

Your 22-Step Guide to the RFP Process

When it comes time to put out a Request for Proposal (RFP) for your project, it's important to follow an efficient process to get the best bids.

The RFP Process Overview

RFPs help to provide an even playing-ground for comparing vendors, but often the process is time-consuming and doesn't get you the quality bidders you were looking for.

Which is why we've created this guide — a step by step RFP process, to help you deliver RFPs the right way. Whether it's your first time creating an RFP or your hundredth, the 22 steps outlined in this guide will give you a systematic and practical path to building an effective RFP process for your organization.

The RFP Process Overview

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▶ STEP 01

Identify Your RFP Team

Your RFP team will be comprised of a mix of contributors, subject area experts, finance and legal, and a project/proposal manager.

Project/Proposal Manager

The project/proposal manager is the individual specifically responsible for managing your RFP process. The role of the project manager is to ensure that milestones aren't missed, stakeholders are involved, and nothing is missed throughout the process.

Contributors

Contributors are end users or stakeholders from any business areas that will be affected by the service you are procuring. These individuals should also be involved throughout the RFP process from defining the scope to interviews with the vendors.

It always makes sense to solicit advice from a subject area expert to help with [defining RFP requirements](#). They can provide expertise on new or emerging technology, best-in-class vendors, and help to build out questions to weed out potential bidders.



▶ STEP 02

Gather Requirements

Gathering all the requirements of your project at the start of the RFP process is critical to ensure your RFP is a success.

If requirements are not fully outlined, you may end up with bids from vendors that cannot fully meet your needs. Set project goals and work closely with your RFP team to determine your requirements at the onset of the project.

For more complex RFPs, a Request for Information (RFI) or Request for Quote (RFQ) can be put out ahead of the RFP. These three types of documents are called RFXs collectively.

Request for Information (RFI)

The RFI can help to get a feel for the market.

Request for Quote (RFQ)

The RFQ can help to set budgets.

Both the RFI and RFQ can help to better define requirements and give you a clear picture of the types of products or services that are out there.

If requirements are not fully outlined, you may end up with bids from vendors that cannot fully meet your needs. Set project goals and work closely with your RFP team to determine your requirements at the onset of the project.

Using [RFP procurement automation software](#) is an efficient way to assign sections of an RFP and collaborate with your RFP team — greatly streamlining the RFP process. The traditional spreadsheet RFP format will also work, but use a collaboration platform like Google Docs or Sharepoint to track edits and contributions.



▶ STEP 03

Vendor Invitation

Unless you're publicly posting your RFP, you'll next have to decide which vendors to invite to bid. These vendors should be selected based on those you know will be able to fulfill your project requirements.



How do you know which vendors will be qualified to bid on your project?

Having run a preliminary RFI or soliciting the help of a subject matter expert is particularly helpful in identifying suitable vendors.



▶ STEP 04

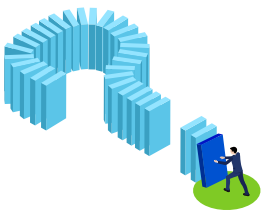
NDA Process

Before you provide access to your RFP, you'll want to have vendors sign a non-disclosure agreement (NDA).

Have your legal team or counsel draft the NDA to protect your organization, but also weed out any unqualified bidders.

From processes and strategies to designs and corporate structure, RFPs can provide valuable information about your company to your competitors. Further, an NDA will deter collusion, bid-rigging between vendors, and provide you with legal recourse if any information is leaked.

Provide at least 3-5 business days for the vendors to review, request changes or submit inquiries, and provide their signatures.



▶ STEP 05

Compile Questions

Unless you're publicly posting your RFP, you'll next have to decide which vendors to invite to bid. These vendors should be selected based on those you know will be able to fulfill your project requirements.

TIP #1



When asking questions, stick to multiple choice, yes/no, and objective questions to make it easier to compare proposals later.

TIP #2



Avoid asking questions that require long paragraph-style responses. Ask one question at a time and be specific to avoid vague responses. Whenever possible, solicit exact and measurable responses.

Format your RFP into sections, so you can easily assign sections to specific team members. Section-based RFP formats also make it easier for vendors to complete, and for you to assess and score later.



► STEP 06

Compile Pricing Template

Next, create a pricing template that includes fields for all components of your requested services. Vendors will use this template to provide their fees on a per-component basis.

