

# Procurement Guide

Including:

- Scope of Work Writing Guide
- Guide to Preparing a Request For Proposal
- Procurement Evaluation Guide



# Procurement Guide

A Guide to Acquiring Goods, Services & Construction  
For Public Entities



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## SECTION A: INTRODUCTION AND OVERVIEW

This Procurement Guide (Guide) has been developed to provide a framework to how public entities conduct their procurement. For the purposes of this Guide public entities include all Government of Saskatchewan ministries, Crown corporations, boards, agencies and commissions.

This document is part of a suite of materials that public entities can utilize to assist in conducting procurements. The suite contains the following guides:

- Procurement Guide
- Guide to Preparing a Request for Proposal (RFP)
- Scope of Work Writing Guide
- Procurement Evaluation Guide
- Vendor Debriefing

## PUBLIC PROCUREMENT - A SEVEN STEP PROCESS

The Government of Saskatchewan is committed to the use of a “best value” approach in its procurement. A best value approach means that public entities will structure and conduct procurements in a fashion which allows consideration of factors beyond total cost in determining which supplier proposal provides the greatest overall benefit. While total cost remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors in developing the evaluation components of procurement opportunities. This manual will help guide you through the process of applying best value procurement.

Public entity competitive procurements are conducted in seven steps:

1. Need Identification/Problem Definition;
2. Decide on a Procurement Approach;
3. Conduct the Competition;
4. Evaluate bids;
5. Make an Award;
6. Debriefing Suppliers; and
7. Contract Management.

The following provides a high level overview of these steps with references to where you can find further details within the guide.

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## Step 1 – Needs Identification/Problem Definition

This step is best accomplished when the end-user and the procurement professional are able to sit down together and discuss the objectives of the procurement. The procurement professional can present options on how to define the requirements and business challenges to be addressed.

The defining of the requirement or problem is a crucial step in the process. A good process cannot save a bad scope of work. A Scope of Work – Writing Guide has been prepared by Priority Saskatchewan to assist entities in the preparation of a requirements and specifications document.

Engagement by suppliers is an important part of any procurement process. Suppliers have a wealth of knowledge that they can provide to a public entity regarding products, services and market conditions. Well before issuing a competitive procurement document public entity personnel should consider meeting with industry to discuss a range of possible high-level solution options, and market capacity and readiness considerations. Consultations are not meant to provide specific solutions or require suppliers to provide consulting or analytic services.

One way to approach the solution description is to use a technical specification. This is accomplished by describing the physical attributes of the goods required. This approach can be prescriptive and is often used for lower dollar value and repetitive purchases.

Another approach is to describe the requirement by using a performance specification. This requires defining the required outcomes, describing the intended use of the product or what is to be accomplished. The idea is to define “what” is to be done without prescribing “how” it is to be done. Suppliers are allowed to be innovative in their approach to solving the problem.

You can use a combination of technical specifications and performance specifications. At times you have to be prescriptive and at times you are able to allow for multiple solutions. For larger or more complex procurements it is preferable that the competition documents defines the problem and then leave it to the supplier to propose a solution. With this approach the supplier bears the manageable portion of project risk. If government dictates the solution we would then bear the risk that we have chosen the best/right approach. In all cases the idea is to pick the right “tool” for the job.

A less common approach is to not ask for any solution in the competition, but to simply rate a supplier’s experience on related projects and then award work in partnership with the chosen supplier to define the project parameters.

In any case there are many approaches to a procurement that should be considered.

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## Step 2 - Decide on a Procurement Approach

The objective of any procurement is to secure the best value for public entities. In some cases for lower dollar value or simple requirements it is acceptable to allow total cost to be the predominate factor in making an award. For larger or more complex procurements using a best value approach will mean establishing a defined set of evaluation criteria that is customized to the particular procurement and will assess several factors such as corporate experience, resource experience, local knowledge, methodology, approach, risk management plans, and/or project scheduling while also assessing overall project costs.

There are a broad range of approaches to be considered. These range from using an Invitation to Tender (ITT) to using a Request for Proposal (RFP).

Traditionally with ITTs all requirements were mandatory and the award was made to the lowest priced compliant supplier. In recent years the ITT has started to see the use of other factors for evaluation such as delivery time, warranty, after sales services and past performance. The objective of the recent changes is to encourage competition beyond price among qualified suppliers.

An RFP permits a wide variety of approaches that can be considered. As part of this spectrum requirements can be described in a prescriptive fashion or by defining the problem and leaving it to the supplier to propose a solution. For large and complex competitions it is suggested that a multi-staged approach be taken so that only the most viable suppliers are required to go through the work of completing a comprehensive RFP response.

The end-user and procurement professional should take care in choosing the appropriate criteria to be rated in the competition. This Guide provides advice on making these choices. Further guidance and direction can be found in the How to Prepare a Request for Proposal manual which can be found on SaskTenders.

## Step 3 - Conduct the Competition

A competition is generally posted publicly on the Government of Saskatchewan's common procurement portal; SaskTenders advertising in a newspaper, trade journal or on an alternative electronic posting site can be used as a supplement to the SaskTenders notice, or as an alternative to SaskTenders for contract opportunities under the policy thresholds. Often the ad will point interested parties to SaskTenders as the place to obtain the RFP document.

All competitions posted to SaskTenders are automatically posted to the Alberta Procurement Connection and BC Bid sites.

Suppliers are able to review the competition and, if necessary, ask questions and/or attend a bidders' conference or a site visit where applicable. Answers to questions that affect the competition or change the process are posted on the procurement portal for all participating suppliers to review. Questions that are proprietary to the supplier's solution proposed may not be posted, provided that the procurement documents indicate such. All questions should be assessed on a case by case basis in light of the terms specified in the procurement documents to determine if they are to be posted or not. Suppliers are required to submit their responses by a closing date and time indicated in the competition document.

Further information on the conducting of procurement competitions can be found in Section C of this Guide.

#### **Step 4 - Evaluate Bids**

**The evaluation must be conducted in accordance with the criteria and process outlined in the RFP.**

Before the competition document is posted it is preferred that the end-user and the procurement area will have established an evaluation grid document that corresponds to what is in the Evaluation Criteria section of the RFP. In any event this grid must be completed prior to evaluators receiving or opening any proposals.

The RFP document is to provide suppliers with a list of evaluation criteria which may include a corresponding weighting for each criterion. Internally, an evaluation grid will typically provide a more detailed breakdown of what the evaluator should be looking for to be able to award points for each criterion. When crafting evaluation plans and criteria, there should be consideration given to how innovation, creativity and alternative solutions will be evaluated and compared. In cases where a committee is formed to evaluate bids it is suggested that each evaluator evaluates independently and then a meeting be held to bring all evaluation team members together to develop a consensus score for all proposals. The short listed suppliers may then be asked to conduct a presentation or a demonstration. All of these evaluation steps will be detailed in the competition document and only those short listed will be asked to go to the time and expense of a presentation. Reference checks may be conducted at this point. If the RFP contemplated it then a best and final offer (BAFO) process may be conducted (see Appendix C for an explanation of BAFO). A subsequent meeting of the evaluation team is held to review scoring and come to a consensus on which supplier should be recommended for award. . All documentation related to the procurement should be kept with the procurement file. All decisions should be fully documented and must be defensible.

### **Step 5 - Make an Award**

Once consensus has been reached as to who the preferred supplier will be, the procuring entity will follow their internal approval process to have the award approved and a contract established with the preferred supplier.

### **Step 6 - Debriefing Suppliers**

Post-award and after an agreement has been signed with a supplier, public entities are generally to offer suppliers the opportunity to receive a debriefing. A well-constructed debriefing process helps to ensure accountability and transparency in the procurement process.

### **Step 7 - Contract Management**

The scope of each contract must be appropriately managed to ensure that all deliverables are properly received, payments are appropriately made, all timelines are met and any extension options are appropriately exercised and supplier performance evaluated.

Contract management begins with the awarding of a contract, and continues throughout the life of that contract until all the obligations have been satisfactorily completed, final payment has been made and warranties have expired.

### **Conclusion**

It should be noted that any approach that is chosen for a particular procurement should comply with the public entity's internal policies and respect contract law, trade obligations (where appropriate) and any other applicable government regulations and procedures.

Any questions or comments regarding this guide can be directed to the public entity's procurement area or to Priority Saskatchewan.

Public entities can access further information and procurement templates on the SaskTenders website. There are also several helpful links at the end of this guide.

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## SECTION B: GOVERNMENT POLICIES AND TRADE AGREEMENTS

In addition to maintaining a high level of public confidence in its procurement process, the Government of Saskatchewan recognizes the important contribution that public entity procurement can make towards supporting economic growth and promoting Government of Saskatchewan objectives.

### Our Mission

The Government of Saskatchewan is dedicated to addressing public service and supply needs in a way that demonstrates leadership in:

- Service delivery;
- Value and innovation;
- Citizen and industry focus;
- Expertise; and
- Sustainability.

### Principles

The Government of Saskatchewan is committed to principles that provide a foundation for all public procurement:

- Open, transparent and fair processes;
- Flexible approaches to doing procurement;
- Consistency and clarity in how we do business;
- Best possible value for money and a focus on outcomes and business solutions;
- Demonstrate respect for our suppliers by engaging in meaningful consultation;
- Easy access to public tender information and opportunities;
- Innovation that fosters economic development and competitiveness;
- Respect for our trade obligations; and
- Continuously improving how we do business.

### Objectives

Through the application of these principles, and policy frameworks, the Government of Saskatchewan is demonstrating its commitment to our communities and citizens. We will endeavor to:

- Ensure that public requirements for goods, services and construction are met through open, principled, and transparent processes that maximize competitive opportunity, and provides the best value and outcomes for the public;
- Conduct procurement and contract management in a way that is principled and results oriented;
- Ensure that public tender opportunities are developed and presented in a manner that encourages Saskatchewan businesses to participate and to propose innovative, value added solutions;
- Replace prescriptive technical specifications with outcome and performance based requirements where we deem practicable;
- Clearly define bidding requirements and evaluation measures used in competitions so that suppliers understand what is expected and how decisions will be made;

- Work with all suppliers to help them understand how to bid and be successful in the government market place;
- Honour our trade agreement obligations while reserving our economic rights within them, as well as the right to treat out of province suppliers in the same way as their jurisdictions would treat suppliers from Saskatchewan;
- Be accountable for procurement decisions and provide access to fair and equitable debriefing and complaint/dispute resolution processes; and
- Create a community of practice among public entities to promote consistency and the highest standard of conduct in procurement and supplier relations.

## Code of Conduct

### Standards of Procurement Practice of Public Entities

Employees of public entities are expected to conduct business in a manner that brings credit to the public entity and the government, and the best value to the public entity.

Employees of public entities are expected to conduct all procurement activities:

- in accordance with the law and the public entity's legal, trade and policy obligations;
- with competence and professionalism;
- in an ethical fashion avoiding:
  - unethical or compromising behaviours or appearances of unethical or compromising behaviours and
  - conflicts of interest or situations that may be perceived to be conflicts of interest. Employees are to report such situations to the employee's supervisor when the employee is aware of the potential of a conflict of interest in accordance with the rules established by the public entity for the management of such matters;
- in a fair, balanced, and respectful manner and ensure that decisions and evaluations are undertaken in an objective, unbiased fashion in accordance with the requirements and specifications outlined in the procurement request; and
- in accordance with the public entity's values and policies.

Employees of public entities are also expected to:

- ensure the public entity is advised of options available for procurement, including making use of relevant, flexible and appropriate procurement processes where appropriate; and
- be open to considering new ideas, business solutions and lawful ways of doing business that may better serve the public entity and the supplier community.

### Standards of Procurement Practice of Our Business Partners

Just as there are standards for public entity employees who conduct procurement activities, certain behaviors are also expected from suppliers. In particular, suppliers are expected to:

- avoid unethical or compromising actions and behaviours or the appearance of unethical or compromising actions and behaviours in the conduct of business relationships with public entities;

- avoid conflicts of interest or situations that may be perceived to be conflicts of interest;
- not engage in any activity that compromises the public entity's ability to run a fair procurement process, including:
  - attempting to influence an employee of a public entity or any public official to act in an improper manner or to improperly influence an evaluation process;
  - participate in any prohibited communications during a procurement process; or
  - submitting inaccurate or misleading information in response to a procurement opportunity;
- act in accordance with the law;
- fulfill all resulting contractual obligations in a professional and competent manner and in accordance with the terms and conditions of the contract; and
- be respectful in their dealings with the public entity.

### **Conflict of Interest**

The Government of Saskatchewan has also established a Conflict of Interest Policy to clarify expectations related to actual or perceived situations of conflict of interest.

#### **Definitions**

"Conflict of interest" includes any situation or circumstance where, in relation to a public entity procurement competition, a participating supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including:

- i. having, or having access to, information in the preparation of its proposal that is not available to other suppliers, but does not include information a supplier may have obtained in conjunction with a contract with a public entity that is not related to the creation, implementation or evaluation of this or a related procurement;
- ii. communicating with any person with a view to influencing preferred treatment in the procurement competition (including but not limited to the lobbying of decision makers involved in the procurement competition); or
- iii. Engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive procurement competition or renders that competition non-competitive, less competitive, or unfair.

"Public entity" means a ministry, agency, board, commission, or Crown corporation of the Government of Saskatchewan.



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## Application – Conflict of Interest Policy

The Conflict of Interest Policy applies to all public entity procurements of goods, services, and construction whether by purchase, contract, or lease.

This Policy establishes that in procurement competitions suppliers are to declare all actual, potential or perceived conflicts of interest. A perceived conflict of interest can arise where a reasonable person could form the view that a participating supplier has an unfair advantage. There are many situations where a conflict of interest can arise, however the following are some examples:

- (a) a supplier that has a familial or close personal relationship with employees or officials of the public entity;
- (b) a supplier who had past employment with, or served on the board of directors of, the public entity;
- (c) a supplier lobbying public entity decision makers involved in the procurement; or
- (d) a supplier who is or was involved in the creation, implementation or evaluation of the current procurement.

The foregoing is not an exhaustive list but simply outlines some examples for illustrative purposes. The provisions in the procurement documents for each competition will govern the description, identification and resolution of conflicts of interest, and suppliers are reminded to carefully review these documents prior to responding.

A public entity that receives a disclosure of an actual, potential or perceived conflict of interest from a supplier may, in its sole discretion and without limitation, take one or more of the following steps:

1. require the supplier to address any actual, potential or perceived conflict of interest to the satisfaction of the public entity (e.g. remove or isolate an individual from the procurement);
2. disqualify the supplier from further participation; or
3. such other steps the public entity may deem appropriate.

A supplier that fails to identify actual, potential or perceived conflicts of interest may be disqualified from the procurement competition and may also be subject to such other sanctions as the public entity may deem appropriate.

It is expected that the Code of Conduct and Conflict of Interest Policies will be reviewed and amended over time to maintain their usefulness and relevance.

## Trade Agreements

Along with policies and procedures, there are currently three trade agreements which contain obligations for public entities:

1. New West Partnership Trade Agreement (NWPTA)
2. Agreement on Internal Trade (AIT)
3. Canada-US Agreement on Government Procurement (CUSPA)

Although each agreement applies to different public entities and contains unique requirements, all agreements were negotiated to improve governmental procurement accessibility to all potential suppliers.

The NWPTA covers most goods, services and construction, similar to the AIT. The CUSPA covers all goods, only specified services and only identified areas of construction.

Public entities are required to post competitions to SaskTenders under Trade Agreement obligations.

### Value of the Procurement

When determining the value of the procurement and whether any trade agreement applies, calculate the total amount of the expected value of the contract resulting from the procurement activity. Dividing any procurement so that it falls below the thresholds illustrated on the next page is prohibited.

Where any procurement activity has been valued at or above the thresholds identified that procurement activity is subject to the applicable trade agreement. Public entities are expected to adhere to all the obligations contained within the agreement(s) and will be subject to any of the dispute mechanisms available to suppliers.

### Thresholds and Coverage of Entities

Below is a reference chart to assist public entities in determining which agreements could apply to them and what the thresholds are:

The following are the applicable trade agreement thresholds (as of January 2018):

#### Procurement Thresholds (in Canadian Dollars)

<b>MINISTRIES</b>	<b>New West Partnership Trade Agreement</b> <i>Part II, Article 14.1(a)</i>	<b>Canadian Free Trade Agreement†</b> <i>Article 504.3(a)</i>	<b>WTO Agreement on Government Procurement‡</b> <i>Appendix I, Annex 2</i>	<b>Canada-EU CETA‡</b> (includes Treasury Board Crown Corporations) <i>Annex 19-2</i>
<b>Goods</b>	\$10,000	\$25,300	\$649,100	\$365,700
<b>Services</b>	\$75,000	\$101,100	\$649,100	\$365,700
<b>Construction</b>	\$100,000	\$101,100	\$9,100,000	\$9,100,000

<b>CROWNS</b>	<b>New West Partnership Trade Agreement</b> <i>Part II, Article 14.1(b)</i>	<b>Canadian Free Trade Agreement†</b> <i>Article 504.3(c)</i>	<b>WTO Agreement on Government Procurement‡</b>	<b>Canada-EU CETA‡</b> (plus SLGA) <i>Annex 19-3</i>	
				<b>Section A</b>	<b>Section B*</b>
<b>Goods</b>	\$25,000	\$505,400	No coverage	\$649,100	\$731,400
<b>Services</b>	\$100,000	\$505,400		\$649,100	\$731,400
<b>Construction</b>	\$100,000	\$5,053,900		\$9,100,000	

<b>MASH SECTOR</b>	<b>New West Partnership Trade Agreement</b> <i>Part II, Article 14.1(c)</i>	<b>Canadian Free Trade Agreement†</b> <i>Article 504.3(b)</i>	<b>WTO Agreement on Government Procurement‡</b>	<b>Canada-EU CETA‡</b> <i>Annex 19-2</i>
<b>Goods</b>	\$75,000	\$101,100	No coverage	\$365,700
<b>Services</b>	\$75,000	\$101,100		\$365,700
<b>Construction</b>	\$200,000	\$252,700		\$9,100,000

† The procurement thresholds for the Canadian Free Trade Agreement are adjusted with inflation by the Internal Trade Secretariat in accordance with Annex 504.4 of that Agreement. The values above are for 2018-2019.

