- Vendor site reference



Thank You for Attending!

Any Questions?

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The Berkshire Company

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