

Project Management: Planning, Execution, Evaluation and Control

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Welcome to the course Project Management. In this lecture we will discuss about how to prepare and evaluate of request for proposal and what are the best practices followed in the world. So, to start with I will cover first what are the concepts that will be covered in this lecture. We will talk about how to prepare a request of proposal and its contents. Then we will be talking about the contract specification is one of the important part of RFP. This RFP that we will in detail we will be showing that what are the different clauses, what are the different contains, what are the different specifications and all that are required in a contract specification.

Then we will also discuss about how to develop an evolution criteria of the proposals and make a matrix evolution matrix for the proposals. Then we will also discuss the based on this we ultimately select a contractor or a vendor. So, all these will be covered and we will show the real-life cases how it is being done. So, request for proposal RFP all of you know that there are what are it contains, what should it be consists of and how what are the approach to develop it.

So, I will show you the first the generic contains and approach that are you will find it the textbooks and all these are the generic not the and based on from this as per your requirement whatever is required you choose this contains. So, it consists of consists of say firstly you have to put the project objective, then scope of work or scope of service that is very important for the for an RFP. Then technical needs and best practices those are generally followed, then the requirements technical requirements are there any specific technical requirements are not that you also mentioned then the deliverables that is the most important that should that also should be specified in clear terms then the acceptance criteria. So, when you are submitting the deliverable that the three must be some criteria for acceptance it cannot be subjective. So, those criteria you have to specify then the responsibilities of owner and contractor both has to be stated in clear terms.

Then approval required like when you give the deliverable where from the who will give the approval or the change of scope what is the authority for approval. So, those things

should be those clauses should be incorporated in the RFP. Then type of contract whether it is a fixed we have discussed in the last lecture fixed price contract or a cost-plus contract or variations thereof. So, you have to specify that then the project schedule what should be the duration of the project and how the schedule will be there timeline should be there should be specified. Then the due date when project due date completion date that has to be clearly specified payment terms and schedule.

So, this is very important and very sensitive the payment because no contractor will keep on working on you that without the payment. So, there must be the payment terms and the schedule should be prepared. Then the proposal content these are also generic in nature. The proposal should have the approach deliverable schedule experience of the contractor how in that field in that type of contract then the staffing contractors' resources human resources those experts and all they are they are qualifications they are competence their experience and the proposal cost this will should include. Then the evaluation criteria that also you have to specify in the contract.

So, what should be the contractor that should contain what should be the approach of the contractor for the project what are the experience of the contractor that also have a weightage for your evaluation. Then the price also has a that has a weightage and all because it may be the least cost it may not be the least cost the value for the money that concepts also is there and the schedule that is the durations of the project how it is going. So, these are the these are the some generic contents while you are making a proposal that is RFP. So, so depending on your requirement you in incorporate some of these or all of these or part of this ok. So, now I will be going and showing you the some real life how it is being done.

So, it is a real-life case for illustration for the what should be the request for proposal this is for a large organisation and if the contracts are for global contract or the domestic contract everything fits in this. The contents of this I what I am will be showing you now that will give you the total concepts total idea about it say the contents are first I will go for the indexes. These indexes will give you the idea what are the generally the contents of a of an RFP. So, say indexes this is the indexes of the RFP ok. So, if this is the RFP if you go for it is a tender document for a consultancy services for some specific work.

So, if you so see it you can find out these are the contents index are the this you must have a general instruction for to the bidder hm then the particulars particular instructions to the bidder then the memorandum of agreement then then the contract specification this is the heart of the contract. So, it has many topics so many clauses say it must contain the project brief hm these are given in annexure 1 2 append these are the contents of it you just go through it then an appendix BEC scope of services then the appendix this categories number

and qualification and experience of consultant's personnel then append then it will be indicative sequence and timeline of the of the work that initiatives what you are doing it. Then format then specification form then there must be the general conditions of contract that every company must be having their mother contract that is the general services any disputes and all come these also will be referred to then the form of tender. Tenders in that you have you have to fill up actually many types of forms those forms are say breakdown of not to exceed value of contract a very important then breakdown of stage wise fees hm call off rate breakdown of daily rates for personnel suppose a project manager then the partner or senior consultant analyst all their breakdown has to be given approach and implementation methodology how they carry out the contract that that their approach of the contractor and implementation of the contract this is very important. Evolution criteria mostly depends on this this approach and all because you have to introduce some criteria we will talk about it then preliminary program works for resource these are the tender forms ok.