‡ The procurement thresholds for the World Trade Organization (WTO) Agreement on Government Procurement and the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) are fixed in Special Drawing Rights. Periodically, these thresholds are adjusted to account for changes in currency strength. The values above are for 2018-2019.

\* Section B entities are those involved in energy transmission, transit networks, distribution and treatment of water, or the distribution of electricity or gas (see Canada-EU CETA, Annex 19-3, Section B).

Valid until: December 31, 2019

Where public entities are unclear regarding their obligations under any trade agreement they should consult with a representative from a procurement area, or, where applicable, with the Trade Policy Branch of Executive Council.

Public entities are reminded that subdividing, splitting or otherwise structuring procurement requirements or contracts in order to reduce the value of the procurement or in any way circumvent a public entity's procurement process may be in violation of applicable trade agreements or procurement policies. Check with your procurement area if you have any questions.

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## SECTION C: PROCUREMENT PROCESS AND PROCEDURES

### Introduction to the Procurement Process

#### Early Supplier Engagement and Consultation

Early supplier engagement is an important part of the procurement process. Suppliers have a wealth of knowledge and insight that they can offer to public entities regarding products, business solutions and market conditions. You can tap into this knowledge through direct consultation and market sounding processes, and by the use of tools like the Request for Information (RFI) as appropriate.

Suppliers are an important part of how services are provided to the public. In the interests of balance and fairness public entities have a responsibility to respect the time and effort of suppliers when asking them to provide input to procurement initiatives. Consultations are not meant to provide specific solutions or require suppliers to provide consulting or analytic services.

#### Contact During the Competition

Throughout a competitive process public entities must ensure that potential suppliers to government are treated in a fair and unbiased manner.

- Ensure only one person is the contact person and is authorized to make commitments on behalf of the public entity. This person will answer, or arrange to answer, all questions from bidders and may distribute the answers to all bidders who have expressed interest in the process. In this way, all stakeholders will receive consistent information. The exception is in the case of proprietary information that should not be disclosed to competitors.
- Only questions in writing should be accepted and answers should be given in writing to maintain an accurate historical record. If verbal questions are received by the contact person, both the question received and the answer provided should be recorded in writing.
- All relevant information which could reasonably impact the procurement also needs to be disclosed in the procurement document. Fair and consistent disclosure of information related to the procurement process ensures a leveling of the playing field for all potential suppliers.
- The procurement document should not be drafted in such a way that only one bidder would be able to qualify. At a minimum, where there are specific product requirements, equivalent products should be allowed to be considered.

## Typical Procurement Planning Process

The Government of Saskatchewan is committed to the use of a best value approach in its procurement practices. A best value approach means the public entity will structure and conduct procurements in a fashion which allows consideration of factors beyond total cost in determining which supplier proposal provides the greatest overall benefit to the public entity. While total cost remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors in developing the evaluation components of procurement opportunities.

## Considering Best Value

Consideration of best value begins with a comprehensive appreciation of the purpose and challenges that the procurement is intended to address. When assessing a business requirement it is important to consider:

- Client input and, as necessary, supplier consultation;
- The nature and clarity of the business problem to be addressed and consultation to be provided;
- Resource, time and budget constraints;
- Cooperative supply and consolidation opportunities;
- Policy, legal and trade obligations;
- Market capacity to respond to the requirement;
- Procurements which are results oriented and which encourage and permit suppliers to propose innovative and value added solutions, where appropriate; and
- Seeking opportunities to participate in cooperative procurement opportunities with other public entities, or with other jurisdictions.

## Achieving Best Value

Obtaining the best value is the reason for conducting procurement. Therefore the officials running the procurement must be fully satisfied that the process will achieve a best value outcome.

A competitive procurement process may consider relevant financial and non-financial factors such as (but not limited to) the following, as components of a best value approach:

- Quality of the goods and services;
- Suitability of the business solutions and outcomes proposed;
- Quality and credibility of the proposal and work plan presented;
- Innovation, creativity and originality demonstrated in the proposal;
- Delivery, deliverables and performance commitments;
- Supplier experience, performance history and demonstrated ability to successfully perform the contract, including service and support capacity;

- Team and individuals proposed;
- Risk and compliance management, including safety practices and history;
- Local knowledge;
- Environmental impact of the goods and services;
- Public policy objectives identified as elements in the proposal and evaluation process;
- Total cost of ownership, which may consider factors such as:
  - Purchase or contract total cost;
  - Costs of delays or performance failures;
  - Administration and contract management costs;
  - Extensions, change orders, total cost change and cost escalation;
  - Cost of additional features, enhancements, upgrades, etc.;
  - Limitations associated with proprietary or patent rights or constraints;
  - Legal or technical costs;
  - Shipping and packaging;
  - Transition and training costs;
  - Licensing costs;
  - Regular and ongoing maintenance;
  - Warranty, parts, and repair; and/or
  - Disposal and remediation costs.

### Local Knowledge

As previously stated, one of the factors that may be considered in best value procurement is the assessment of local knowledge or the equivalent. This assessment may include rating the supplier's knowledge and ability to address considerations such as:

- Climatic and environmental conditions;
- Regulatory, bylaw and licensing requirements;
- Labour codes, Workers Compensation and safety regulations;
- Local market and industrial capacities;
- Building codes and any applicable local codes;
- Public policies and operational objective; and/or
- Professional licensing obligations.

### Procurement Pre-Planning

Although all steps of the procurement process are important, the needs assessment, procurement tool determination, solicitation, evaluation and award stages normally involve the greatest time commitment and the greatest risks. These phases can be the most complex, the most varied, and - if not managed correctly - the most likely to result in onerous obligations (e.g., legal and financial) on the part of public entities. The solicitation activities undertaken may also create risks as legal obligations with the procurement entity and bidders may result.

Depending on the nature and circumstances of each procurement opportunity, the planning and procurement tool determination stages can range from being a simple process (e.g., issuing an Invitation to tender for fire extinguishers) to a complex process involving multiple stages (e.g., gathering background information, pre-qualifying suppliers, and then issuing an RFP). Good procurement practice requires that the process ensures a level of thoroughness necessary to match the complexity of the business situation, as the associated risks increase proportionately with the complexity of a procurement transaction.

To support the activities of public entities, representatives within procurement areas will collaborate with counterparts that provide risk management, financial and legal services as required.

## Step 1 – Need Identification/Problem Definition

The need that has been identified should be justified following a method established by the entity. The method may vary based on the anticipated costs, scope and delegation of authority.

The business case usually includes the following information:

- A clear and concise description of the business need and problem;
- Need – an explanation of what gave rise to the need for the procurement, confirmation that existing internal resources are not sufficient to deliver the project, and no standing offer (SO) or qualified supplier roster is in place for the required goods or services;
- Value - to ensure that procurements are appropriately streamed, it is important to accurately estimate the value of the procurement and ensure it is appropriately aligned with the budget process. As far as practical, the value of a procurement should include all relevant costs to the public entity, including acquisition, maintenance, replacement, disposal, training, delivery, installation and extension options; and
- Funding Source – procurements should have an approved funding source confirmed by the business unit within the public entity in order to obtain conditional approval to proceed. If a procurement plan is multi-year, then current year and estimated future year funding is presented and, as appropriate, approved.

The business case will be used as a starting point for the development of the detailed procurement plan.

### Major Projects

A major project is a procurement plan that is of a value, complexity, risk level or public profile that requires it be given a significant allocation of attention and time from the public entity and procurement areas, as well as the possible involvement of other stakeholders.

When conducting a major project the public entity, in consultation with their procurement area, should consider the following additional factors:

- Retention of external advisors where there is insufficient internal capacity or expertise to assist in developing specifications or business requirements;
- Appointment of an internal project lead to coordinate input from multiple business units or stakeholders;
- Early involvement of legal services to ensure that all legal and risk considerations are appropriately addressed; and
- Engagement of a fairness consultant where a major project is high-profile or controversial, or involves a particularly complex supplier selection process.

### Approval to Proceed

The relevant business unit within the public entity should submit the business case to the appropriate authority in order to obtain approval to initiate the procurement process.

The business unit, in consultation with the procurement area, should identify the appropriate procurement method based on internal thresholds. If the goods or services will be required on a regular or ongoing basis, the business unit should consult with their procurement area with respect to the establishment of a Standing Order (SO), qualified supplier roster or other similar procurement vehicle.

Situation	Typical Procurement Stream
Procurement of goods or services <u>not exceeding</u> the applicable open competition thresholds set out by the public entity's internal procedures.	Invitational competition as per the public entity's internal procedures.
Procurement of goods or services with a procurement value <u>equal to or exceeding</u> the applicable open competition thresholds set out by the public entity's internal procedures.	Open competition.
Establishment of a SO or qualified supplier roster for any goods or services.	Open competition.
Non-standard procurement is justified under specified circumstances set out in this guide or as determined by the public entity.	Invitational or non-competitive procurement.



## Procurement Plan

Where applicable and in consultation with a procurement resource, a detailed procurement plan should be developed. The specific information required in the detailed procurement plan will depend on the applicable procurement opportunity under consideration. The business unit should ensure that all requirements of planning are met. A procurement plan template can be obtained from your procurement area.

When developing a procurement plan, the business unit should bear in mind that it is strongly recommended to do the following:

- Engage representatives within the procurement area in early stages of the procurement process so they are best able to advise and provide suggestions to you. Their effectiveness diminishes as decisions within the public entity are made. For example, if an entity contacts them with a document to post tomorrow, the advice may be different that if they were contacted before the document was created.
- Contact representatives within legal and/or risk management services, who can provide assistance and guidance;
- Consider, discuss and document with those involved in the procurement process the risks and mitigation strategies associated with the procurement;
- Share relevant information with potential suppliers as early as possible in the procurement process;
- Ensure the same information is made available to all bidders;
- Use templates correctly, modifying them as required; and
- Do not deviate from established policies and procedures.

In addition to identifying the appropriate procurement vehicle, the following information should be included in a procurement plan:

## Requirements and Specifications

For all procurement plans the business unit is responsible for drafting clear, detailed specifications and business requirements. Specifications should not be written in a way that unduly restricts suppliers from bidding, and should encourage open, fair, innovative and transparent competition. Business units should consult the Scope of Work Writing Guide for additional guidance in developing appropriate requirements and specifications.

## Pricing Structure

For all procurement plans the business unit is responsible for developing a clear pricing structure to guide proposal development. Business units should consult their procurement area to discuss various pricing structures and the factors to consider in developing the appropriate pricing structure for the procurement plan.

### **Evaluation Plan**

For all competitive processes the business unit is responsible for developing an evaluation plan. Business units should consult with their procurement area and the Evaluation Guide to discuss the various evaluation methodology options and the factors to consider in developing the appropriate evaluation plan for the procurement plan.

### **Solicitation Document Format Selection**

For competitive processes the business unit, in conjunction with the procurement area, is responsible for selecting the most appropriate solicitation document format. Business units should review the standard competition templates and the checklist included in the Guide to Preparing a Request for Proposal to identify the appropriate solicitation document format and strategy for the procurement project.

### **Non-standard Procurement**

For all non-standard procurements, the business unit should refer to the information titled “Detailed Procurement Plan” on page 56 of this Guide and should provide details to explain how the procurement circumstances justify a non-standard procurement.

### **Procurement Plan Approval**

The business unit should submit the completed procurement plan to their procurement area for review and approval. Business units are encouraged to consult with and involve their procurement area during the development of the procurement plan to avoid unnecessary delay in the review and approval process. Non-standard procurements should also be approved in accordance with the public entity’s procurement approval, and signing authority’s policies and procedures.

### **Risk Assessment Within a Procurement Process**

A risk assessment within a procurement process is distinct from the risk assessment of the goods, services, or construction sought to be purchased.

Public entities spend billions annually to acquire goods and services. If the process is flawed the public entity may not receive the good or service that best meets their needs. The following table identifies the most common risks associated with procurement activities, possible causes and mitigation strategies:

### Most common Procurement Risks

Risk	Potential Causes	Mitigation Strategies
<p>No or only one response was received.</p>	<ul style="list-style-type: none"> <li>• Procurement document may have been poorly drafted.</li> <li>• Procurement document was too specific and eliminated potential suppliers</li> <li>• Suppliers were unaware of the opportunity</li> <li>• Not enough time was allowed for responses</li> <li>• Market factors, everyone is busy etc.</li> </ul>	<p>Ensure that the procurement document does not inadvertently eliminate suppliers through the use of trademarks not accompanied with an “or equivalent” statement.</p> <p>Ensure adequate time is provided for suppliers to prepare a response.</p> <p>Ensure the opportunity is posted on SaskTenders and is therefore accessible to the public.</p> <p>Communication strategies – open houses, market sounding, Expression of Interest (EOI) etc.</p> <p>Market awareness.</p>
<p>Procurement process did not result in the award of a contract for the optimum good or service to meet the business need.</p>	<ul style="list-style-type: none"> <li>• Procurement document was not specific enough or was too specific.</li> <li>• Procurement document did not address what the need was.</li> <li>• Inappropriate or incorrect specification was requested</li> <li>• Evaluation criteria was inappropriate.</li> <li>• Where a rated evaluation process was used, the distribution of weighting was inappropriate.</li> <li>• Suppliers were unaware of the opportunity.</li> </ul>	<p>Consider the use of a Request for Information (RFI) to enhance the requirement detail.</p> <p>When determining what to include for evaluation criteria, consider what the most important factor(s) are. Is it delivery timeframes, servicing availability or something else? If a factor is important it should be rated.</p> <p>Ensure the opportunity is posted on SaskTenders and is therefore accessible to the public.</p> <p>Market awareness. Draft RFP.</p>

Risk	Potential Causes	Mitigation Strategies
<p>Procurement process did not identify the most qualified supplier.</p>	<ul style="list-style-type: none"> <li>• Requested qualifications were not identified.</li> <li>• Suppliers were unaware of the opportunity.</li> <li>• Document appealed to the wrong group or industry sector.</li> </ul>	<p>Ensure that the procurement document clearly identifies what qualifications are required.</p> <p>Ensure the opportunity is posted on SaskTenders and is therefore accessible to the public.</p>
<p>Procurement process was not perceived to be fair.</p>	<ul style="list-style-type: none"> <li>• The optimal procurement process or tool may not have been used.</li> <li>• Not enough time was allowed for responses.</li> <li>• Procurement process was not clearly identified in the procurement document.</li> <li>• Biased requirements presented in competition.</li> <li>• Debrief was not requested or conducted as required by policy.</li> </ul>	<p>Prior to conducting a competition, contact a procurement resource to discuss your requirements, as they may be able to provide advice and assistance on which tool and process would be appropriate.</p> <p>Review the procurement document to ensure that it contains elements relevant to your entity and requirements.</p> <p>Do not deviate from the process identified in your procurement document.</p> <p>As part of competition, allow time for questions from the supplier community.</p> <p>Conduct debriefs as required by policy.</p> <p>Compliance with procurement policies and legislation.</p>

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## Step 2 – Decide on a Procurement Approach

### Different Approaches to Address Different Needs

There is no single process or tool that will work for all procurement activities. Each procurement should be examined to determine the tool or processes that will best meet the requirements of the particular procurement opportunity being considered. The proposed approach should address the business solution that will be required and should consider the use of performance and outcomes based requirements. The selection of a process and tool will depend on the complexity, value, timeframe and risks associated with that particular procurement activity.

The most appropriate procurement process and tool will be determined by considering a variety of factors including:

- the complexity of the procurement;
- the value of the procurement and available budget;
- time constraints;
- potential suppliers; and
- potential risks if the procurement process is flawed.

### Level of Complexity Among Procurement Tools

As you move between the various types of procurement processes the level of complexity may increase. A simple ITT for a one time purchase of playground equipment with clearly defined product specifications, delivery timeframes and pricing may be less complex and time consuming than an RFP seeking a solution to a problem where similar details are dependent on the solution proposed by the bidders.

The tool that best meets the needs of the public entity is a combination of factors. To ensure the best tool is used representatives within a procurement area can be contacted at any time to discuss the available options.

### Expression of Interest (EOI)

An EOI is used to determine whether the supplier community would be interested in, or able to respond to, a procurement opportunity. It is intended to assist with market sounding and the collection of information.

Generally the information obtained from responses to the EOI will assist in the development of an appropriate procurement process and procurement document.

Before issuing an EOI public entities are encouraged to contact a representative within their procurement area.

Where an EOI leads to the development of another procurement document, responses can be submitted by any supplier regardless of whether they responded to the EOI. If the public entity will only accept responses from those who respond to the EOI, this obligation must be clearly identified in the EOI.