If you are working with an RFP management software like [DirectRFP®](#), vendors can fill in their pricing in a set format, and the data will be compiled in a side-by-side comparison for you as the buyer.

Alternatively, if you're using spreadsheets, ensure that you set up the pricing chart so that it will be easy to compile later. In addition, ensure that the files are locked so vendors don't edit items or change the templates themselves. This can cause major issues later if undetected.

Do provide some open fields for vendors to provide notes on any commitments, minimums, or caveats.

Asking for specific prices, rather than in a bundled format, will put you in a better position to compare vendor prices on an apples to apples basis.



► STEP 07

Construct an RFP Overview Document

An RFP overview document provides vendors with the specific requirements they must fulfill to respond to your RFP.

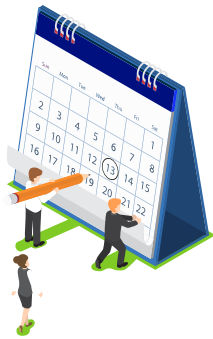
At a minimum, the document should include these items:

- Timeline for the RFP
- Submission due date and time
- Instructions on delivery
- Rules for communicating with your team (who and how)
- Required documents and content in their submission
- Pertinent information about your company that will inform their response

Reduce RFP creation time by 60%

DirectRFP allows procurement teams to easily create, share, structure, measure, and analyze RFPs in one place.

[REQUEST A DEMO](#)



▶ STEP 08

Timeline for RFP

The timeline should align with your company's goals and deliverables for the project — including when you want the solution/service implemented by.

A timeline should be included within your RFP overview document. Key items that should be listed in your timeline include:

1. RFP launch date
2. Due date for questions from vendors
3. Date answers will be provided from your team
4. Date, time, and location of bidder's conference (if applicable)
5. Due date of the RFP
6. Announcement of finalists
7. Date of finalist presentations
8. Final award



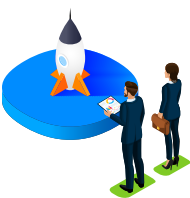
▶ STEP 09

Collection of RFP Documents

Many organizations require proof of specific documents, certifications, or policies in order to qualify a vendor.

These can range from insurance certificates and health and safety forms, to statements on diversity and environmental practices.

Work with your internal team to ensure that your organization's required documents are included within your RFP format. It is best to get your legal department and/or HR involved to be comprehensive.



▶ STEP 10

Decide on Your RFP Format

Next, it's time to decide how you will launch and manage your RFP.

Some companies decide to do this manually through emails and attachments. Others choose to utilize online RFP management software.

Procurement software like [DirectRFP®](#) can improve the RFP process immensely by providing a single platform for managing the entire RFP process — including communication and file management.

Other cloud-based procurement portals can also help to provide a central platform where documents can be uploaded, stored and downloaded. These portals usually come with basic functionality to gate documents based on deadlines and access levels.



▶ STEP 11

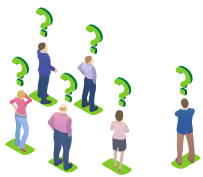
Launch the RFP



Launch time!

Be prepared. Here is when you'll start fielding questions around process, requirements, and more from your vendor. If you've followed all the previous steps, you've got nothing to worry about. You've set yourself up for success!

Now it's time to send out your RFP package or give access to your digital RFP to your selected vendors. Alternatively, you will post your RFP on RFP portal sites.



▶ STEP 12

Questions from Vendors

Your timeline should have provided all vendors with a deadline for submitting questions about the RFP. Ensure you have a way to collect these questions in a common format — such as an excel template or [RFP management system](#).



Keep in mind that your answers will need to be shared with all vendors in order to ensure fair bidding. Email or a shared forum are effective ways to communicate with the entire group.



▶ STEP 13

Bidder's Conference

A bidder's conference is a conference call or in-person meeting where all bidders gather to ask any additional questions that were not addressed in the question phase of the RFP. These conferences ensure all bidders receive the same information and gain time with the project stakeholders to develop a deeper understanding of the project.

Produce RFPs Faster

Try out the only RFP software that allows RFP teams to reduce the cost of producing RFPs by 50%.

REQUEST A DEMO



▶ STEP 14

Create a Scoring Matrix

Next, you'll need to develop a scoring matrix that measures a vendor's ability to meet your requirements.

Your requirements will range from technical requirements and pricing to softer internal requirements such as a vendor's approach to diversity and the environment.

