

The Good RFP (Request For Proposal)

PURPOSE OF A GOOD RFP: Provides a common set of project or activity requirements for the vendor to respond to.

- The items included and the specificity of the RFP vary by type of work.
- An association manager can assist in the proper preparation of a maintenance RFP. Other professionals are available to prepare RFPs for more complex projects. The CAI also has some wonderful resources available for this.

COMPONENTS OF A GOOD RFP: The components of an RFP should communicate to vendors the minimum response necessary to evaluate their qualifications, scope and cost and make an apples-to-apples comparison of their proposals. Note: only ask for items necessary for the specific project or activity being requested. Too numerous or burdensome RFP requirements discourage smaller vendors from responding, restricting access to the potentially lower pricing they offer. The good RFP should contain the following appropriate to the complexity and size of the planned activity or project:

- Schedule of Proposal Events.
- Standard and Special Terms and Conditions.
- General Information
 - ✓ Definitions.
 - ✓ Purpose or Intent of the Project or Activity.
 - ✓ Background on how the Association has accomplished the activity or project in the past.
 - ✓ Method of Payment.
 - ✓ Contract Term (especially important for periodic maintenance activities).
 - ✓ Presentations, Interviews or Demonstrations.
 - ✓ Pre-Proposal Conference.
- Technical Specifications.
 - ✓ Specifications (goods, materials and projects) or
 - ✓ Scope of Services (services) or
 - ✓ Scope of Work (projects).
- Deliverables and Schedule.
 - ✓ Support, Training, or on-going Maintenance.
 - ✓ Warranties.

- Vendor Requirements
 - ✓ Mandatory Requirements (insurance, business license, bonds and certifications from the manufacturer if a large product is involved).
 - ✓ Vendor Organization (Sole Proprietor, Partnership, Corporation, State of Incorporation).
 - ✓ Vendor Qualifications (years in business, owner's resumes, experience with similar projects, financials and references).
- Proposal Response Format (use this for only the most complex projects).
- Cost Proposal.
- Method of Evaluation and Award.
 - ✓ Evaluation Criteria.
 - ✓ Negotiations and Best and Final Offer.
- Attachments (architectural or engineering drawings, past reports or studies and a sample contract).

SPECIFICATION TYPES: Four levels of specificity in preparing written "instructions" for maintenance activities or project work. They are (listed from least to most specific):

- Scope of Work Statement
- Outline Specifications
- Bid Specifications
 - ✓ The Performance Specification
 - ✓ The Proprietary Specification
 - ✓ The Prescriptive Specification
- Installation Manual – usually prepared by the product manufacturer.

DRAWINGS: Architectural and engineering drawings are used most exclusively for major renovation, major repair and replacement projects that meet the following criteria:

- The project involves more than one construction trade.
- The configuration, location or quantity of the material, components or systems are too complex to be described only in writing.
- The city or county requires the submission of project drawings for review and approval for compliance with various laws, codes and ordinances.

INSPECTION: Monitor the work of the vendor or contractor. Remember, "you can't expect what you don't inspect."

- For repetitive activities and services (maintenance, accounting, taxes, landscaping, pool service, etc.) utilize your professional manager for monitoring these activities.
- For projects, engage the firm that prepared the specifications and/or drawings to inspect the work of the contractor and to monitor contract compliance.

SKILLS and LICENSES: Has the association identified the requisite skills and licenses required of the vendor?

- Having the correct skills is important to achieving the level of quality needed for the task, activity or project.
- Construction contractors are required by State Law to possess the correct license classification (Class A, B or C) before bidding on a project.
- Vendors may need to possess the required licenses (hazmat, pesticide applicator, lead paint) to perform work on the common elements of the association.
- Research codes, laws and ordinances that cover the planned activity or project.

INSURANCE: Has the association received guidance from their underwriter regarding coverage requirements?

- Has the correct types of insurance been identified?
- Have the coverages been coordinated to prevent coverage gaps and coverage overlaps?
- Do the policy limits bear a relationship to the risks involved?

KEEP IT SIMPLE: Remember, unrealistic demands will result in higher costs to the vendor, which are passed on to their customers (you).

WHO IS AVAILABLE TO ASSIST YOUR ASSOCIATION?

- MANAGERS
- ATTORNEYS
- ACCOUNTANTS
- ARCHITECTS
- INSURANCE AGENTS
- RESERVE SPECIALISTS
- CONSTRUCTION CONTRACTORS
- SPECIALTY MAINTENANCE COMPANIES
- INTERNET and CAI (National) RESOURCES