So, there may be many tender forms and all these are the contents of a of a proposal that is the RFP. So, now, we will be going one by one very not all is possible. So, what we will be going we will be showing you some of this a general instruction to the bidder particular instruction to the bidder and the contract specification some of this we will be showing to you and it will helpful for you for the real life. So, let me go to the next slide. So, this so, index we have seen.

So, first one it was the general instruction to the bidder what does this general instruction to the bidder, bidder says that it generally contains I will show you the actual one generally it consists of many clauses are there basically the clauses it stays one of the clauses will say main clauses I will just mention accept bid only from bidders list because good organization they have they invite tenders mostly from their enlisted bidders. So, that the serious bidders and all this company is also a global company and it is not in India and they only accepts the bids from their enlisted bidders. So, pre-bid conference for clarification of queries this is also very important you know the in a large say this contract is around 50 million dollars this is a consultancy services. So, there may be there may be many issues may come up. So, for that for filling up the bid.

So, it is better to have a pre-bid conference that clarifies the all the questions of the bidders that the enlisted bidder whoever is willing to participate. Then lowest bid not mandatory because this this depends on the company policies for this proposal RFP that it was not mandatory they will have go for may the lowest one, but some places somewhere some sometime they go for the lowest bid. Generally, they go for lowest bid, bid bond value and validity performance bond value and validity these are the contents of the general instruction to the bidder. I will just show you now say these are the as I told you invited to participate in

the it is from the enlisted bidders. So, these are the generally the all the clauses particular clauses and all those are everything is given here that.

So, you can decide that this is the pre-bid meeting and all they mention that the company does not bind to accept the lowest or any bid not to assign a reason for rejection of any bid as I told you that bidder may submit the bid bond as I told you those are the requirements. Then successful bidder must submit a performance bond. So, these are the these are the some of the are the salient points of the general instruction to the bidder. Then next one is very important another is particular instruction of to the bidder what does it contain? It contains all those forms of tender and all attachment including price the forms of tender I have told you know a series of tender forms are there bidders have to fill it up those are very important those are evaluated. Then it may be two envelope bid this contract what two envelope bid that is technical bid and financial bid if technical bid is accepted then only commercial bid is opened otherwise it is not open.

So, let us see particular instruction to the bidder what are here given ok. So, these are the say it says it says bidder shall note that the services under scope of this contract come comprise two parts one is part one this technical non-technical this is shall quote rate then it may be then bidder shall quote in the form tender you know those tender form that we have talked about I have we will show you something some of the forms sometime later then bidder see these are the all these attachment these are the form these forms they have to for attachment number 2 form attachment number 3 all this forms number 1 all this form has to be filled up and how to filled up it specifies that. This forms have to be filled up bidder shall submit its offer in two separate envelope one is technical envelope another is the financial. So, this is two envelope bidding technical bid and the if the technical bid is successful then only you go for the this financial bid.

Ok. So, these are the some of the some of this how does this particular instruction to the bidder look like then comes the memorandum of agreement that is two parties sign both the party's contractors and the owner that is the client. Now, contract specification this is as I told you it is the heart of this. So, I will show you. So, those contract specification how what does it contain before that I will just broadly tell you what does it contains and then we will be discussing these are the these things these are the some of the main things for the contents of the contract specification. So, let us go to the what are the contents of contract specification it should contain for this proposal it contains the project brief what is the brief of the project scores of scope of services or that is scope of work that is very important.

So, this is the heart of the contract you do it then the sites where the project where this project will be implemented date for commencement and date for completions of the contract

mobilization period how much time the contractor will take to mobilize their resources you know the manpower expert or equipment materials all those things that that that has to be it generally it is within one month then working days. So, it is a 5 days a week 6 days a week 40 hours a week or not that has to be clearly specified facilities provided by the company. Company the client must provide them some offices or not what are the facilities computer internet all those things are have been have to be specified consultant's responsibility and material equipment provided by the consultant. So, what are their responsibility has to be specified clearly consultants personnel who are the people of the consultant the resource people they have to be mentioned clearly because they will be needing gate pass insurance and all those things the progress meeting how the meetings will meetings the periodic meeting regular meeting will frequency of the meeting and timing of the meeting all those things stages of the meeting has to be specified then progress report how the progress report it should be daily or weekly or biweekly monthly it has to be specified then it also contained the procedure for approval of deliverables very important like the contractors will submit their deliverable then how the approval in which how it will go procedures is required then insurance and limitation of liability fees and payment to the contractor then LD clause liquidation damages if contractor fails to deliver the or the within the time period what will be the penalty that has to be specified superintendent and superintendent representative like from the owner side who is the main for the contract the project manager of the contract so or his representative has to be specified then performance bond I have shown you disclaimer closer accounts notices security restriction and restricted area passes then subcontracting contractor may subcontract part of its work, but with the approval of the client. So, and there are some causes so what are the work they will can subcontract and the approval of the client is must then the modification of general conditions of contract if it is required any modification.