General elements within an EOI document include:

- a description of the circumstances requiring the EOI;
- information describing the procurement process associated with the EOI if known (i.e. whether a second procurement document is expected to be developed from information received from EOI responses, whether responses in the second stage will only be accepted from those entities who provide a response to the EOI, etc.); and
- terms and conditions applicable to the procurement process and the process to be followed.

Responses generally should also contain the following information:

- company profile, business and employee capabilities; and
- information related to their interest or availability in terms of what was described in the EOI.

Public entities are able to ask for anything else that would be of benefit to your activity.

SaskTenders is used to post the opportunity when the value of the EOI is estimated at or above the trade agreement thresholds.

If a prequalification of suppliers is being sought, it is recommended that an RFQ be used instead of the EOI document.

### **Request for Information (RFI)**

RFIs are utilized where information from the supplier community is being sought to assist in the possible development of another procurement document. Where the public entity is unfamiliar with the marketplace or is seeking additional information, an RFI can be utilized to receive this information from the supplier community.

There is no award or pre-qualification as a result of an RFI. It may result in a competition such as an RFP that could then result in an award. Conversely, there may be no further outcome of the RFI.

Please note, this process is not intended to create an obligation on the public entity, but may create an obligation if handled improperly.

General elements within an RFI document include:

- information describing the situation or problem meant to be solved;
- a description of what information is being requested;
- a description of what the public entity will do with the information received;
- a description of any anticipated further procurement activities; and
- in special circumstances terms and conditions may be included for comment by suppliers.

Responses generally should also contain the following information:

- company profile, business and employee capabilities; and
- information in response to what was described in the RFI.

You should request anything else that would be of benefit to you in developing a further procurement document.

The RFI is, by its nature, general and seeks high level information in response to the procurement opportunity described in the RFI documents. The RFI should be as brief as possible and not obligate suppliers to undue levels of effort or expense.

SaskTenders may be used to post the opportunity to maximize the exposure to the supplier community.

### **Invitation to Tender (ITT)**

ITTs are used primarily when a clearly defined product or service is being requested. The evaluation with this approach heavily emphasizes total cost as there should be little to negotiate with respect to specifications or outcomes.

General elements within an ITT document may include:

- product specifications (which include details on what is requested including any functional requirements of the product);
- information regarding the type of accompanying service requested;
- location(s) of where the products are to be delivered;
- delivery timeframes (any dates associated with delivery of the product);
- evaluation criteria (describing how responses will be evaluated) including weightings as appropriate;
- a description of the anticipated result of the ITT (e.g. purchase order, standing offer, or other contractual mechanism); and
- terms and conditions.

SaskTenders is used to post the opportunity when the value of the ITT is estimated at or above the trade agreement thresholds.

Although the ITT is intended to result in an award, the ITTs should contain a clause allowing the purchasing entity to cancel the ITT if needed or if circumstances warrant. If such a clause does not exist it is assumed that an award will be made. Always consult with legal counsel prior to cancelling an ITT.

### **Request for Proposal (RFP)**

A RFP is a document utilized to solicit written solution-oriented proposals from potential suppliers. Both non-cost and cost criteria are evaluated, in addition to responsiveness and responsibility, to achieve best value. A successful RFP process will:

- support the principles of a fair, open, and transparent procurement;
- will provide the public entity with a business solution; and
- will comply with the expectations of government policy and procurement law.

A well prepared RFP can result in a best value business solution to a problem and meet the program needs of the purchasing public entity.

RFPs should contain all relevant information relating to the problem identified and the expected outcome of the solution. Given the complexity of this type of competition consult your procurement area prior to issuing your RFP. This should be done early in the process. It is strongly advised that public entities consult legal counsel as well as part of building the RFP.

General elements within an RFP Document may include:

- information describing the background of the situation, the business need of the entity and the problem meant to be solved;
- a description of what services are requested;
- product specifications (which include details on what is requested including any functional requirements of the product) if there is a product component;
- any project timeframes (any dates associated with delivery of the service or product);
- evaluation criteria (describing how responses will be evaluated) including weightings, as appropriate;
- a description of the anticipated result of the RFP (e.g.: contract, purchase order or standing offer); and
- terms and conditions applicable to the procurement process and a copy of the contract expected to be used.



Responses should also contain information such as:

- company profile;
- solution and deliverables being proposed;
- previous experience in providing similar services to similar entities;
- project timeframes;
- risk management plan;
- resources allocated to the project;
- project cost; and
- references.

RFPs may also indicate that an interview, demonstration or presentation will be required. The specifics of the contents of a response to such requirements are determined by the circumstance and the nature of the business requirement.

For competitions that may not fit within the comprehensive standard RFP templates, short form competition templates are available. These templates combine the requirements that should be included with appropriate terms and conditions.

A draft RFP may be used as a collaborative approach to seek feedback and input from the supplier community prior to going to competition.

SaskTenders is the official site for the posting of notices and is used to post notice of the opportunity when the value of the RFP is estimated at or above the trade agreement thresholds. Some public entities also use alternative websites and tendering services to manage the release of competitive opportunities and the receipt of responses.

Although the RFP is intended to result in an award, RFPs should contain a clause allowing the purchasing entity to cancel the RFP if needed or if circumstances require cancellation. Always consult with legal counsel prior to cancelling a RFP.

Public entities are required to treat all bidders fairly and be transparent in their processes. These processes are subject to scrutiny through the trade agreement dispute resolution processes.

While RFPs provide greater opportunity to evaluate a wider range of factors, public entities are to ensure that they act consistently with what is outlined in the RFP.

### **Request for Pre-Qualification (RFPQ)**

RFPQs are utilized where public entities wish to create a list of pre-qualified suppliers who are deemed to be competent to provide quotes on future procurement opportunities.

This process can be complicated and should only be conducted under guidance and direction from your procurement area.

General elements within an RFPQ Document include:

- information describing what is needed and the process involved for suppliers to be pre-qualified;
- length of the period where prequalification will be in effect;
- frequency for new entrants to register;
- a description of any anticipated further procurement activities; and
- terms and conditions applicable to the RFPQ process and that may form part of any resulting contract.

Responses should contain evidence that the supplier meets the prequalification criteria as outlined in the RFPQ.

The number of selected suppliers would be determined by the requirements and subject matter of the procurement. This information is to be included in the RFPQ.

A pre-qualification list may be re-advertised annually or more frequently, to allow new potential suppliers the opportunity to become eligible for the list. All RFPQs should contain a clause permitting the public entity to cancel the RFPQ for any reason at any time. If such a clause does not exist, suppliers responding to the RFPQ may assume that future procurement opportunities for that public entity will result.

An RFPQ does not result in an awarded contract, nor is it intended to. Rather it is a prequalification for possible access to future opportunities.

This process may not result in any prequalified suppliers being identified if they do not meet the criteria identified in the competition. Moreover the prequalification requirements document should clearly identify to suppliers that the process constitutes no guarantee of future work or contracts.

Among those pre-qualified, competitions could be structured which best fit your entity's requirements. They could be direct tenders sent through email or a more formal request posted on SaskTenders, with an indication that only those pre-qualified may respond. Whatever process is selected it should be outlined in the RFPQ document so all suppliers are aware of the process should they be selected.

SaskTenders is used to post the opportunity when the value of the contract expected to result from the RFPQ is estimated at or above the trade agreement thresholds.

### **Supply Arrangements (SA)**

Once suppliers are pre-qualified, the SA is one possible mechanism that can be used to invite goods or services proposals meeting the specific requirements within the parameters of the established SA. Other alternatives include conducting a competitive process such as a tender or an RFP.

SAs are utilized where public entities are interested in creating a list of pre-qualified suppliers who can be selected to provide services in an area with multiple and similar requirements.

An RFPQ is generally used to pre-qualify suppliers based on particular requirement during a period of time. An SA creates a list of pre-qualified suppliers for ongoing needs.

General elements within an SA document include:

- information describing what is needed from suppliers;
- length of the period where the SA will be effective;
- a description of any anticipated further procurement activities; and
- terms and conditions applicable to the SA process and terms and conditions that would apply to any contract resulting from the SA.

The number of suppliers selected for the list can be limited, although for SAs generally any supplier who is able to provide the service is added to the SA qualified supplier list.

Responses should include the following types of information:

- company profile;
- previous experience;
- service categories they can accommodate and any certifications they hold;
- service plan; and
- proposed resource allocation.

The public entity may also request other information that would assist in completing a thorough assessment.

Suppliers should be allowed to be added to an SA holder list at any time.

When tendering a contract to an SA list the request for supplier will be posted on SaskTenders, with an indication that only those pre-qualified may respond. Whatever process is selected should be outlined in the SA document so all suppliers are aware of the process should they be selected.

All SAs should contain a clause allowing the purchasing entity to cancel the SA for any reason at any time. If such a clause does not exist it may be assumed by the responding entity that an award will be made.

SaskTenders must be used to post the opportunity to respond to an SA. Through SaskTenders when you upload a procurement document a bid matching function is available whereby suppliers who have registered in the site and identified areas of interest will be notified of any new opportunities posted to the site.

### **Standing Offers (SO)**

A SO is typically utilized for on-going, convenience purchases of goods or services. They are often in place for multiple years and can be accessible by some or all public entities.

SOs are created to assist public entities with ongoing purchasing activities for goods and services. Once an SO is in place entities are able order items directly from them, without having to undertake a procurement activity each time they require the good or service.

Use of any SO is not mandatory. They were created as a tool for public entities to easily access product and pricing for commonly utilized goods or services.

Provincial SOs are available FREE on the standing offer webpage on SaskTenders. This webpage will clearly identify whether offers are available to any public entity or only a few. Other public entities may list their SOs on SaskTenders should they wish or may make them available from their own website.

If you have a reoccurring need but can't find an existing SO that meets your requirements, contact any one of the representatives within your procurement area to discuss your requirements. They will be available to provide suggestions and assistance to you.

Once a requirement for a reoccurring good or service has been identified, representatives within your procurement area would develop the procurement document and post the opportunity on SaskTenders which would allow suppliers to bid for the opportunity to receive the SO.

Responses received would be evaluated based on the criteria established in the procurement document and all or only some bidders would be awarded the SOs as specified in the procurement document.

If an SO that meets your needs exists but is not available to your public entity contact any one of the representatives within your procurement area to discuss your requirements. As appropriate, your procurement area will work with other public entities to establish arrangements meeting your needs. Some SOs created for a single public entity may allow other entities to access it upon agreement of the supplier. If there is an SO that should be expanded, representatives within your procurement area can work with the supplier to determine whether its expansion will be appropriate and available.

Most SOs are retendered with updated requirements before their expiration. Low usage on an SO may result in a determination that one is not needed upon expiration. If an old SO is located which has not been replaced, but is now needed, contact the procurement professional identified on the website to discuss your requirements.

### **Multi-Staged Procurement**

A multi-staged procurement is defined as a procurement in relation to an identified project or contract that involves an initial assessment of potential suppliers prior to conducting a subsequent competition. The initial assessment may take the form of a market sounding, pre-qualification (such as an RFPQ or EOI) or a similar process. The goal of this initial assessment is to identify suppliers that may be invited to participate in a subsequent competition, such as an RFP.

A multi-stage procurement may be beneficial to both public entities and suppliers. It provides flexibility where it is difficult for a public entity to specify project requirements and where the public entity wishes to encourage innovative solutions. Suppliers benefit since only those that have a higher chance of being successful are invited to participate in the subsequent competition.

A multi-stage procurement must be conducted for all goods, services, or construction projects that have an estimated procurement value of at least twenty million dollars. Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate of the procuring public entity.

A multi-stage procurement is also strongly recommended for projects and contracts considered by owners to be complex, or where it is expected that participating suppliers will need to invest significant time and resources to respond, even where the estimated procurement value is less than twenty million dollars.

The procurement professional, in conjunction with the public entity, will work to choose the most appropriate procurement process. In choosing the process, the procurement team will consider the needs of the public entity and the impact on suppliers who may participate.

It is strongly recommended that for a procurement over fifty million dollars, a Fairness Advisor be considered and be engaged as early as possible in the procurement process. Employing a Fairness Advisor may improve the confidence of all parties that the process will be fair, open, respectful, and transparent.

The Fairness Advisor is an independent third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and advise the project team as needed on fairness issues. The Fairness Advisor's role may include, but is not limited to:

- Providing an unbiased and impartial opinion on the fairness of the observed procurement process;
- Reviewing any procurement documents at the Fairness Advisor's discretion, including invitation documents and their addenda, the process framework, and evaluation worksheets;
- Attending meetings where evaluation findings and recommendations are formally presented, monitoring the fairness of such proceedings and the findings made there, and attending and monitoring any other meetings related to the fairness of the process at the Fairness Advisor's discretion;
- Participating in meetings in person and by telephone as scheduled, identifying priority fairness-related issues and fairness-related critical path and constraints;
- Managing assignments in a timely and cost-effective manner; and
- Preparing and submitting reports to the project team.

The involvement of a fairness advisor in a procurement process in no way diminishes or absolves any project team member of their accountabilities or responsibilities.

## Direct Awards

Where procurement could involve a sole source (one provider for the product or service required) it is recommended that before directly awarding a contract to this supplier an Advanced Contract Award Notice (ACAN) be utilized.

Suppliers would be invited to challenge the direct award by providing written justification why an open procurement competition should be undertaken. For a challenge to be accepted the supplier must clearly identify why they believe there is competition in the area. Once a valid challenge has been received an open procurement process is generally conducted (i.e. RFP, ITT).

## Advanced Contract Award Notice (ACAN)

ACANs are designed to enhance transparency in potential sole source and direct award procurement situations and to identify other possible sources of supply of the goods and/or services. It identifies the rationale for the proposed sole source but also invites the supplier community to provide alternatives, or for previously unknown sources of supply to respond to the procurement opportunity.

### **An ACAN is not a tool to be used to avoid conducting a competition.**

When public entities suspect that they are in a sole source or direct purchase position above the trade agreement thresholds, **an ACAN should be used BEFORE the direct award is made.**

The ACAN operates as a notice identifying that a direct award is expected to be undertaken, but also invites suppliers to challenge the activity.

The ACAN typically includes the following information:

- the name of the public entity initiating the ACAN;
- the name of the potential supplier, including city and province;
- delivery date(s) and/or the period of the proposed contract, including extension options;
- rationale for the ACAN, demonstrating why the selected supplier has been identified as the only supplier capable of meeting the requirements;
- a full description of the problem to be addressed and the good/service to be provided. This may include tasks to be performed, the objectives, expected results, performance standards, constraints and deliverables;
- an explanation on how suppliers can challenge an ACAN;
- an explanation on how the procurement process will proceed with and without challenges;
- closing date for accepting challenges including time of day, month and year;
- notification indicating that any challenges received after the closing date and time will not be considered; and
- contact details for inquiries and where challenges can be submitted.

If an ACAN has been legitimately challenged public entities may choose to prepare the appropriate public procurement documents and publically advertise the procurement opportunity.

SaskTenders is used to post the opportunity when the value of the ACAN is estimated at or above the trade agreement thresholds. The ACAN is typically posted publicly for 10 business days.

Below is a quick reference table on which document is recommended for each listed circumstance:

	ACAN	EOI	ITT	Quote Sheet	RFI	RFP	RFPQ	SA
Circumstance								
Primarily goods are required above any trade agreement threshold	X	X	X	X	X		X	
Primarily goods are required valued below \$10,000				X				
Primarily services are required	X	X			X	X		X
Low value (under \$75,000) service procurement						X Short form competition		
A combination of goods and services are required	X	X	X	X	X	X	X	X
Information gathering activities are being undertaken		X			X			
Pre-qualification of Suppliers							X	X

## Building a Competition

### Mandatory vs. Rated Requirements

Mandatory requirements are those elements required in a good or service solution. The good or service either meets the mandatory requirements or it doesn't. If a good or service does not meet any mandatory requirement the supplier is eliminated from further consideration.

It is strongly recommended that the use of mandatories be limited to only include those which are such that you will reject a supplier if they cannot meet them. By including a wide range of mandatories public entities might inadvertently reject a product or response which would, upon review, meet your requirements, but do not meet a minor element which was made mandatory.

If your procurement document is an ITT and does not contain a waiver of minor non-compliance clause, a bidder would need to be rejected if they did not meet a mandatory requirement. Use of any waiver of minor non-compliance clause where an ITT is the procurement process vehicle should be strictly interpreted. For example, if you made a requirement that the good must be black but a bidder responded that their product is an indigo black – this may be a minor non-compliance as it may not impact the function of the product. Such a clause should not be used where the requirement is attached to the functionality of a product or service.

It is recommended that legal advice be obtained when dealing with issues of whether a response meets mandatory requirements

**Rated** requirements are those elements that a good or service solution should contain. There will be a range of good-better-best where the good or service solution will rank against a rated element.

Rated requirements are those core elements you are evaluating goods or services on. One good or service may perform higher in these areas and as a result all performance or technical elements should be identified in the procurement document.

### Technical vs. Performance Specifications

Technical specifications refer the attributes of a product or service, while a performance specification is used to identify the intended use or performance of the product.

It is recommended that wherever possible a performance specification is used instead of a technical one. This will allow a supplier to identify alternative products or solutions to public entities based on how they propose it will meet the intended use.

A guide has been prepared to assist public entities in the preparation of a Scope of Work (SOW). This guide can be found on SaskTenders.

