Public Procurement Practice

DEVELOPING EVALUATION CRITERIA

STANDARD

Before issuing a Request for Proposals (RFP), procurement professionals and stakeholders must establish the criteria by which the resulting proposals will be evaluated. Criteria are established to evaluate the responses and select the best value proposal.

**Definition**

**Evaluation Criteria:** The qualitative factors, generally used in the RFP method, that an evaluation committee will use to rate and score responses and select the best value proposal. Criteria may include past performance, references, management and technical capability, price, and the quality of the technical approach.

**Element 1.1: Developing Evaluation Criteria**

Evaluation criteria are based on the RFP’s scope of work and are developed when the RFP is written. Each criterion will typically be assigned a weight to reflect its comparative importance. When the evaluation committee evaluates and scores proposals, the committee must adhere only to the evaluation criteria listed in the RFP.

**Criteria to Determine Proposer Responsibility**

Evaluation criteria are used to establish proposer responsibility, which is the capability and capacity to perform and deliver. For example, criteria may include evaluation of:

- Economic and financial condition (including bonding capacity and applicable insurance)
- Technical and professional ability of staff assigned to the project
- Criminal history/background checks/reference checks (e.g., ensuring that the proposer has not been convicted of bribery, corruption, collusion, fraud, etc.)
- Quality of goods/services
- Reliability (e.g., will the proposer faithfully complete the terms of the contract?)
- Ethics (e.g., determined through reference checks, past performance evaluations, company policy on ethics, etc.)
- Management practices and ability to perform
- Facilities and equipment
- Experience

**Criteria to Determine Proposal Best Value**

Some evaluation criteria are used to determine which proposal provides the best value and to further determine the proposer’s ability to perform/deliver.

These criteria must also be aligned with the scope of work and may be used to evaluate:

- Price
- Quality
- Aesthetic and functional characteristics
Public Procurement Practice

DEVELOPING EVALUATION CRITERIA (Cont’d)

- Environmental characteristics
- Operational costs
- Technical approach
- Delivery date
- Sustainability (social, economic, and environmental considerations)
- Innovation

Note: This is a non-exhaustive list. Criteria may vary based on the requirements of each contract and/or local regulations, and the needs of the end user.

Element 1.2: Weighting and Scoring Evaluation Criteria

The identification of criteria and their respective weights must be selected with care to ensure that the evaluation process results in the best value proposal. Weights of evaluation criteria are assigned based on the relative importance to the entity of each criterion.

Example: A criterion is assigned a weight of five and the evaluation committee may rate the criterion from zero to ten. Therefore, a criterion with a rating of eight would receive a calculated score of 40.

Once criteria are established, weights for sub-criteria would then be allocated accordingly. If, for example, the weight for a criterion was 40, then the sum of the weights for all sub-criteria under that criterion must equal 40.

In another method, a point system may be used. For example, a maximum of 30 points would be attributed to a criterion. Evaluation committee members would rate that criterion between 0 and 30. The sum of the individual committee members’ ratings would be totaled or averaged, depending on the process stated in the solicitation.

When numerical values or weights are not assigned, the criteria should be listed in descending order of importance.

Element 1.3: Notification of Criteria

Evaluation criteria must be published in the RFP and their associated weights must be published before receipt of proposals, if not included in the RFP. Criteria and weights must remain unchanged unless the changes are documented and published in addenda. Extensive advertisement of the evaluation criteria and their associated weights using the entity’s website, local newspapers, the entity’s bulletin boards, local contractors’ associations, the websites of other entities, and email notices will help potential proposers understand the relative importance of each criteria. The more knowledgeable potential proposers are regarding the criteria, the more likely the proposals will meet the needs of the entity. Furthermore, publication protects the entity from challenges claiming the criteria were chosen post publication to favor a particular proposer.

Background

Establishing evaluation criteria is an essential part of the RFP process as it leads to the selection of the proposal which best meets the needs of the entity—and provides a paper trail for others to follow to ensure this somewhat subjective process was done fairly, so as not to favor one proposer over another. When developed appropriately, criteria should relate directly to the scope of work, determine if the potential proposer is responsible, and be clear enough to ensure that potential proposers gain an accurate understanding of what is most important to the entity. Criteria and their assigned weights will vary by the type of good or service that is being procured. Extensive market and supplier research, along with a full understanding of the subject matter of the RFP, will aid in the selection of the most appropriate evaluation criteria for the particular procurement.