In general, your RFP questions will be considered your technical requirements. Be sure to work closely with your internal stakeholder team to determine the weighting for each question and other requirements.

The weight of a question is a number range (say between 1 and 10) which quantifies the importance of that question to the overall RFP. Critical requirements could be given a score of 9 or 10, while questions that aren't as critical could get a 3 or 4.

The score is the number given to each response. The sum of the scores for all possible responses for a single question must add up to 100. For a yes/no question, a "yes" response could have a score of 100 and the "no" response could have zero. Setting up your responses in a multiple-choice format makes it easy to score later.



▶ STEP 15

Collect Responses

Now it's time to close submissions and collect those responses.



If you're manually collecting RFPs...

you'll likely receive your responses in either printed or email form. Manual collection requires certain care — particularly if you need to timestamp responses or if you requested vendors to provide pricing proposals separate from their main response.

If you went with procurement management software, you'll find the collection process much easier. Most RFP software like [DirectRFP®](#) is built so that vendors complete the RFP within the platform, and you as the buyer can access that information in real time.

Reduce RFP creation time by 60%

DirectRFP allows procurement teams to easily create, share, structure, measure, and analyze RFPs in one place.

REQUEST A DEMO



▶ STEP 16

RFP Review — Create scorecards

It's now time to score those responses, which is, for the most part, a manual process.

Get started by giving every member of your RFP team a copy of each proposal submission. Organize these responses side-by-side.

Next, you'll need to give your team scorecards for recording their responses. A good eProcurement platform will usually have some sort of scoring feature. In the case of DirectRFP®, all questions have weighting and scoring built in. Your RFP Team can weight all the questions in advance, so that vendor responses can be scored in realtime. This cuts out the manual review process significantly.

Whether you are reviewing the RFPs manually or digitally, it's recommended that each proposal be reviewed for errors, and also to validate any notes that have been left by the vendors.



▶ STEP 17

Vendor Shortlist

Following scoring select a shortlist of vendors that meet critical requirements and have scored above competitors.

Eliminate any vendors who score lower than average and any that do not meet critical requirements.

The shortlist of vendors is usually 3 or 4 but can be more or less, depending on the number of qualified vendors. The shortlist of vendors will move onto the next stage of the RFP process.



▶ STEP 18

Shortlist Presentation Meetings

Once you have your shortlist of vendors, it's time to invite them in for an in-depth presentation and discussion.



This is not a time to be shy.

Ask for specific details about the vendors capabilities. Get a feel for the way the prospective vendor communicates and works, to ensure a good fit with your organization. After all, you may be working with these people for years, depending on the length of the project or contract.

After the vendors have presented their proposals you should have a much better idea of their capabilities and solution.

At this point you should be able to narrow your selection down to the two best-suitable vendors to move forward to the final contract and scope review phase. We recommend keeping at least 2 prospects, as there could still be unforeseen issues that could deem one a bad fit.



▶ STEP 19

Contract and Scope of Work Review

Now that you have narrowed down your selection to the final two providers, you will want to receive copies of their actual scope of work (SOW) and contracts to review for any open questions or possible concerns.

If there are items that are missing in the documents that were covered in the RFP, you will want to ensure you address those. All aspects of the contract or scope should be clearly stated and listed out.

The contract and the RFP are two different entities. Just because something was stated in the proposal, doesn't mean that it is binding, unless it is explicitly stated in the contract.



▶ STEP 20

Pricing Concession

The scope and agreement that were reviewed in the prior step should contain the pricing details of the solution.

If you would like to see any edits or adjustments to pricing, this is the time to negotiate those pricing concessions. You will want to get this addressed prior to awarding the business.



▶ STEP 21

Executive Review

If this is a requirement, you will want to put together a presentation showing the vendors' rankings, pricing, and any additional comments or details about the vendors.

Including information about some of the alternate companies that did not get the contract is beneficial to assure company executives that your decision is based on due diligence.



▶ STEP 22

Award Business

With final approval from your stakeholder team and executives, it's at last time to award your business to your selected vendor. At this stage, you'll want to request a signed and finalized copy of their agreement.

An efficient RFP process is essential to finding the right vendors. By following the 22 steps above, you'll set you and your team on the path for RFP success. DirectRFP® is the only procurement platform built to simplify the RFP process.

Contact us for a free demo.

Phone: 916-757-1100 | Email: info@directrfp.com

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