## Step 3 – Conduct the Competition

The competition is posted publicly on the Government of Saskatchewan’s common procurement portal SaskTenders but may also be posted on other procurement sites such as Merx.

Suppliers are able to review the competition and if necessary ask questions and/or attend a bidders’ conference or a site visit. Answers to questions that affect the competition or change the process are posted on the procurement portal for all suppliers to access. Generally questions that are proprietary to the supplier’s solution proposed are not posted. All questions should be assessed on a case by case basis to determine if they are to be posted or not.



## Step 4 – Evaluate Bids

Best value is the objective with respect to the evaluation criteria set out in the competition. Depending on the requirement, evaluation of total cost will be a greater or lesser consideration in establishing best value.

### Bid Opening, Evaluation and Awards

#### Bid Receipt

Bids will be received in accordance with bid handling procedures as identified in the procurement competition document. Bids may be received in paper, fax and/or electronic format as identified in the procurement competition documents.

#### Opening

Bids will be accepted in accordance with the closing time, date and process stipulated in the bid documents.

### Evaluation Strategies

For more information on this refer to the procurement evaluation guide developed by Priority Saskatchewan available on SaskTenders.

If something is important to the public entity, it should be weighted sufficiently to reward bidders who meet the need or penalize those who don't. For example, is a delivery date important enough that the public entity would consider paying more for a product or service to ensure it is delivered by a certain date? If the answer is yes then the public entity should consider rating delivery.

What is important will depend on what is being purchased.

An evaluation template with guidance can be found on SaskTenders.

Often procurement documents with extensive rated areas will allow public entities to reject responses that fall below a minimum score. This grade will be different for each procurement activity, but a 70% or higher mark is often used. Anything less than 70% is deemed to be inappropriate and unsuitable by the evaluation team.

If no bidder met the minimum score, options would be to still select the highest ranked bidder regardless of where they ranked or reissue the competition with refined requirements. If there is a major flaw or consistent problem with the bids received, the public entity will likely need to determine the cause of the low marks. Considerations may then include whether the requirements that were made mandatory eliminated bidders, or were not adequately explained as evidenced by the lack of a suitable response.

In a procurement process with rated criteria the successful bidder would be the highest rated one, based on all rated evaluation elements.

Where cost is the sole evaluation factor the successful bidder would be the bidder that provided the product at the lowest total cost.

Below is a visual sample representation of a total cost focused evaluation process comparing three responses:

	Weighting	Point Allocation	Bidder A	Bidder B	Bidder C
<b>Mandatory Elements</b>	-	-			
Bid received on time	-	Yes/No	Y	Y	Y
Good is certified appropriately	-	Yes/No	Y	Y	N*
					*Eliminated no further evaluation
<b>Total Cost Requirements</b> Total cost prorated (lowest total cost score/bid total cost x total points). It should be noted that prorating is only one method of total cost evaluation. A cost per point method is one of several other approaches that might be considered when developing total cost evaluations.	100%	100	\$10,000 bid 100/100	\$12,050 bid 82.99/100	15,000 bid
		<b>Total</b>	<b>100/100</b>	<b>82.99/100</b>	
			<b>Highest Rated Bidder</b>		

Below is a visual representation of a roll up rated evaluation process comparing two responses:

	Weighting	Point Allocation	Bidder A	Bidder B
<b>Mandatory Elements</b>	-	Yes/No		
Bid received on time	-	Yes/No	Y	Y
Good is certified appropriately	-	Yes/No	Y	Y
<b>Rated Requirements</b>	100%	200		
Solution suitability		80		
• Meets performance or technical requirements		60/80	55/60	48/60
• Timeframe acceptable		20/80	15/20	10/20
Previous experience		30	26/30	15/30
Appropriate resource availability		20	18/20	17/20
Appropriate risk management plan		10	10/10	10/10
Total cost prorated (lowest total cost score/bid total cost x total points)		20	\$200,000 bid 17.5/20	\$175,000 bid 20/20
<b>Sub-Total based upon proposal review</b>			<b>141.5/160</b>	<b>120/160</b>
References		20	20/20	20/20
Demonstration		20	16/20	18/20
<b>Total</b>			<b>177.5/200</b>	<b>158/200</b>
			<b>Highest Rated Bidder</b>	

### Evaluation

All submissions in response to a procurement competition are subject to evaluation after opening and before award of contract. The bid request documents should clearly identify the requirements of the procurement, the evaluation method, and evaluation criteria based on the guiding principles as outlined in this guide.

To be effective, evaluation criteria should clearly relate back to the requirements identified in the competition and should reflect the business problem and the importance of each requirement as identified in the competition document. When crafting evaluation plans and criteria, there should be consideration given to how innovation, creativity and alternative solutions will be evaluated and compared.

## **Cancelling a Competition**

When considering cancellation of a competition ensure consistency with the competition document and consult with your procurement area and/or legal counsel.

The procurement document should outline when a competition can be cancelled. Some grounds might be:

- No technically acceptable submissions are received;
- In an ITT process, no legally compliant tenders are received;
- All technically acceptable submissions and legally compliant tenders unreasonably exceed the estimated dollar value for the goods and services sought to be purchased; or
- There is a major change to the scope of the goods and services.

When a procurement competition is cancelled for any of the reasons noted above, it may be re-issued using the same or another procurement method. It is preferable to include a description of how cancellations and the reissue of a competition will be managed in the original competition document.

In an ITT process where all technically acceptable submissions and legally compliant tenders unreasonably exceed the estimated dollar value for the goods and services being requested, a procurement area may approve the negotiation with the potential supplier who submitted a technically acceptable, legally compliant tender with the lowest total cost. It is strongly recommended that legal services be consulted in advance of any such negotiation process however.

## **Step 5 - Make an Award**

### **Publishing Award Information**

Public entities are obligated to be transparent in how they provide information on who was the successful bidder in a public procurement process. Award information may include the successful bidder(s)' name(s), business location(s) and value of award. These can be published on SaskTenders. SaskTenders is also capable of posting multiple winners.

After contracts have been awarded, competition documents are subject to the provisions of the Freedom of Information and Protection of Privacy Act, and may be disclosable pursuant to that legislation.

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## Step 6 Debriefing Suppliers

### Purpose of a Debriefing

The purpose of a supplier debriefing is to provide a transparent, two-way communication process for public entities and participating suppliers to exchange constructive feedback on the public entity's procurement processes and practices, and the strengths and weaknesses of the supplier's submission.

Debriefings are an important component of a competitive procurement process and provide an opportunity to:

- (a) Recognize the efforts suppliers make in responding to procurement documents issued by the public entity, and provide suppliers with an opportunity to provide feedback on challenges that the process creates for suppliers; and potential changes or improvements that could be made to the public entity's procurement processes and practices.
- (b) Provide constructive criticism and suggestions for improvements so that unsuccessful suppliers have a better opportunity to succeed in future procurement processes.
- (c) Promote positive two-way communication between the supplier and the public entity's procurement professionals in order to build relationships and allow perspectives to be shared, which may result in enhancements to future procurement activities and improve project results.
- (d) Provide suppliers with an explanation as to why their submission was not successful and address questions and concerns in a non-confrontational manner.

### Nature of a Debriefing

The debriefing process is not a complaint or dispute resolution process and should not be treated as such. Information about other suppliers or their submissions will not be discussed or disclosed in the debriefing. Information provided to a supplier during a debriefing is provided verbally and no documents will be distributed. The debriefing is intended to be an informal meeting and the supplier should not bring legal counsel to the debriefing.

### Availability of a Debriefing

Unless otherwise stated in the procurement document, debriefings are available in connection with all open competitive procurement processes where the procurement document is publicly posted, but may not be available in connection with lower value competitive procurement processes that are conducted by invitation. Debriefings are not offered if the competitive procurement process is cancelled. A debriefing is typically initiated at the request of a supplier. Only suppliers that submitted a response to the competitive procurement process may request a debriefing. In most cases only one debriefing session will be provided to any one supplier in connection with any one competitive procurement process.

## Requesting a Debriefing

Following a procurement process, public entities may receive a request from bidders to discuss how their response rated. Successful suppliers may also ask for a debriefing session to understand areas they can improve upon. Public entities are obligated by policy to provide debriefing to any participant requesting one.

Requests for a supplier debriefing should be directed to the contact person identified in the procurement document. Unless otherwise stated in the procurement document, suppliers are expected to make their request for a debriefing within 30 days of the notification of the outcome of the competitive procurement process. Requests for a debriefing that are made outside of the required time period may be considered by the public entity on a case by case basis. If the procurement document contains alternate or additional instructions regarding the time period or process for requesting a debriefing, suppliers must follow those instructions.

## Scheduling a Debriefing

The contact person is responsible for communicating and scheduling the debriefing with the supplier's representative. Debriefings may occur in person at the public entity's offices or by way of teleconference, depending on the location of the requesting supplier. The public entity should be as flexible as possible, within reason, when scheduling supplier debriefings. In most cases, a 30 minute session should be sufficient.

When scheduling the debriefing, the following should be addressed with the supplier's representative:

- (a) Confirm the time and location of the debriefing or dial-in information if the debriefing is being conducted by way of teleconference;
- (b) Remind the supplier of the purpose and the nature of the debriefing, as described in this protocol; and
- (c) Confirm who will be attending the debriefing on behalf of the supplier.

A member or members of the evaluation team should attend the debriefing session.

## Conducting the Debriefing

The suggested structure for conducting a debriefing is as follows:

- (a) Introductions and reiteration of the purpose and nature of the debriefing;
- (b) Overview of the evaluation process and relative ranking;
- (c) Discussion of the strengths and weaknesses of the supplier's submission in relation to the evaluation criteria;
- (d) Discussion of how the supplier could improve their submissions in response to future procurement opportunities;

- (e) Opportunity for the supplier to provide feedback on the competitive procurement process and suggestions for improvements to the public entity's procurement practices; and
- (f) Questions and answers.

It is recommended that before the debriefing session an outline of what will be discussed is prepared. This will assist in keeping the session on track.

During a debriefing session the public entity should ensure that a record of what was discussed is kept.

If a supplier asks for information on the successful supplier's response public entities can indicate that debriefing sessions are meant to discuss the bidders' response only to assist them in preparing future responses.

## STEP 7 – CONTRACT MANAGEMENT

A contract is an agreement between two parties that is generally utilized for service and construction procurements but may also be used for commodity procurement.

Once available a public entity may make use of the standard consulting, construction and purchase contract template(s) for the preparation of a contract resulting from a procurement competition.

As appropriate, each contract should define:

- The project or program the product or service is associated with and intended to support;
- The work to be done, as well as services and deliverables to be provided. These are to be specific and not general in nature and should be directly linked to the particular project or program being supported;
- The roles and responsibilities of each party, including reporting relationships;
- The standard of conduct expected;
- Compensation to be paid, including rules surrounding expenses;
- Term of the agreement;
- Rules for contract amendment, termination, scope change, and extensions;
- A statement that the contract is subject to the provisions of the Freedom Of information and Protection of Privacy Act;
- The need to transfer knowledge and skills to public entity employees;
- Support, facilities, and resources to be made available;
- Monitoring and performance evaluation of the supplier; and
- Dispute resolution mechanisms.

It is highly recommended that use of a supplier's contract be avoided as these documents may not contain clauses which adequately protect public entities. If confronted with a supplier contract public entities should consult with their legal services to discuss the appropriateness of such contracts and any other legal concern which may arise.

POs are used for the one time purchase of goods or services. SOs are used for on-going purchases of goods or services. A blanket SO is one where the item listing is created in MIDAS, which allows ministries to create releases in MIDAS against an SO. Where an SO is available to the broader public, blanket SOs are not created as these entities would not have access to MIDAS.

### **Contract Templates**

Various contract templates are in the process of being developed for consideration for use by public entities. These templates are intended to be companion materials to the procurement competition templates available from your procurement area.

### **Contract Amendment and Extensions**

It is expected that contract requirements will be sufficiently well defined so as to generally not require extensions, scope changes or amendments. However, it is recognized that occasionally extensions and amendments are required for reasons beyond either party's control. When a contract amendment or extension is required the official proposing the amendment is to document, at a minimum, the following:

- The business unit or end user group of the public entity contracting the product or service;
- Specific work being contracted, including product or service, schedules and deliverables;
- Procurement method originally used to contract the product or service, any scope changes, extensions, sole source contracts etc.;
- Value of current contract and all related contracts, extensions, and scope changes (including expenses);
- Roles and responsibilities of each party, including reporting relationships;
- Extension, amendment or scope change being proposed, reason for, value, time and outcomes/deliverables;
- Documented performance and specific results achieved by supplier to date along with rationale and cost/ benefit analysis for continuing with the supplier services;
- Implications of not continuing - ramifications of returning to market with a new competition;
- Period of the extended/ revised agreement; and
- Performance evaluation of the supplier during extension.



## SECTION D: SPECIALTY PROCUREMENT

Organizations may have specific and /or unique governance processes for categories of activities such as:

- Land and real property acquisitions.
- Communication and print - Information on communications procurement is available by contacting your organization's communication advisor who will comply with the process laid out by Executive Council.
- Construction.
- Purchases made on a corporate purchasing card.
- Emergency purchases - trade agreements and public entity procurement policies identify provisions governing emergency purchases. It is important to understand available options when an emergency does not allow for the usual procurement process to be followed.

For the purpose of this guide an emergency exists in the following circumstances:

- if an act of nature causes the need for an immediate acquisition of goods or services; or
- if there is an immediate need for goods or services vital to the continuation of a program that is necessary for public safety or public health.
- Contract splitting - subdividing, splitting or otherwise structuring procurement requirements or contracts in order to reduce the value of the procurement or in any way circumvent a public entity's procurement process may be in violation of applicable trade agreements or procurement policies. Check with your procurement area if you have any questions.

### Professional Services Procurement

Public entities frequently procure various professional services suppliers such as accountants, architects, medical doctors, engineers, lawyers, information technology specialist and other professionals. Public entities need to follow the principles set out in the Government of Saskatchewan's best value procurement policy when procuring professional services. Factors to be considered in best value procurement of professional services may include:

- quality of the professional expertise;
- outcomes and performance based requirements;
- deliverables and performance commitments;
- supplier experience;
- performance history;
- supplier's proposed team;
- risk mitigation practices;
- demonstrated knowledge of local conditions;
- budget;

- timing;
- resource commitments; and/or
- other factors relevant to the professional services being procured.

During the selection of professional services suppliers, the public entity needs to seek assurances that the supplier is appropriately accredited and appropriately licenced by the provincial professional licencing authority and has any required insurance coverage to provide the required services in Saskatchewan.

## GLOSSARY OF TERMS

### **Award**

The expected result of a procurement process such as a Purchase Order, Standing Offer or Contract.

### **Construction**

A construction, reconstruction, demolition, repair, or renovation of a building, structure, road or other engineering or architectural work. It does not include professional consulting services related to the construction contract, unless they are included in the procurement.

### **Goods**

Materials, furniture, merchandise, equipment, stationery and other supplies required by a public entity for the transaction of its business and affairs, and include services that are incidental to the provision of such supplies.

### **Procurement Document**

For purposes of tendering and competitive assessment, any document created to identify a need for a good or service, and solicit responses from potential suppliers.

### **Procurement Area**

A division of the public entity responsible for the general oversight in the acquisition of goods and/or services and/or construction on behalf of a public entity.

### **Procurement Value**

For purposes of competitive procurement assessment purposes, the value of a procurement is to be based on the sum of the expected value of the contract resulting from the competition, as well as any extensions or amendments permitted under the contract.

### **Public Entity**

Public entities include all Government of Saskatchewan ministries, Crown corporations, boards, agencies and commissions.

### **SaskTenders**

The designated procurement web portal ([www.sasktenders.gov.sk.ca](http://www.sasktenders.gov.sk.ca))

### **Services**

A service required by a ministry for the transaction of its business and affairs, but does not include services provided by an employee of government through a personal services contract.

## QUICK LINKS

[Accommodation Manual](#)

[Central Services – Central Vehicle Agency](#)

[Central Services – Information Technology Services](#)

[Financial Administration Manual](#)

[FAM Policy 3154](#) – Purchase Cards

[FAM Policy 4500](#) – Goods and Services

[FAM Policy 4505](#) – Purchases of Goods

[FAM POLICY 4510](#) – Contracts for Services

[FAM POLICY 4515](#) – Procurement of Services

[\*The Purchasing Act, 2004\*](#)

[\*Purchasing Regulations\*](#)

[SaskTenders](#)

Agreement on Internal Trade (AIT)

<http://strategis.ic.gc.ca/epic/internet/inait-aci.nsf/en/Home>

New West Partnership Trade Agreement

<http://www.newwestpartnershiptrade.ca/>

Canada-US Agreement on Government Procurement

<http://www.international.gc.ca/international/index.aspx>

Office of the Saskatchewan Information and Privacy Commissioner

<http://www.oipc.sk.ca/>

## APPENDICES

### Appendix A – RFP Checklist and Instructions

#### RFP CHECKLIST

<b>Pre-Competition/RFP Development</b>	
<input type="checkbox"/>	Project requirements, including introduction, background, mandatory requirements and budget (if applicable) have been defined.
<input type="checkbox"/>	Scope of work details, including deliverables and final outcomes the project is intended to achieve have been detailed.
<input type="checkbox"/>	Mandatory requirements (must, shall and will) have been kept to a minimum.
<input type="checkbox"/>	Acronyms, terminology and technical terms have been defined.
<input type="checkbox"/>	Evaluation criteria for all rated factors have been determined and points have been allocated accordingly, including allowance for the evaluation of creative, innovative or alternative solution or approach.
<input type="checkbox"/>	RFP closing date, time and location has been clearly stated, allowing sufficient time for suppliers to prepare thorough responses (minimum three weeks).
<input type="checkbox"/>	Suppliers' conference details (if required) have been included.
<input type="checkbox"/>	RFP adheres to appropriate trade agreement and/or procurement policy.
<input type="checkbox"/>	All insurance requirements have been outlined.
<input type="checkbox"/>	Appropriate terms and conditions have been included.
<input type="checkbox"/>	Procurement and/or legal advice has been sought.