So, that should follow a process a set procedures and all these are the contract specification main clauses. So, we will be showing some of these say I told you one the scope of service it is one of the main clauses. So, for this contract I will show you the scope of service we in some previous module I told you I will show you so, but that time I could not show you now I will show you it should be clear tangible measurable and all. So, if you see this scope of service of this contract let us go ye this is the scope of service and for this say these are the scope of services you must specify the objective after the objective is specified then if you see here each this is the scope of service this is the deliverable. So, you have to specify the scope of service and the deliverable very clearly.

So, different phases these are the scope of service and these are the deliverable. So, you must specify it very clearly. So, that there is no ambiguity you must also say give the timeline you know contract the contracts timeline. So, here you find see in a timeline of each initiative phasing. So, you must give a timeline also.

So, these are the scope of service or scope of work this should be very clearly specified these are the deliverables and the scope of the work. So, you have to very clearly. So, we have seen this then the another important contract specification is the categories qualification and experience of consultant's personnel. So, I will just you just have a look at it. So, because consultancies services you know that that contractors the resource persons are very important.

So, their qualification their experience for the for the consultancy services is very. So, you what you do the project manager he must have 20 years of management consultancy experience and the other these are the you specify it then you specify for the senior consultant 15 years of experience management experience and the other qualifications are specified consultant analyst you specify academic and professional qualification you have to specify for all. So, these are some of the. So, we show the now I will go to the clauses of the contract specification how does it look like. So, this is a this is the contract specification as I told.

So, these are the table of contents for the consult contents. So, these we have already discussed you know working days mobilization period working days facility provided by this all these we have you just have a look up with these are the limitations of liability then these are the specific the clauses those are given. Some of these we have already shown you date of commencement and all working days facilities provided by the company then consultants responsibilities and materials. So, everything is ok then how the main thing is how the deliverables are payments are to be made fees and payment then your insurance procedure for approval of deliverables these are very important this approval deliverables and all these are very important things ok fees and payment not to exceed value liquidated damage. So, these are the real life that contract specification clauses you must have it ok.

So, these are the contract specifications we have this is the heart of the contract we have shown you now the general conditions of contract of concern services. So, this is this general all the contract of the company generally follows this based on this general conditions of consultancy in case of any clarification or any arbitration legalities and all this has to be this specific contract is part of this general condition you have what does it contain general condition definitions language interpretation entire way word inspection these are the some of the specific clauses those are those contains the GCC general conditions of the contract yeah. So, I will just now quickly you can go for it this is the general conditions of the entire agreement all these things are. So, it is a big document. So, you must be also having every company have their own this GCC or general conditions general of contract for their any services or the work.

So, we have done all this now you have got a fair idea now the form of tender how does it look like. So, we have this these are the say attached breakdown of not to exceed value contract ah. So, these are the different form different that forms attachment we have shown you a list of attachments know out of this I will just show you few important things like say this one the how does it. So, not to exceed value is looks like this. So, your amount you just mention total amount of the contract that is not to exceed value this you just have to specify it.

So, this is this is this is. So, ok then then the breakdown of daily rates for personnel. So, you have seen the different categories of personnel now their breakdown is also have to be given say project manager, senior consultant, consultant, analyst. So, if any unit rate total amount if any pro rata basis you have to give. So, then it will be after say contract is finished then or the some deliverable is given accepted after that you need to require their help. So, if these daily rates will apply at that time then this is very important approach and implementation methodology.

Here the how the contractors you are asking for them their approach for implementing the contract. These are the approach or methodologies listing of task activities business management tools techniques templates standards identifying the possible risk of full-scale implementation training methodology periodicity creativity these are the approach material then the resources number and qualified detailed of the consultant detailed CV of the consultant team structure all this they will respond against this and this will be the part of the evolution criteria depends on this. So, this is very important ok. So, there are other forms of tenders are also there like attachment 5 preliminary program works and all these are some of the attachment the contractor has to fill in based on this their evolution will be taken place. So, these are all for the RFP how it what are it contains how what are it consists of.

