

BID EVALUATION: SOURCE SELECTION

What is a Bid Evaluation Plan?

Proper bid evaluation and contractor selection methods ensure that all contractors are treated fairly and justly in the procurement process. The bid evaluation plan is established **prior** to issuance of the bid solicitation. The evaluation plan will be the basis for auditing the fairness of the evaluation process. The details of the evaluation plan will be for Departmental internal use only. The purpose of the bid evaluation plan is to clearly document the procurement file:

- The bid evaluation criteria.
- Their respective weighing factors.
- The scoring method that will be used to determine which bid best meets the requirement.
- The scoring grid against which these evaluation criteria will be evaluated.

What is Included in the Bid Evaluation Plan?

The evaluation plan must include:

- Evaluation method.
- Evaluation criteria, sub-criteria, and respective weight factors if applicable.
- Contractor selection method.

What is the Difference Between “Lowest Cost” and “Best Value” Bid Evaluations?

Lowest Cost is the appropriate source selection process to apply only when there are well-defined requirements, the risk of unsuccessful contract performance is minimal, and price is the sole or most significant factor in the source selection.

Best Value can be defined as the trade-off between price and performance that provides the greatest overall benefit against a specified set of criteria. Best-value procurement allows other factors, such as qualifications, technical skill, schedule implementation, quality, and performance-based criteria, to be used in evaluation and selection. Generally, there are four major factors to be considered in a Best Value analysis:

- Technical approach.
- Management approach.
- Past performance on similar contracts.
- Price.

How Do I Develop the Bid Evaluation Criteria?

The evaluation criteria and contractor selection method established must be tailored to the specific requirement in order to ensure intended and appropriate end results are achieved to meet the client needs. The development of bid evaluation criteria and choice of contractor selection methods should take into consideration many factors. These include but are not restricted to:

- The nature of the requirement.
- The ability of the Department to articulate the requirement in a clear and concise manner.
- The ability to identify relevant evaluation criteria.
- How realistic and measurable are the criteria?

What are the Different Bid Evaluation Methods?

Three methods of evaluation may be used:

- Minimum mandatory criteria requirements only. This means that to be responsive, a proposal must meet all the mandatory criteria specified in the solicitation document.
- Point-rated criteria requirements only. This means that to be considered responsive, a bid must obtain the required minimum score on the point-rated criteria. It is important to decide whether you weight each criteria or weigh the cumulative value of each criterion. As a general rule, weighing each criterion produces a more defined score and places emphasis on the more important criteria. NOTE: IF PRICES COMPRISES GREATER THAN 50% OF THE POINT-RATED CRITERIA, THIS METHOD SHOULD NOT BE USED.
- Combination of minimum mandatory and point-rated requirements. This means that to be considered responsive, a bid must meet all the specified mandatory requirements, and obtain the required minimum score on the point-rated criteria.
- Adjectival criteria such as **A, B, C, D** scoring with A being highest and D being lowest. This process allows for a more qualitative assessment so long as definitions, performance indicators and differentiators are well defined.

DO'S AND DON'TS OF BID EVALUATION AND VENDOR SELECTION

DO evaluate each bid on its merits.	DON'T change the proposal evaluation plan after proposal
DO apply criteria consistently	closing date or use unpublished criteria.
DO document your results with matrices, grids individual	DON'T share evaluation info with vendors.
and consensus evaluations and written rationale	DON'T use personal knowledge about a vendor or
DO ensure vendors provide specific evidence support bid.	give vendors the "benefit of the doubt" in bid evaluation.