<b>Competition Release</b>	
<input type="checkbox"/>	RFP has been posted on SaskTenders and the public entity's tendering service as appropriate.
<input type="checkbox"/>	Amendments and/or supplier questions and answers (excluding proprietary) have been posted to SaskTenders.
<input type="checkbox"/>	An evaluation committee has been selected (ensuring no conflicts of interest) and briefed, and a chairperson has been appointed.
<input type="checkbox"/>	The detailed evaluation criteria document has been developed (this must be finalized prior to the RFP closing date) and has been sent to the evaluation committee.

<b>Competition Close/Evaluation</b>	
<input type="checkbox"/>	All responses have been date and time stamped (upon arrival) and have been kept in a secure location prior to the closing deadline.
<input type="checkbox"/>	Late responses have been returned to the supplier, unopened, with a late letter.
<input type="checkbox"/>	Proposals have been sent to evaluation members and are locked and secured during the evaluation process.
<input type="checkbox"/>	Evaluation of proposals have been conducted in accordance with the process outlined in the RFP.
<input type="checkbox"/>	Final scores, including strengths and weaknesses have been documented for each rated area providing enough detail to allow for defensible rationale to short list and eliminate suppliers.
<input type="checkbox"/>	A short list has been developed and suppliers have been notified.
<input type="checkbox"/>	Presentations and/or reference checks (if required) have been completed.

<b>Award/Post Award</b>	
<input type="checkbox"/>	Award approvals have been received.
<input type="checkbox"/>	Letters have been sent to the preferred and unsuccessful suppliers.
<input type="checkbox"/>	Negotiations with the preferred supplier were conducted to finalize minor details of the resulting agreement.
<input type="checkbox"/>	Agreement has been signed by both parties.
<input type="checkbox"/>	Debriefings, if requested, have been conducted with suppliers.
<input type="checkbox"/>	Award information has been posted to SaskTenders.
<input type="checkbox"/>	All proposals, written material and correspondence has been kept in a secure place and files are complete and in good order.

Each RFP is unique. However, there are some common steps and decision points that are followed when moving from identifying a business problem to the delivery of the required services or goods.

These steps are as follows:

- Identify a business problem.
- Consult with your procurement area to assist with identifying and assessing procurement requirements and options.
- Once the business problem is well articulated and the requirements are fully defined, the RFP document is drafted and evaluation criteria are determined.
- The RFP is issued.
- A supplier conference is sometimes held. This information session is open to all potential suppliers.
- Proposals are received and evaluated.
- Supplier(s) meeting the minimum score or criteria are short listed.
- Short listed supplier(s) may be invited to give a presentation to the evaluation committee, based on their proposal.
- Notifications are sent to the successful and unsuccessful supplier(s).
- A contract is negotiated and signed with the successful supplier(s).
- Individual debriefing sessions may be held with unsuccessful supplier(s). Occasionally the successful supplier will request a debriefing to find out where they can improve.
- The service is performed or the goods are delivered.

Below is a table outlining the time estimated to complete each step of the RFP process (*Sample 1*):

Step	Estimated timeframe
Identifying a need and assessing procurement options	1-3 days
Creating the scope of work and RFP drafting	1-2 weeks
Issuing the RFP and obtaining responses (posting period)	Minimum 3 weeks
Evaluations	1 week
Interviews and reference checks	1 week
Contract negotiations	2-3 days
Debriefing sessions	30 minutes per supplier

Typically, the entire RFP process will take 6-8 weeks but can increase significantly on a more complex business problem.

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## Appendix B – Procurement Plan

### PART 1 – BUSINESS CASE

#### Business Unit

Identify the business unit responsible for the procurement plan.

#### Business Unit Project Lead

Identify the individual in the business unit that is primarily responsible for the procurement plan.

#### Initial Mapping Statement

Describe the procurement plan. What is being purchased?



### Background

Describe any relevant background information. e.g. What gave rise to the need for the procurement plan? Is the procurement plan part of a larger project? What is the history of the project? What stage *is the project at?*

### Market Research

Is further market research necessary to appropriately define the required goods or services?

Yes

No

*If yes, consult with the procurement area about the issuance of a Request for Information (RFI) prior to proceeding with the procurement plan.*

### Is there an Existing Standing Offer or Qualified Supplier Roster

Has the business unit confirmed that there is no existing Standing Offer or Qualified Supplier Roster for the required goods or services?

Yes

No

*The business unit is responsible for consulting with the procurement area to determine if there is a Standing Offer or Qualified Supplier Roster already established for the goods or services it requires. If there is Standing Offer or Qualified Supplier Roster for the goods or services, the business unit must follow the Standing Offer Procedures or the Qualified Supplier Rosters Protocol.*

**Repetitive Procurement**

Are the goods or services required on a frequent or regularly recurring basis?

Yes

No

*If yes, consult with the procurement area about the possibility of establishing a Qualified Supplier Roster.*

**Major Project**

Does the business unit consider this a major project? Consider whether the procurement plan is of a value, complexity, risk level or profile that requires a significant allocation of attention and time from the business unit and procurement area, as well as potential involvement of other business units or stakeholders.

Yes

No

High Value

High Risk

Complex – multi-stage project or multiple stakeholders

High level of public interest and/or scrutiny

*If yes, respond to the following:*

Will external advisors be needed to assist with the development of specifications or business requirements? Consider whether sufficient internal resources are available.

Yes

No

If yes, please identify the type of external advisors needed:

Have your procurement area and legal services been advised that the business unit is planning a major project? They must be consulted early in the planning process to ensure procurement and legal issues and risks are addressed.

Yes

No

Will a fairness consultant be retained to oversee the procurement plan?

Yes

No

Is the major project is high-profile, controversial or involves a complex bidder selection process.

Yes

No

### Procurement Value

State the estimated value of the procurement plan.

### Funding Source

Identify the approved funding source sufficient to cover the procurement value.

### Business Unit Approvals

Do you have all necessary approvals to proceed with this procurement?

Yes

No

**PART 2 – DETAILED PROCUREMENT PLAN****Procurement Stream**

Select the appropriate procurement process in accordance with the Procurement Policy and complete and attach the specified plan(s).

 **Invitational Competition**

*Complete and attach Invitational Competition Strategy*

 **Open Competition**

*Complete and attach Open Competition Strategy*

 **Non-Standard Procurement**

*Complete plan outlining how the non-standard procurement will be managed. Attach ACAN Justification, Template and approval by delegated authority as well.*

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**Approval of Procurement Plan**

All procurement plans must be approved by the head of your procurement area and the business unit head, or their designates. All procurement plans involving a non-standard procurement must also be approved in accordance with the procuring entity's procurement approval and signing authority policies and procedures.

**Approved by Business Unit Head or Designate:**

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*Signature* *Date*

Title:

Name:

**Approval by Head of Procurement Area or Designate:**

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*Signature* *Date*

Title:

Name:

***For Non-Standard Procurement only:***

**Approved by Delegated Approval Authority:**

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*Signature*

*Date*

Title:

Name:

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## Appendix C – Negotiations

### 1. Purpose and Interpretation

The purpose of this protocol is to establish guidelines and procedures for negotiating with bidders or suppliers. This protocol should be read in conjunction with the public entity's purchasing policy. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms section of this Guide.

### 2. Negotiation with Supplier in a Non-Competitive Process

If goods or services are being acquired from a particular supplier without conducting a competitive process, the contract for the purchase of the goods or services will be negotiated directly with the supplier. Although no solicitation document is issued, it is important that clearly drafted and detailed requirements and specifications be prepared during the procurement planning stages to ensure that the goods and services being acquired meet the needs of the organization and are suitable for their intended purpose. The requirements and specifications, along with the appropriate standard form of agreement will serve as a starting point for the negotiations with the supplier. In some cases, it may be appropriate to provide the requirements and specifications to the supplier and seek a written proposal or quotation for the goods or services prior to commencing negotiations. In such cases, the supplier's proposal will also provide a starting point for the negotiations.

### 3. Negotiation with Bidders in a Competitive Process

#### a) The Solicitation Document

Negotiation with bidders will only be part of a competitive procurement process if the goods or services are procured through the issuance of a negotiated RFP solicitation document. There are two different types of negotiated RFP processes: the consecutive negotiation process and the concurrent negotiations and best and final offer (BAFO) process. General descriptions of these processes are set out below, but it is critical that the negotiation process for a particular procurement project be conducted in accordance with the process described in the negotiated RFP document that is issued for that procurement project.

#### b) Consecutive Negotiation Process

In the consecutive negotiation process, the top-ranked proponent is invited to enter into negotiations to finalize the agreement. The time period for the negotiations is specified in the RFP. If the time period expires and negotiations have been unsuccessful (i.e. an agreement has not been

reached with the top-ranked proponent), the negotiations can be terminated and the next ranked proponent can be invited to enter into negotiations. It is prudent that the right to terminate negotiations would be exercised when it is clear that the parties are not able to come to a satisfactory agreement. If positive progress is being made at the time the negotiation period expires, it is possible to extend the negotiation period and attempt to finalize the agreement with the top-ranked proponent. However, if at any time following the expiration of the negotiation period the negotiations break down and a satisfactory agreement cannot be reached, the right to terminate negotiations and move on to the next ranked proponent can be exercised.

### **c) Concurrent Negotiations and BAFO Process**

In the concurrent negotiations and BAFO process, a short list of top-ranked proponents are invited to enter into concurrent negotiations. This means that separate negotiations are held with each of the short listed proponents during the same period of time. The time period for the concurrent negotiations can be set at the time of inviting the short listed proponents to enter into negotiations, and can be extended as required. However, it is important to give all short-listed proponents equal time and opportunity to engage in negotiations. At the completion of the concurrent negotiations sessions, all of the short listed proponents must be invited to submit their best and final offer (BAFO). These offers should be submitted by a set date and time and evaluated based on set criteria. Normally they are evaluated on the same criteria as the initial proposals. If additional criteria will be considered in the evaluation of BAFOs, those criteria must be set out in the RFP. Undisclosed criteria cannot be considered in evaluating the BAFOs. Based on the results of the evaluation of BAFOs, the top-ranked proponent should be selected and invited to enter into negotiations to finalize the agreement. In most cases, this final round of negotiations should proceed quickly, as most details will have been sorted out during the concurrent negotiations and reflected in the BAFO. However, this is an opportunity to confirm and clarify any details in the BAFO and ensure all details are clearly included in the finalized agreement.

### **d) Purpose and Scope of Negotiations in a Competitive RFP Process**

A negotiated RFP contemplates a transparent negotiation phase with the top-ranked proponent(s). Negotiations are an opportunity to clarify requirements and proposal details to ensure the proponent understands the project and the project team understands what the proponent is proposing. You may seek improvements to the proposal, including improvements to performance terms and proposal pricing.

It is expected that the terms and conditions in the standard form of agreement included in the RFP will be a starting point for the negotiations. However, the negotiation process is intended to enable commercially reasonable adjustments and clarifications to the legal terms and conditions contained in the standard form of agreement, so that the awarded contract is better tailored to fit the nature



of the goods, equipment or services and the circumstances of the project. Substantive changes to your standard terms and conditions should only be made in consultation with legal services. The scope of the negotiation phase can vary greatly depending on the nature and complexity of the project. Not all negotiated procurement processes require extensive formal negotiations. In some cases, negotiation can be as simple as a teleconference with the selected proponent to confirm the details of their proposal and discuss any minor changes to the standard form of agreement. In such cases, some of the procedures set out in this protocol may not be applicable.

#### **4. Planning for Negotiations**

Advanced planning is required for an effective and efficient negotiation process. Prior to entering into negotiations, the public entity should:

- a) Establish the negotiation team and roles and responsibilities of the team members;
- b) Ensure the negotiation team has the authority to negotiate and understand any limits on that authority;
- c) Confirm the availability of expert advisors, including legal, financial and technical, as necessary;
- d) Ensure all team members have a clear understanding of the project requirements and objectives and, in the case of a competitive process, have thoroughly reviewed the RFP document and the proponent's proposal;
- e) Compile a list of all issues that need to be addressed in the negotiations, including any questions or concerns about the proposal;
- f) Identify and prioritize the objectives of the negotiations;
- g) Identify any non-negotiable items; and
- h) Prepare a "bargaining binder" that consolidates all of the documents you will need to refer to during the negotiations (RFP, proposal, issues list, etc.)

#### **5. Initiating Negotiations**

When inviting bidders or suppliers to enter into negotiations, it should be clearly communicated that entering into negotiations does not create any obligation to proceed with an agreement. It may be helpful to have the bidder(s) or supplier submit a list of the issues they want to address in the negotiations prior to the first meeting.

#### **6. Conducting Negotiations**

When conducting negotiations, it is important to:

- Identify key issues at the outset of the negotiation process;

- Ensure that everyone involved in the negotiations are aware that any agreements which are reached are subject to approval and no legally binding commitments are made until the final agreement is signed;
- Ensure that information given in confidence by bidders or suppliers is not revealed to others;
- Take a collaborative approach and avoid being defensive or aggressive;
- Take time to consider all information presented and verify and confirm information as necessary; and
- Clearly document areas of agreement as the negotiations progress to avoid revisiting issues multiple times.

## **7. Record Keeping**

It is critical that a record of all negotiations be kept for audit purposes. If negotiations are conducted through written correspondence, copies of all such correspondence must be kept in the file. Clear and concise minutes of any in-person or telephone meetings, including date, time, persons present, topics discussed and outcomes, must be kept.

## **8. Finalizing the Agreement**

Whatever is agreed upon between the parties in the negotiations must be included in the contract in clear language. The final agreement must address all details of the agreed upon deliverables and all of the contractual rights and obligations of the parties. If modifications are to be made to the terms and conditions of the public entity's standard form of agreement, the negotiation team must engage legal services to provide advice and assist in drafting new and/or amended terms and conditions.

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## Appendix D – Contract Management

### Contract Management Protocol

#### 1. Purpose

The purpose of this protocol is to provide guidelines and set out the roles and responsibilities for the management of all contracts with suppliers for the goods, services and construction procured by the public entity. This protocol should be read in conjunction with the public entity's procurement policies and procedures.

#### 2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Glossary of Terms in this Guide. In this protocol, the following additional term has the meaning set out below:

**Contract Administrator** means any employee assigned to the management and delivery of a contract or project under which a contract is awarded.

#### 3. General Principles

Contract management begins with the awarding of a contract, and should continue throughout the life of a contract until all the obligations under the contract have been satisfactorily completed, final payment has been made and warranties have expired.

##### (a) Scope Management

The scope of each contract must be appropriately managed to ensure that all deliverables are properly received, payments are appropriately made, all timelines are met and any extension options are appropriately exercised.

##### (b) Contract Amendments and Scope Changes

If a contract change results in a net increase to the contract value previously approved, the change must be approved in accordance with the public entity's contracting approval and signing authorities.

##### (c) Contract Disputes

All potential contract disputes with suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a contract is silent on dispute resolution, public entities must ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with suppliers concerning a contract dispute must be maintained by the public entity.

##### (d) Early Termination

A contract can only be terminated prior to its expiry date with the involvement of legal services and in accordance with the terms and conditions outlined in the contract.

**(e) Risk of Legal Action**

Legal services must be promptly advised if a supplier initiates or threatens legal action against the public entity at any time throughout the life of the contract or if there are signs that a supplier is experiencing financial difficulty (for example, the supplier fails to pay its employees, suppliers or subcontractors).

**4. Roles and Responsibilities****(a) Role of Public Entity Business Unit Heads and their Designates**

It is the role and responsibility of permanent head of the public entity or designate to:

- assign a contract administrator to each contract for goods or services procured by the business unit;
- provide support and advice to the contract administrator as required;
- ensure that all contract administrators in the business unit are appropriately trained, have knowledge and understanding of applicable policies and protocols and are able to fulfill the role of contract administrators as set out in this protocol; and
- monitor and ensure compliance with this protocol and the supplier performance evaluation process.

**(b) Role of Contract Administrator**

It is the role and responsibility of the contract administrator to:

- be familiar with and understand all of the terms and conditions of the contract;
- create a file for the retention of all documentation related to the contract, as further described in Section 4 of this protocol;
- facilitate and maintain a professional working relationship with the supplier;
- ensure all contracts are complete and accurate and executed prior to the commencement of any work or deliveries;
- ensure all invoices are complete and accurate prior to approving payment;
- review invoices in a timely manner and ensure approved payments are made in accordance with the payment terms in the contract;
- track renewal or extension dates and appropriately exercise discretion in respect of options to renew or extend contracts;
- anticipate and respond to changes in circumstances that may impact contract performance, such as: unseasonable weather; labour disruptions; unforeseen site conditions; indications of changes in the supplier's financial stability, etc.;
- meet with the supplier at appropriate intervals to discuss any performance issues or concerns;

- formally evaluate the supplier's performance in accordance with the supplier performance evaluation practices established by Priority Saskatchewan;
- document all communications related to the supplier's performance of the contract;
- consult with legal services, as necessary, with respect to interpretation of the terms and conditions of the contract; and
- seek advice from legal services, as necessary, with respect to compliance issues and contract disputes.