So, now, I will be going and this is a generic template for evaluation of RFP and selection of contractor you have those RFP you have created and they have contractors have responded to that. So, you have got the many proposals from different contractors. Now, what should be your evolution criteria and how you will you select that. So, this is a generic template in generic template these are the say the criteria contractor qualification technical skill understanding of contract and condition and you give a weightage that is the company gives the weightage and up on that say understanding proposal specification innovativeness and originality reputation for delivering price total. Then you rate against each for the different proposal a rating is given say 1 to 10 scale or whatever scale you prefer then this into this maximum weightage you get the get the then you total it the all these rating you give and

multiply with the weightage you get a value then the highest value you award the tender to that candidate or the vendor.

So, these are the generic template now I will be showing some specific for those RFP I had mentioned and all some few specific templates you can make also that these template depends on the nature of your contract and you have to do it in house in your organisation ok. So, what you have to do now you have to fix bid evolution criteria that is one of first thing how do you do that I will show it to you then preparing bid evolution matrix. So, criteria are fixed then the matrix you prepare then you prepare a bid evolution sheet. So, these are the things you will be doing. So, how do you do that? So, let us go to the so, so all these I will be showing it to the next this here this is the excel what does it show it is this one of the contract say evolution matrix.

So, what you are doing the planning this is a planning of communication of activities this is a CNM one contract that is the communications and media management. So, it is an around 50 million dollar worth of consultancy. So, knowledge and understanding of work requirement here what you do that say these are the things you grade it points may be 0 is the if you are very poor mid middle is 7.5 and maximum you get the minimum middle and maximum score. So, what are the criteria? Criteria you put it the bidder demonstrated a clear understanding of scope of work deliverables objectives and the requirements of the communication plan including reaching to various stakeholder.

For 0 it has reference to corporate plan objective, but were not constructed mentioned C P is communication plan mentioned communication activities as tools towards reaching objectives without clear identifying how or without identifying different stakeholder this this is that then the communication plan objectives reached towards identified stakeholders were at the heart of the approach this is 15. So, you give a score for that proposal minimum medium middle and the maximum. Similarly, it is for approach tools and techniques then creative and communication that is creativity that that is relevance to the strategic objectives of the company simple unique and impressive these are the criteria you fix then these are the values you give it for these are the not relevant if their proposal this criteria is not relevant things they have given 0 mentioned briefly or generally known relevant in analytical matter and easily linked to SO scope of work and the communication plan. So, you can do it this is the bid evolution matrix then you do what you a bid evolution how the evolution is being done. Say this is the evolution sheet that factor this planning communication activities knowledge of understanding approach these are the sub criteria 0 7.

Company A company B company C company D, their scores, you give it in a similar approach relevancy, simple, this you get, who is the winner, this company B he gets the

maximum then company C is the second, this is best one then these are the worst one. So, these are the some of the that evolution sheets you have done say similarly this is another contract you know full scale implementation contract here is the how do you do it that you do it through say the company A B C D E F all these companies are top management consultants in the world top 6 they say they say using task and activity sequencing this is the criteria you collect it from the approach that you have asked for them then tools techniques and template standards benchmarking risk mitigation plan training methodology interaction with senior management creativity all these things were asked for the for that approach and methodologies and all. So, you and you give weightage for this these are the weightage given then you get a weighted score of this weightage and this you get the weighted score it consists of 40 percent say approach and methodology and this is 40 percent then weighted score for consultant resources there is 60 percent say consultant resources means their education and qualification these that C V and all we have analysed say the consultant of the company's average qualification average total relevant work average total years of experience number of average number of relevant projects done total score all this then you they these you get it and you final rank the which one wins the thing. So, the this is the ranking you get.

So, the this is the best one is this company F. So, you award the award it to the company F. So, preparing this bid evolutions and all this is one of the good practices and all you do it. So, next to summarize what we have discussed it today is that this session we have discussed the how to prepare of request for proposal and its contents then we have developing how to develop an evolution criteria for an RFP and we have also done the evaluation of proposal and based on that the best vendor you have selected it. So, we have discussed this and we have also illustrated the best practices followed in real life.

So, this we have done it. So, these are the reference books you can go through and can know more about this contract management and the preparations of RFP bid evolution bid the bid evolution and the selections of vendor and contractor. So, thank you very much for attending today's lecture.