### **(c) Role of Legal Services**

It is the role and responsibility of legal services to respond to requests for assistance from the contract administrator with respect to:

- inadequate supplier performance, non-compliance with contract terms and conditions or contract disputes that may have a negative impact and/or potentially lead to legal action;
- contract amendments or requests from the supplier for the assignment of a contract;
- interpretation of terms and conditions under the contract and the remedies for breach of contract provided for in the contract and/or at law;
- provide advice in a timely manner once advised that a supplier has initiated or threatened legal action against the public entity at any time throughout the life of the contract; and
- provide advice in a timely manner once advised that the supplier may be, or is about to be declared, bankrupt or insolvent.

### **(d) Role of Procurement Areas**

Contract management is the responsibility of the business unit that is receiving the goods or services under the contract. With the exception of contracts for which the procurement area is specifically responsible, the procurement area is not responsible for and should not be involved in the day-to-day management of a business unit's contracts. The procurement area should be advised of serious performance issues or contract disputes that may result in early termination of a contract and must be provided with copies of all performance evaluation reports in accordance with the supplier performance evaluation process.

It is the role and responsibility of the procurement area to:

- provide assistance to business units and legal services in connection with the possibility of early termination of a contract;
- advise on options and strategies for maintaining stability and supply of the goods and services in the event of early termination of a contract;
- maintain detailed documentation of all communications related to supplier performance;
- retain copies of all performance evaluation reports, in accordance with the supplier performance evaluation process.

## 5. Document Retention and Procurement Plan File

Documentation should be up-to-date and organized in a way that clearly allows for tracking of the receipt of the expected quantity and quality of the goods and/or services under the contract, timelines for delivery dates, performance milestones and performance evaluation dates.

Contract Administrators must retain the following documents and records, either originals or copies, as noted:

- Authorization of the award of the contract to the supplier;
- Contracts and all related documentation including, but not limited to, solicitation documents, the supplier's bid, customized agreements, related drawings, plans, purchase orders, schedules, specifications, etc.;
- Copies of warranties and/or documented certifications, such as ISO ratings, fitness certificates, compliance with electrical safety standards, etc.;
- Insurance certificates, as required by the contract;
- Surety bonds or other forms of performance guarantees, if required by the contract;
- Relevant dates, such as delivery date (this notation may be as simple as a checkmark beside an expected receipt of goods date, and should be initialled and dated by the person doing the review);
- Details of any extenuating circumstances that had an impact on contract compliance (e.g. extreme weather, labour disputes, power outages, accidents, etc.);
- The date, nature, and outcome (positive or otherwise) of informal performance reviews;
- Copies of bills of lading, work orders, service records, invoices, cheque requisitions, etc.;
- Change orders detailing new terms that have been negotiated into the contract, if applicable;
- Notes of all verbal discussions regarding contract compliance;
- Copies of written communications, Performance Evaluation Reports completed in accordance with the Supplier Performance Evaluation Protocol and notices to and from the supplier;
- Notes or minutes of any face to face and/or site meetings;
- Records of any dispute resolution performance issues and actions taken; and
- Any other relevant communications or documents related to the contract and/or the supplier's performance under the contract.

## Payment

### Standard Terms of Payment

Government's standard payment terms are Net 30 days from the invoice date unless an early payment discount is available or holdbacks (contractual, statutory, etc.) apply.

The procurement officer must seek approval for any deviation to the standard payment terms before any commitment to pay is put in place.

### Discount for Early Payment

Discounts for early payment of invoices should be actively pursued for every purchase.

### Progress Payments

Where the public entity has agreed to make progress or milestone payments to a supplier on a specific schedule, the standard payment term will apply to each payment date. Payment is made 30 days from receipt of approved invoice and confirmation that the related work or milestone has been met.

### Holdbacks

Holdback provisions may be statute-based (i.e. *The Builders' Lien Act* of Saskatchewan) or contract-based (i.e. to ensure timely delivery of equipment manuals or as-built drawings).

The paying entity must complete and submit a progress report with each invoice to its accounting department for all payments made under contracts with holdback provisions.

The progress report must indicate the portion of the invoice to be paid and the portion that must be held back. When the holdback is to be released, a second progress report should be prepared indicating payment of the holdback is appropriate.

## Transportation and Customs

### Government pursues the lowest freight rates.

The public entity's procurement area, the logistics management department and/or the receiving area may manage the transportation of goods that are not delivered by suppliers.

### Standard Carriers

Some public entities centrally manage transportation through contracts with several standard carriers. Other public entities leave this up to the supplier.

### Transportation Fees

The fees payable for transportation are established according to the contracts in place.

### **Transportation Insurance**

Public entities should manage the risk of loss or damage to goods during shipment by requiring the supplier to keep the risk until the goods are delivered.

Generally, public entities self-insure and do not obtain extra insurance covering the risk of loss or damage during shipment of most goods.

Public entities should contact their insurance and risk management personnel for information about how to obtain special shipping insurance coverage for expensive, high risk, easily damaged or sensitive goods.

### **Incoterms 2010**

Incoterms 2010 is the abbreviation for the latest International commercial terms developed and published by the International Chamber of Commerce. Two of the most commonly used Incoterms are “delivered duty paid” and “Ex Works”.

#### **Delivered Duty Paid (DDP)**

Having goods delivered duty paid is often the most favourable to the public entity from a risk perspective because it transfers the risk of loss or damage during shipping to the supplier. In appropriate circumstances, a higher cost associated with DDP delivery may justify use of alternate methods of delivery.

The DDP standard requires the supplier to arrange and pay for transporting goods to a named destination including: (a) choosing the carrier; (b) retaining all risk of loss or damage to the goods until the goods are delivered; (c) being the importer of the goods (if from outside Canada) and to do all the things necessary to have the goods cleared for import into Canada; (d) maintaining possession of the goods while in transit; (e) filing any transportation insurance claim if any damage occurs during shipment; and (f) paying all costs incurred to the point of unloading.

#### **Ex Works**

Having goods delivered Ex Works is often the least favourable delivery option for public entities from a risk perspective. In appropriate circumstances, a lower cost associated with Ex Works delivery may justify the additional risk from using that method of delivery. The supplier’s responsibility ends once it has packed the goods ready for shipping at its point of shipment. The public entity is then responsible to arrange and pay for transporting goods to a named destination including: (a) choosing the carrier; (b) assuming all risk of loss or damage to the goods during transport; (c) being the importer of the goods (if from outside Canada) and to do all the things necessary to have the goods cleared for import into Canada; (d) filing any transportation insurance claim if any damage occurs during shipment; and (e) paying all costs incurred to the point of unloading.

Contact a procurement manager for further information on Incoterms 2010.



### **Customs Broker of Record**

Generally, public entities make it the responsibility of the supplier to manage all customs brokerage services required to import goods. Some public entities have a Broker of Record that performs the following services:

1. Import and export clearing entries; brokerage; remitting all applicable taxes and duty; tracing shipments; coordinating deliveries; preparing export documents; obtaining rulings from the Canada Revenue Agency; training and other brokerage consulting services.
2. Preparing proper documentation for shipments entering or leaving Canada.

All goods entering and leaving Canada must clear customs, regardless of size or weight. All customs requirements must be directed to the public entity's Broker of Record.

Public entities who procure goods and services from suppliers outside Canada must be familiar with applicable federal laws, including the Canada Border Services Agency Act, so that transactions are compliant with applicable laws. Public entities may be audited by the Canada Border Services Agency and subject to financial penalties if found to be non-compliant under the Administrative Monetary Penalty System (AMPS).

When ordering goods, if the public entity is managing the brokerage process, they must provide either a purchase order number or, for purchases not requiring purchase orders, their name and employee number. The shipper will enter this information on the invoice and bill of lading to allow the shipment to clear customs.

In order to expedite the clearing process, the public entity may advise the supplier to fax the following information to the customs broker when the goods are shipped:

1. Invoice of sale which clearly indicates the total cost paid, origin of goods, and description and terms of sale; and
2. NAFTA Certificate of Origin (if applicable) to ensure no duty is applied when clearing customs.

The Broker of Record also provides technical assistance, occasional after-hours clearance services, supplies transportation services if required, and prepares related documents.

### **Bid Bonds, Performance Bonds and Irrevocable Letters of Credit**

A bid bond is a legal instrument under which a surety (the company that issues the bond) undertakes to pay a public entity a sum of money if a potential supplier wrongfully refuses to enter a contract with the public entity. Bid bonds are only used for procurements where an ITT is the chosen procurement process vehicle.

A performance bond is a legal instrument under which a surety undertakes to perform certain actions if the supplier is in default of its contract with the public entity. Performance bonds are typically required with service contracts.

An irrevocable letter of credit is a legal instrument under which a bank undertakes to pay to the public entity a sum of money upon providing the bank with certain information (information requirements are typically specified in the letter of credit).

The procurement area and the purchasing business unit of the public entity, in consultation with risk management and legal services, will decide whether bid bonds, performance bonds or letters of credit will be required on a case-by-case basis.

The use of bonds and letters of credit should be restricted to higher value or higher risk requirements as there is an expense for using this tool borne by both the supplier and the purchasing public entity as well as the added administrative processes.

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## Appendix E – Roles and Responsibilities

For each ministry, it is important to identify the roles and responsibilities in the procurement process. In the case of Crown corporations, the Crown Investments Corporation may provide specific direction and advice with regard to the following matters.

### Role and Responsibilities of the Public Entity Head

It is the role of the public entity head to establish purchasing policy and approve expenditures through the public entity's budget approval and other purchasing authorization processes. Through procurement policies, the public entity head delegates to the public entity's officers and employees the authority to incur expenditures in accordance with approved budgets through the procurement of goods and services in accordance with the rules and processes set out in such policies and related protocols and procedures. The public entity head will not generally be involved in the day-to-day procurement operations or individual competitive procurement processes.

### Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a procurement process, from the initial identification of requirements through to the management of contracts with suppliers, are suggested below. In addition to those specific responsibilities, the suggested general roles and responsibilities delegated to the public entity's officers and employees are set out below.

#### a) Head of the Procurement Area

The head of the procurement area is responsible for ensuring the consistent application of the public entity's purchasing policy and the provision of procurement services to business units of the public entity in an efficient and diligent manner.

It is the role of the procurement area to lead the public entity's procurement operations. In fulfilling this role, the head of the procurement area, or designate, is responsible for:

- Developing procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- Researching, developing, updating and communicating procurement protocols, procedures and templates;
- Addressing any issues or concerns that arise with respect to a procurement process and seeking guidance, support and advice of legal services, as required; and
- Providing appropriate orientation, training and tools to employees involved in procurement activities.

**b) Business Unit Heads**

It is the role of the business units of public entities to ensure that their requirements for goods and services are met in accordance with the principles and objectives of policies that apply to the public entity. In fulfilling this role, business unit heads are responsible for ensuring that their business unit complies with all applicable policies and procedures, encouraging sound procurement practices and the provision of appropriate education and training to employees involved in procurement plans. Business unit heads will be held accountable for any decision to proceed with a procurement process or transaction that is not conducted in accordance with applicable policies or does not have the approval of the procurement area.

**c) Business Unit Employees**

Employees of all business units are responsible for complying with all applicable policies. Business unit employees involved in procurement activities must clearly understand their obligations and responsibilities under such policies and all applicable protocols and procedures and should consult with their procurement area about any questions regarding the application or interpretation of such policies or any relevant procedures.

**d) Procurement Area Employees**

Employees of a procurement area are responsible for complying with applicable policies and ensuring such policies and all applicable protocols and procedures are applied consistently. Procurement area employees must clearly understand their obligations and responsibilities under all applicable policies, protocols and procedures and should consult with their procurement area about any questions regarding the application or interpretation of such policies or any relevant procedures or protocols.

**e) Legal Services**

It is the role of legal services to provide legal advice and assistance in the public entity's procurement activities and its relationships with suppliers. In fulfilling this role, legal services are responsible for:

- Advising the head of the procurement area as required in relation to legal issues arising from procurement activities, and reviewing and approving specific procurement plan documentation referred for legal review by the head of the procurement area;
- Providing advice on the finalization of contracts and agreements, and reviewing and advising on proposed changes to the public entity's standard terms and conditions, legal agreements and solicitation document templates; and
- Providing legal advice and counsel to the public entity in the event of a contract dispute or legal challenge flowing from a procurement project.

# Scope of Work Writing Guide



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## Introduction

The purpose of the Scope of Work Writing Guide (Guide) is to assist public entity employees in addressing the challenges associated with writing a scope of work for all types of procurement documents, including a tender and/or request for proposal document. Additional information on writing a concise scope of work can be obtained by contacting your procurement area.

The Government of Saskatchewan is committed to the use of a “best value” approach in all of its procurement. A best value approach means that public entities will structure a scope of work and conduct procurements in a fashion which allows the consideration of factors beyond total cost when determining which supplier proposal provides the greatest overall value and benefit. While total cost remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors, such as those set out in this guide, in developing the evaluation components for procurement opportunities.

Best value in procurement is often achieved through procurement processes which are results-oriented and encourage and permit suppliers to propose innovative and value added solutions. Through the application of a best value approach, public entities may use the procurement process as an opportunity to encourage the business community to become an active participant in the solution process, rather than the public sector dictating a particular solution or business approach.

This document is part of a suite of materials that public entities can utilize to assist in conducting procurements. The suite contains the following guides:

- Procurement Guide
- Guide to Preparing a Request for Proposal (RFP)
- Scope of Work Writing Guide
- Procurement Evaluation Guide
- Vendor Debriefing

### Considering Best Value When Creating a Scope of Work

Consideration of best value begins with a comprehensive appreciation of the purpose and challenges that the procurement is intended to address. When assessing a business requirement and documenting it as a scope of work, it is important to consider variables such as:

- Client input and, as necessary, supplier consultation;
- The nature and clarity of the business need to be addressed and consultation to be provided;
- Resource and budget constraints;
- Timing of solution delivery;
- Cooperative supply and consolidation opportunities;

- Policy, common law and trade obligations;
- Market capacity to respond to the requirements;
- Results oriented procurement that encourages suppliers to propose innovative and value added solutions, where appropriate; and
- Opportunities to participate in co-operative procurement with other public entities, MASH sector entities, or with other jurisdictions.

When developing a scope of work, the public entity is encouraged to consider relevant financial and non-financial factors such as, but not limited to:

- Quality of the goods and services;
- Suitability of the business solutions and outcomes proposed;
- Quality and credibility of the proposal and work plan presented;
- Innovation, creativity and originality demonstrated in the proposal;
- Delivery time frames, deliverables and performance commitments;
- Supplier experience, performance history and demonstrated ability to successfully perform the contract, including service and support capacity;
- Team and individuals proposed;
- Risk and compliance management, including safety practices and history;
- Knowledge of local conditions;
- Environmental impact of the goods and services;
- Public policy objectives identified as elements in the proposal and evaluation process;
- Total cost of ownership, which may include factors such as:
  - o Purchase or contract price;
  - o Costs of delays or performance failures;
  - o Administration and contract management costs;
  - o Extensions, change orders, price change and cost escalation;
  - o Cost of additional features, enhancements, upgrades, etc.;
  - o Limitations associated with proprietary or patent rights or constraints;
  - o Legal or technical costs;
  - o Shipping and packaging;
  - o Transition and training costs;
  - o Licensing costs;
  - o Regular and ongoing maintenance;
  - o Warranty, parts, and repair; and
  - o Disposal and remediation costs.

**Local  
Knowledge**

As stated above, one of the elements to consider in a best value scope of work is the assessment of whether knowledge of local conditions is a relevant consideration and if so, how it will be assessed. This assessment may include expectations related to considerations such as:

- Climatic and environmental conditions;
- Regulatory, bylaw and licensing requirements;
- Labour codes and Workers Compensation;
- Local market and industrial capacities;
- Building codes and any applicable local codes;
- Public policies and policy objectives; and
- Professional licensing obligations.

**Developing the Scope of Work****Objective**

The objective is to provide enough information for a potential supplier to fully understand the scope of work, the clients' business needs and the project requirements. Since many complex scopes of work involve complex business and technical requirements, some explanation of terms used in the scope of work can prove very useful for suppliers.

If applicable, the scope may include a breakdown of the tasks and deliverables that the supplier will have to complete for the project. The scope is to assist suppliers in understanding the work to be undertaken and provides clarity in developing proposals and delivering in accordance with the stated contractual obligations.

**Getting Started**

When preparing a scope of work the following should be considered:

1. What: Define the actual tasks (initial scope), and other desired goals and outcomes, and how success could be measured (project deliverables).
2. Who: Identify the public entity resources that will be dedicated to the project and the supplier resource skill sets that will be required for the project, including specific expertise and qualifications (project team).
3. Where: Determine the site(s) where these tasks have to be performed and the logistics required (resource management).
4. When: Determine what the time considerations are, including milestones for each task or multiple tasks (project schedule).

The selection of the type of scope of work will depend on the procurement vehicle. Performance and/or results based scope of work is used when a supplier is being sought to propose a solution. Detail and/or design based scope of work is used when the solution is defined and a supplier is being sought to meet the specifications. Refer to Appendix A for further comparison.

## Scope of Work Types

### **Performance and/or Results Based Scope of Work**

Drafting this type of scope of work involves structuring all aspects of an acquisition or contract around the purpose of the work to be performed as opposed to the manner by which the work is to be performed. A key factor in the success of performance-based scope of work is the ability of the client to write good requirements and the ability of the supplier to recognize and only accept good requirements.

- When writing a performance-based scope of work, the description of the scope for the work should not unnecessarily restrict suppliers by being overly prescriptive of the work and the manner in which it is to be undertaken. While care should always be taken to fully describe requirements, there should be balance in leaving suppliers with the flexibility in their proposals to offer innovative strategies, and to accept maximum responsibility and accountability for the results of their work. The primary risk in the scope of work being overly prescriptive is that suppliers may be inhibited in providing innovative alternatives and solutions.

### **Detail and/or Design Based Scope of Work**

This type of scope of work is utilized for procurements that feature highly prescriptive requirements. The scope should be concise but cover all the design, specification and access issues that are relevant to the project. In such a scope of work the most important consideration is to explain what is being asked for, using clear language. Illustrations and/or graphics can help clarify the requirements.

The following are recommendations to consider when writing a scope of work:

- The resulting contract management stage (once the successful supplier has been selected and the work is underway) should be considered. The scope of work should be written in such a way as to ensure that the expectations of the resulting contract will be adequately described and easily and mutually understood. Once the contract is underway, a well-written scope of work will go a long way to minimizing potential misunderstandings and/or disputes with the supplier.
- Generic (non-proprietary) terminology and references should be used in describing requirements.
- Plain and simple language should be used in writing the scope of work. Avoid jargon, vague terms and rambling sentences.
- Requirements should not be as specific or restrictive as to unduly restrict the supplier's ability to offer innovative or enhanced value solutions.
- Acronyms should be spelled out and definitions provided for any technical or unique terms used within the scope of work.

It is recommended that contract terms and conditions are not stated in the scope of work. They should be covered elsewhere in the competition document.

## Helpful Hints

## Common Elements of the Scope of Work

<p><b>Deliverables</b></p>	<p>Deliverables are items (products, services, business outcomes, etc.) that the supplier must meet or provide at specified times throughout the project. How deliverables are described or defined can ensure that the expected goods or services are received and therefore make an important difference to the success or failure of the project.</p>
<p><b>Performance Standards and Quality Assurance</b></p>	<p>The performance standards and quality assurance section identifies the public entity expectations for the outcome of the project, or the level of performance required of the supplier.</p>
<p><b>Reporting and Communications</b></p>	<p>This section identifies any governance, obligations, reporting or other updates the supplier will be required to provide during the course of the project to ensure project oversight and control.</p>
<p><b>Risks</b></p>	<p>This section identifies the supplier and/or the public entity's risk associated with the project. Safety and environmental expectations should be defined in this section of the scope of work.</p>
<p><b>Public Entity Responsibility</b></p>	<p>This section identifies the responsibilities on the part of public entities to support the supplier in the successful completion of the project. It identifies authorized representatives of the public entities to whom the supplier will report during the period of the contract, and describes the role and responsibilities of the public entity.</p> <p>It also identifies the equipment, facilities, information and personnel that will be made available to the supplier by the public entity in support of the supplier, if any.</p>
<p><b>Green Procurement and Services</b></p>	<p>This section should include any specific environmental requirements or opportunities (e.g. use of recycled materials etc.).</p>
<p><b>Other</b></p>	<p>Depending on the organization and the type of procurement, this section could include factors such as the following:</p> <ul style="list-style-type: none"> <li>- Geographic location(s) where the public entity requires the delivery of services (i.e. what facility) and whether/how any pre-approved travel requirements and living expenses will be reimbursed.</li> </ul>

- Any requirement for the supplier to travel to locations other than the supplier's place of business. Specify anticipated locations, frequency, duration and number of resources.

### Feedback on this Guide

When reading through the guide, any feedback would be appreciated and can be communicated to:

Priority Saskatchewan  
720 – 1855 Victoria Ave  
Regina, SK S4P 3T2

Phone: (306) 798-8014

Such feedback could include:

- Is the Guide clearly written?
- Is the Guide easy to navigate?
- Any suggestions for improvement?

## Appendix A – Performance and/or Results-Based versus Detail and/or Design Based Specification Comparison

Specification Requirements	Performance Specification	Detail Specification
<b>Scope</b>	Allows for more latitude in approach.	Defines requirement in technical or design terms.
<b>Applicable Documents</b>	Performance specifications usually have fewer references. They refer to test method standards, interface drawings, and other performance specifications. However, sometimes a performance specification can have a greater number of references, especially if there are numerous test method standards to verify that performance requirements have been met. In general, performance specifications should not reference detail specifications, except when necessary to ensure interfaces, interoperability, or compatibility with other systems, equipment, components, or operating environments.	Detailed specifications usually cite a greater number of references than a performance specification since they require the use of materials, and part and component specifications, manufacturing process documents, and other detailed specifications as references.

Specification Requirements	Performance Specification	Detail Specification
<b>1. General</b>	States what is required and the results expected, but not how to do it. Should not limit a supplier to specific materials, processes, parts, etc., but can prohibit certain materials, processes, or parts when the public entity has quality, reliability, environmental, or safety concerns.	Includes “how to” and specific design requirements. Should include as many performance requirements as possible, but they must not conflict with detail requirements. Restricts the range of options.
<b>2. Material</b>	Leaves specifics to supplier but may require some material characteristics; e.g. corrosion resistance. May also prohibit the use of certain materials, hazardous or toxic substances, or environmentally damaging substances.	May require specific material, usually in accordance with a specification or standard.
<b>3. Performance</b>	States what the service, item or system shall do in terms of outcome, capability, function, or operation. Upper and lower performance characteristics are stated as requirements, not as goals or best efforts.	Detail specifications often have performance requirements. This can be risky, however, if other detail design requirements create a situation where it is not possible to meet the performance requirement.
<b>4. Design</b>	Does not apply “how to” design requirements, but should include a requirement for design verification as an integral element of performance specifications to ensure that the material and parts meet all performances requirements.	Includes “how to” and specific design requirements. Often specifies exact parts and components. Routinely states requirements in accordance with specific drawings.
<b>5. Physical Characteristics</b>	Gives specifics only to the extent necessary for interface, interoperability, environment in which item must operate, overall weight and envelope dimensions, or human factors.	Details weight, size, dimensions, etc. for item and component parts. Design-specific detail often exceeds what is needed for interface, etc.



<b>6. Processes</b>	Usually does not specify processes, but if it does, the requirement is stated as the desired outcome from a process, requires the supplier's normal commercial processes, or is provided as guidance.	Often specifies the exact processes and procedures to follow – temperature, time and other conditions – to achieve a result. For example, tempering, annealing, machining and finishing, painting, welding, and soldering procedures.
<b>7. Parts</b>	Does not require specific parts.	States which fasteners, electronic piece parts, cables, sheet stock, etc. will be used.
<b>8. Construction, Fabrication, and Assembly</b>	Usually does not specify construction, fabrication, and assembly requirements.	Describes the steps involved or references procedures which must be followed. Also describes how individual components are assembled.
<b>9. Operating Characteristics</b>	Very general descriptions in some cases.	Specifies in detail how the item shall work.
<b>10. Workmanship</b>	Very few requirements.	Specifies steps or procedures in some cases.
<b>11. Reliability</b>	States reliability in quantitative terms. Must also define the conditions under which the requirements must be met. Minimum values should be stated for each requirement, e.g., mean time between failure, mean time between replacement, etc.	Often achieves reliability by requiring a known reliable design.
<b>12. Environmental Operating Requirements</b>	Both performance and detail specifications can have requirements for humidity, temperature, shock, vibration, and other environmental operating requirements.	Both performance and detail specifications can have requirements for humidity, temperature, shock, vibration, and other environmental operating requirements.
<b>13. Maintainability</b>	Specifies quantitative maintainability requirements such as mean and maximum downtime, mean and maximum repair time, mean time between maintenance actions, the ratio of maintenance hours to hours of operation, limits on the number of people and level of skill	Specifies how preventive maintenance requirements shall be met. Also, often specifies exact designs to accomplish maintenance efforts.

	required for maintenance actions, or maintenance cost per hour of operation. Additionally, existing government and commercial diagnostic equipment used in conjunction with the item must be identified. Compatibility between the item and the diagnostic equipment must be specified.	
<b>14. Verification</b>	Must provide a means for assuring compliance with the specification requirements.	Must provide a means for assuring compliance with the specification requirements.
<ul style="list-style-type: none"> <li>• <b>General</b></li> </ul>	Similar for both performance and detailed specifications. More emphasis on functional. Comparatively more testing for performance in some cases.	Similar for both performance and detailed specifications. Additional emphasis on visual inspection for design in some cases.
<ul style="list-style-type: none"> <li>• <b>Prototype / sample inspection</b></li> </ul>	Similar for both performance and detailed specifications. However, often greater need for prototype / sample inspection because of greater likelihood of “innovative” approaches.	Similar for both performance and detailed.
<ul style="list-style-type: none"> <li>• <b>Qualification</b></li> </ul>	Similar for both performance and detail. Because many performance specifications cover products with rapidly changing technologies, most performance specifications have a qualification provision.	Similar for both performance and detail.
<b>15. Notes</b>	The notes section can be similar for both, but this is a good section in a performance specification to provide lessons learned or guidance on approaches or solutions that have worked in the past to meet a performance requirement.	The notes section can be similar for both, but this is a good section in a performance specification to provide lessons learned or guidance on approaches or solutions that have worked in the past to meet a performance requirement.

## Definitions

**Best value** - means structuring a specific procurement scope of work and corresponding bidding opportunity, as determined by the public entity, so that the evaluation and award to a successful supplier results in the greatest overall value and benefit to the public entity. For clarity, sometimes best value can be achieved on the basis of total cost or price alone.

**MASH** - refers to municipalities, academic institutions, school boards and health sector.

**Public entity** - means a ministry, agency, board, commission, or Crown corporation of the Government of Saskatchewan.


**Scope of work** - means a written description of the business requirements in performance terms; which includes a detailed description of the performance outcome and/or technical requirements framed in best value terms.



# Guide to Preparing a Request for Proposal (RFP)



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RFP CHECKLIST



Information Gathering	
<input type="checkbox"/>	Estimated budget has been established
<input type="checkbox"/>	Project approval has been received
<input type="checkbox"/>	Timelines have been established
<input type="checkbox"/>	Check online for current RFP template
<input type="checkbox"/>	Review the latest information on Policy and Trade Agreements
Pre-Competition/RFP Development	
<input type="checkbox"/>	Project requirements, including introduction, background, mandatory requirements and budget (if applicable) have been defined ( <i>Section 3 in the Guide</i> )
<input type="checkbox"/>	Scope of work details, including deliverables and final outcomes the project is intended to achieve have been detailed ( <i>Section 3 in the Guide</i> )
<input type="checkbox"/>	Mandatory requirements (must, shall and will) have been kept to a minimum
<input type="checkbox"/>	Acronyms, terminology and technical terms have been defined
<input type="checkbox"/>	Evaluation criteria for all rated factors have been determined and points have been allocated accordingly ( <i>Section 3 in the Guide – Rated Criteria</i> )
<input type="checkbox"/>	RFP closing date, time and location has been clearly stated, allowing sufficient time for suppliers to prepare thorough responses (typically a minimum of three weeks)
<input type="checkbox"/>	Suppliers' conference details (if required) have been included ( <i>Section 3 in the Guide</i> )
<input type="checkbox"/>	RFP adheres to appropriate trade agreement and/or procurement policy ( <i>Section 2 in the Guide</i> )
<input type="checkbox"/>	All insurance requirements have been outlined ( <i>Section 3 in the Guide – Terms and Conditions</i> )
<input type="checkbox"/>	Appropriate terms and conditions have been included ( <i>Section 3 in the Guide</i> )
<input type="checkbox"/>	Procurement and/or legal advice has been sought
Competition Release	
<input type="checkbox"/>	RFP has been posted as per the procedures of the public entity thresholds (for example, on SaskTenders ) these threshold levels can be found on page 13 of the Guide
<input type="checkbox"/>	Amendments and/or supplier questions and answers (excluding proprietary) have been posted as an addendum to SaskTenders ( <i>Section 4 in the Guide</i> )
<input type="checkbox"/>	An evaluation committee has been selected (ensuring no conflicts of interest) and briefed, and a chairperson has been appointed ( <i>Section 4 in the Guide</i> )
<input type="checkbox"/>	The detailed evaluation criteria document has been developed (this must be finalized prior to the RFP closing date) and has been sent to the evaluation committee ( <i>Section 4 in the Guide</i> )

Competition Close/Evaluation	
<input type="checkbox"/>	All responses have been date and time stamped (upon arrival) and have been kept in a secure location prior to the closing deadline ( <i>Section 4 in the Guide – Receiving Proposals</i> )
<input type="checkbox"/>	Late responses have been returned to the supplier, unopened, with a late letter ( <i>Section 4 in the Guide – Receiving Proposals</i> )
<input type="checkbox"/>	Proposals have been sent to evaluation members who are to ensure their copies are secured during the evaluation process
<input type="checkbox"/>	Evaluation of proposals have been conducted in accordance with the process outlined in the RFP ( <i>Section 4 in the Guide</i> )
<input type="checkbox"/>	Final scores including strengths and weaknesses have been documented for each rated area providing enough detail to allow for defensible rationale to shortlist and eliminate suppliers ( <i>Section 4 in the Guide</i> )
<input type="checkbox"/>	A short list has been developed and suppliers have been notified ( <i>Section 4 in the Guide</i> )
<input type="checkbox"/>	Presentations and/or reference checks (if required) have been completed ( <i>Section 4 in the Guide</i> )

Award/Post Award	
<input type="checkbox"/>	Award approvals have been received
<input type="checkbox"/>	Letters have been sent to the preferred and unsuccessful suppliers ( <i>Section 5 in the Guide – Notifications</i> )
<input type="checkbox"/>	Negotiations with the preferred supplier were conducted to finalize minor details of the resulting agreement ( <i>Section 5 in the Guide – Negotiating a Contract/Agreement</i> )
<input type="checkbox"/>	Agreement has been signed by both parties
<input type="checkbox"/>	Debriefings, if requested, have been conducted with suppliers ( <i>Section 5 in the Guide</i> )
<input type="checkbox"/>	Award information has been posted to SaskTenders ( <i>Section 5 in the Guide – Notifications</i> )
<input type="checkbox"/>	All proposals, written material and correspondence has been kept in a secure place and files are complete and in good order for easy access in case of Freedom of Information (FOI) or any other inquiries/requests ( <i>Section 5 in the Guide – Disposing of Materials</i> )

Your procurement area or Priority Saskatchewan is available to address any questions regarding the procurement process.

## INTRODUCTION

This guide is intended to provide information and support to public entities in the development and use of Request for Proposals (RFPs). Additional information on other approaches can be obtained by contacting your procurement area.

An RFP is a document utilized to solicit proposals from potential suppliers. Both non-cost and cost criteria are evaluated, in addition to responsiveness and responsibility, to achieve best value. A successful RFP process will support the principles of a fair, open, and transparent procurement, provide the public entity with a business solution and will comply with the expectations of government policy and procurement law. A well prepared RFP can result in a best value business solution to a problem, and meet program needs.

This guide is part of a suite of materials provided to public entities to assist in conducting procurements. The suite contains the following guides:

- Procurement Guide
- Guide to Preparing a Request for Proposal (RFP)
- Scope of Work Writing Guide
- Procurement Evaluation Guide
- Vendor Debriefing

### Step by Step Overview

Each RFP is unique. However, there are some common steps and decision points that are followed when moving from identifying a business problem or need to the delivery of the required services or goods. These steps are as follows:

- Identify a business problem or need.
- Consult with your procurement area to assist with identifying and assessing procurement requirements and options.
- Once the business problem or need is well articulated and the requirements are fully defined, the RFP document is drafted and evaluation criteria are determined.
- The RFP is issued.
- A supplier conference, market soundings and/or supplier consultations are sometimes held. Information sessions are open to all potential suppliers.
- Proposals are received and evaluated.
- Supplier(s) meeting the minimum score or criteria are shortlisted.
- Shortlisted supplier(s) may be invited to give a presentation to the evaluator(s).
- Notifications are sent to the successful and unsuccessful supplier(s).
- A contract is negotiated and signed with the successful supplier(s).
- Individual debriefing sessions will be offered to all suppliers. The service is performed or the goods are delivered.
- Performance and results are assessed.
- Lessons learned will be applied to further refine processes as applicable.

**Information  
Contained in the  
Guide**

This guide will cover many of the issues related to development of an RFP, such as:

- the obligations in the RFP process, as directed by public policy and procurement law;
- the role of a public entity's procurement area;
- the public entity's responsibilities during the RFP process, from developing and issuing the RFP document, to awarding the contract to the successful supplier;
- step-by-step guidance on how to prepare an RFP document;
- guidance on the disclosure of information; and
- links to other tools and resources that are relevant to the RFP process.

**Why Are There  
Rules and  
Regulations?**

The rules governing procurement and contracting practices are intended to assist public entities in obtaining best value for tax dollars spent. Government procurement policy promotes the concept of fair and open procurement, a concept that is embodied in the federal *Competition Act*, Saskatchewan's *Purchasing Act, 2004* and all relevant Trade Agreements.

Public entities will need to refer to and follow all procurement related governance and policy direction issued by their home organization.

**Consult Your  
Procurement  
Area**

This guide is to help public entities navigate the RFP process. However, there are situations when that is not possible due to staff or expertise constraints. This is where the procurement area can offer its experience to lead or advise you to ensure a successful project. In this guide the "procurement area" refers to the centralized purchasing unit, operating within the public entity. Smaller entities may not have a procurement area. Such entities may assign this responsibility directly to a specific business unit or make each business unit both responsible and accountable for procurement.

**Best Value Procurement**

The Government of Saskatchewan is committed to the use of a best value approach in its procurement practices. A best value approach means that public entities will structure and conduct procurements in a fashion which allows consideration of factors beyond total cost in determining which supplier proposal provides the greatest overall benefit to the public entity. While total cost remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors, such as those set out in the Government of Saskatchewan's Best Value Procurement Policy, in developing the evaluation components of procurement opportunities.

Public entities are often faced with new and challenging business problems. This could be a need for a new good or service that's unfamiliar to the unit, or a complex project with many stakeholders and objectives. By consulting with the procurement area prior to the procurement process, it can achieve best value by:

- identifying as early as possible which procurement approach to use for the best results;
- addressing resource and technical problems to streamline the project;
- consulting on important terms, conditions, policy and trade agreements to mitigate risk;
- leveraging the public entity procurement database to find similarities with previous procurement projects; and
- exposing potential delays or hurdles to overcome during the project.

Once a business goal or objective has been identified and a plan formulated, the procurement area can facilitate the procurement process. This can involve:

- assisting with market soundings and supplier consultation;
- assisting with the RFP and the drafting of the project requirements;
- issuing the RFP and obtaining responses;
- assisting with evaluations;
- leading the interviews;
- conducting debriefings with suppliers; and
- managing contracts.

### Roles & Responsibilities Matrix

Below is a detailed matrix, outlining the typical responsibilities for a business unit or procuring area, and the procurement area when facilitating the process.

L: Lead

C: Contributing

S: Shared

Activity	Responsibility	
	Business Unit / Procuring Area	Procurement Area
Define a goal, need or business requirement	L	C
Conduct market soundings and supplier consultation	S	S
Determine the procurement strategy	S	S
Manage all documents related to the procurement	S	L
Develop the scope of work or statement of requirements	L	C

Consult the trade agreements for applicability	C	L
Define the technical requirements for quality assurance, acceptance, warranty, training, documentation, packaging, transportation, initial provisioning, etc.	L	C
Identify applicable major contracting policy issues/ considerations, which must be resolved to accomplish the procurement	C	L
Examine potential problems in relation to patents, licensing, royalties and technology transfer	S	S
Create the evaluation criteria and selection method	S	S
Finalize the RFP document	C	L
Post the RFP document and attachments on SaskTenders	C	L
Evaluate proposals, conduct interviews/presentations (as applicable)	C	L
Check references (as applicable)	L	C
Send out letters to the successful and unsuccessful supplier(s)	C	L
Conduct debriefings	S	S
Negotiate the contract	L	C
Monitor work of the contractor; and receive the contract deliverables	L	C
Resolve any contractual problems	S	S
Monitor compliance with the terms and conditions of the contract	S	S
Determine that goods and services received are in accordance with the requirements and contract	L	C
Manage any contract amendments	C	L
Process any options or option years on the contract	C	L

### Advice and Assistance

At any point in the procurement process the procurement area is able to provide advice and assistance on any number of purchasing, policy or general topics. They can help at any point during your process but the sooner they are involved, the better.

It is recommended that you contact your procurement area as soon as you recognize you have a need or business problem that can be addressed by a competitive procurement process. Your procurement area will then work with you to examine your business problem, help articulate the need and, if need be, develop a market consultation and strategy, and then craft and conduct the procurement and evaluation process.

Some topics the procurement area can typically advise or provide assistance on are:

- industry consultation;
- marketplace knowledge;
- sourcing and supplier management;
- procurement strategy and the best tool(s) for the job;
- scope of work revision and review;
- evaluation criteria and methodology; and
- conflict resolution.

**Supplier  
Fairness/Multi-  
Staged  
Procurement**

**Multi-Stage Procurement**

Preparing a proposal can be expensive for a supplier. Therefore, it is important to ensure that the cost of preparing a submission is not excessive in relation to the good or service being requested. If suppliers view the process as too costly in comparison to the potential contract value, the RFP may result in few or poor quality proposals being submitted. It is for this reason that government has adopted the Multi-Staged Procurement Policy for large procurement initiatives (construction valued in excess of \$20 million and goods and services in excess of \$10 million). There is information regarding multi-staged procurement within this document but you are also encouraged to refer to the multi-staged procurement policy for further details.

For large or complex procurement, public entities are encouraged to make use of a multi-staged procurement process. This reduces the efforts of all parties in preparing costly and complex proposals and increases the probability of success for participants. For more information, please refer to the multi-staged procurement policy posted on SaskTenders.

## THE REQUEST FOR PROPOSAL PROCESS

The RFP process involves clearly articulating the requirements of the procurement opportunity and requesting proposed solutions from interested suppliers. The term RFP refers to both the RFP solicitation method and the RFP document, which is the tool for soliciting proposals. Proposals submitted in response to an RFP are evaluated using multiple criteria.

### When to Use an RFP

An RFP solicitation method is used for competitive opportunities when a public entity wants to review and/or implement different and/or new solutions to a problem, project, or business process. For example, an RFP may be issued when a public entity:

- has a situation for which it would like a recommendation on the best solution;
- wishes to evaluate factors in addition to total cost in selection of a supplier;
- has a complex project;
- has a program that is new and the public entity would like ideas on how to deliver it;
- would like to see if there are alternatives to the way it usually acquires a product or service; or
- is questioning the current flexibility, originality or development of an existing program and would like to explore new options.

### What's Involved?

An RFP can range from a simple process for a straightforward procurement to a more involved process for complex and significant procurement. Preparing a proposal can be costly for suppliers, therefore, for straightforward procurements, a short-form RFP can be issued. As requirements increase in complexity and cost, the RFP becomes more complex and more detail is required in the competition document and suppliers response.

Complex and major RFPs may require a multi-stage process that may involve the use of an information gathering phase and/or a pre-qualification process before the RFP is issued.

### Timelines

Below is a table outlining the typical time estimated to complete each step of the RFP process (*Sample 1*):

Step	Typical timeframes
Identifying a need and assessing procurement options	1-3 days
Creating the scope of work and RFP drafting	1-2 weeks
Issuing the RFP and obtaining responses (posting period)	Minimum 3 weeks
Evaluations	1 week



Interviews and reference checks	1 week
Contract negotiations	2-3 days
Debriefing sessions	30 minutes per supplier

Typically, the entire RFP process will take 6-8 weeks but may increase significantly for a more complex business problem.

A well-developed understanding of the business need and problem to be addressed and a clearly crafted scope of work can make the difference between a quality proposal and successful project, and an unsuccessful one.

### Trade Agreements

**Public entities are required to post competitions to SaskTenders under trade agreement obligations.**

The following are the applicable trade agreement thresholds (as of January 2018):

#### Procurement Thresholds (in Canadian Dollars)

MINISTRIES	New West Partnership Trade Agreement <i>Part II, Article 14.1(a)</i>	Canadian Free Trade Agreement† <i>Article 504.3(a)</i>	WTO Agreement on Government Procurement‡ <i>Appendix I, Annex 2</i>	Canada-EU CETA‡ (includes Treasury Board Crown Corporations) <i>Annex 19-2</i>
Goods	\$10,000	\$25,300	\$649,100	\$365,700
Services	\$75,000	\$101,100	\$649,100	\$365,700
Construction	\$100,000	\$101,100	\$9,100,000	\$9,100,000

CROWNS	New West Partnership Trade Agreement <i>Part II, Article 14.1(b)</i>	Canadian Free Trade Agreement† <i>Article 504.3(c)</i>	WTO Agreement on Government Procurement‡	Canada-EU CETA‡ (plus SLGA) <i>Annex 19-3</i>	
				Section A	Section B*
Goods	\$25,000	\$505,400	No coverage	\$649,100	\$731,400
Services	\$100,000	\$505,400		\$649,100	\$731,400
Construction	\$100,000	\$5,053,900		\$9,100,000	

MASH SECTOR	New West Partnership Trade Agreement <i>Part II, Article 14.1(c)</i>	Canadian Free Trade Agreement† <i>Article 504.3(b)</i>	WTO Agreement on Government Procurement‡	Canada-EU CETA‡ <i>Annex 19-2</i>
Goods	\$75,000	\$101,100	No coverage	\$365,700
Services	\$75,000	\$101,100		\$365,700
Construction	\$200,000	\$252,700		\$9,100,000

† The procurement thresholds for the Canadian Free Trade Agreement are adjusted with inflation by the Internal Trade Secretariat in accordance with Annex 504.4 of that Agreement. The values above are for 2018-2019.

‡ The procurement thresholds for the World Trade Organization (WTO) Agreement on Government Procurement and the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) are fixed in Special Drawing Rights. Periodically, these thresholds are adjusted to account for changes in currency strength. The values above are for 2018-2019.

\* Section B entities are those involved in energy transmission, transit networks, distribution and treatment of water, or the distribution of electricity or gas (see Canada-EU CETA, Annex 19-3, Section B).

Valid until: December 31, 2019

Thresholds and/or the application of trade agreements occasionally change. For up to date information, please contact your procurement area.

Where public entities are unclear regarding their obligations under any trade agreement they should consult with a representative from their procurement area or, where applicable, with the Trade Policy Branch of Executive Council.

Public entities are reminded that subdividing, splitting or otherwise structuring procurement requirements or contracts in order to reduce the value of the procurement, or in any way circumvent a public entity's procurement process may be in violation of applicable trade agreements or procurement policies. Check with your procurement area if you have any questions.

Public entities may consider alternative processes where an exception to the trade agreement allows for it, provided that they are not used to avoid competition, discriminate between suppliers, or protect incumbent suppliers.

Examples include:

- items relating to Aboriginal peoples;
- procurements from another public entity;
- where an unforeseen situation of urgency (e.g. an emergency to deal with safety issues) does not allow sufficient time for an open procurement process;
- where the services include matters of a confidential or privileged nature and the disclosure could compromise the public entity's confidentiality;
- professional services are being acquired that are exempt from trade agreement obligations (e.g. legal and health services); and/or
- in absence of receipt of bids for a competition conducted.

This is not an exhaustive list and public entities should contact Executive Council, Intergovernmental Affairs or their procurement area for clarification.

Public entities should seek legal advice when dealing with complex or non-routine trade or legal issues.

### **Consultation and Market Soundings**

For large, complex or non-conventional requirements, a market sounding or consultation process in advance of issuing the RFP may be in order.

Consultations and market soundings can be conducted in order to:

- seek ideas and a range of high level solution options from industry;
- identify industry capacity, interest and market changes; and/or
- Identify an upcoming opportunity early enough to allow industry to marshal resources and/or production time.

Market soundings are not intended to solicit free consulting or analytical services from the business community

This process provides an opportunity to refine the requirements and potential scope of work, assess industry interest and capacity and allow suppliers to plan a response and market suitable resources and capacity.

In addition, suppliers may also be allowed the opportunity to review a draft scope of work or RFP to provide input prior to release as a final product. This not only encourages a better match between requirements and industry trends and capacity but often leads to better solutions, increased innovation and a more competitive commercial environment.

Legal advice should be obtained before conducting any industry consultation or market sounding process.

### Identifying Potential Suppliers

Reaching out to the appropriate supplier industry is made easier through the use of SaskTenders because suppliers are increasingly relying on the Internet to search for new contract opportunities, and it provides public entities with free advertising and document distribution. SaskTenders provides a single reference for supplying access to public entity competitions. The service allows interested parties to download the RFP document(s) from the site. The following is an example of a notice that has been posted on SaskTenders (*Sample 3*):

**Competition Name:** Saskatchewan Assured Income for Disability (SAID) Program

**Synopsis:** The Government of Saskatchewan (GoS) is seeking competitive proposals for the provision of disability assessment services as part of the enrolment process for the Saskatchewan Assured Income for Disability (SAID) Program for the Ministry of Social Services (Ministry). Specifically, GoS is seeking a supplier to manage a provincial assessment process, including the administration and scoring of assessments using a pre-determined disability impact assessment tool.

All competitions posted to SaskTenders are automatically posted to the Alberta Procurement Connection and BC Bid sites (see quick links).

Advertising in a newspaper, a trade journal or on an alternative electronic posting site can be used as a supplement to the SaskTenders notice, or as an alternative to SaskTenders for contract opportunities under the policy thresholds. Often, the ad will point interested parties to SaskTenders as the place to obtain the RFP document.

<p><b>The RFP Template</b></p>	<p>The current RFP templates are available through the SaskTenders website (see the quick links section). The terms and conditions contained in these standard templates are continually modified to reflect changes in legislation, contracting practices or procurement law. Public entities should ensure that the most recent versions of the RFP templates are used.</p>
<p><b>Non-standard RFP Formats</b></p>	<p>Standard RFP templates have been prepared by Priority Saskatchewan. Saskatchewan suppliers are familiar with these templates, thus facilitating a better and more consistent standard of response.</p> <p>Public entities are expected to use standard templates. If a public entity believes that something in the template is not applicable to their project or that there is more appropriate language, advice should be sought from their legal services before changes are made. If a supplier challenges the legality of an RFP process, the public entity must rely on the terms and conditions built into the RFP. Therefore, changing the wording in the template may remove some of the protective language developed by legal services, thus creating risk and potential liability for the public entity.</p>
<p><b>Customizing</b></p>	<p>The electronic RFP template has been highlighted to help public entities develop an RFP document that is tailored to their requirements while retaining the language necessary to protect the public entity. The template may look long and complex at first glance but it is very straightforward. The yellow highlight identifies areas that are important, provide some context and explanation, and are completed by the public entity.</p>
<p><b>Supplier Complaints</b></p>	<p>A supplier complaint should initially be addressed to the contact person in the RFP. If the issue cannot be resolved, the complaint should be escalated within the public entity. The ability to respond and the nature of the response will depend on the timing and the feedback of the complainant, and the nature of the complaint.</p>
<p><b>Common Law and the RFP</b></p>	<p>An RFP process is undertaken to seek a business solution to a problem where price will not be the only consideration. An RFP document is used to invite proposals from which a successful supplier may be selected. A binding contract is only created between the public entity and the successful supplier when those parties have successfully negotiated the terms of a contract.</p>
<p><b>Legal Considerations</b></p>	<p>Public entities should seek legal advice when/as required.</p>

**Release,  
Maintenance  
and Retention  
of Records**

Advice regarding the release of procurement records under the Freedom of Information and Protection of Privacy Act (FOIPPA) or the Health Information Protection Act (HIPA) is available from your FOIPPA/HIPA coordinator or legal services.

## DEVELOPING KEY SECTIONS OF THE RFP

The RFP template contains important areas that need to be well developed in order to create a strong document that is easy for suppliers to understand and respond to, and for the evaluation team to review. This section highlights these areas of the RFP with recommendations on content, structure and wording.

### Introduction

The introduction should provide an overview of the project so that suppliers will understand the business problem or need that exists and be able to quickly determine if they ought to pursue the contract.

Be sure to include the name of the public entity that is requiring the good or service, and the desired length of the contract including any option years.

Any mandatory requirements, such as qualifications, location, and maximum budget, should be included in the introduction. Special/unique requirements are to be included in this section as well.

The introduction often appears in the synopsis or overview section on the SaskTenders website when posting the RFP.

### Mandatory Requirements

Mandatory requirements are those requirements that must be met to be considered in the competition.

They are typically objective, project focused or administrative criteria that when evaluated will be answered by a 'yes' or 'no'. If the mandatory requirements are not met, the proposal will not be considered for evaluation.

If the mandatory requirements are too restrictive or too difficult to achieve, there is a risk of otherwise acceptable proposals being rejected. **It is important to keep the mandatory requirements to a minimum.**

A mandatory requirement is any statement that uses the words "must", "shall", or "will".

If subjectivity is required in determining whether or not a mandatory requirement is met, such a requirement should be treated as a rated requirement.

Rated requirements define what the proposals will be evaluated against. These requirements are to be further defined later in the RFP document.

**Background**

This section describes the public entity's current situation regarding the goods or services required, and the reason for issuing an RFP. Suppliers need to understand the current situation as well as the intended project outcomes and business challenges to be addressed, which will be further stated in the scope of work, in order to develop their proposals.

The background forms part of the project summary in the RFP document.

Some questions to think about when preparing this section are: How long has the program been in service? Why is this construction required? Is the current service expanding? Are there technological changes that are causing the goods to be modified or reinvented?

**Project Budget**

Including the project budget in the RFP document is optional.

When considering whether to include the budget, first determine the value in providing this information and how the cost of proposals received will be evaluated.

Including the budget may essentially eliminate the privilege of evaluating proposals based on total cost and will tend to drive proponents to craft their response and scope to respond to the budgetary limitations rather than the full business problem under consideration. If you have a large number of requirements with a limited budget, including the budget may provide the best overall value for money spent. In this situation you are asking the bidder to tell you how much they can provide for a fixed amount.

If the budget is an estimate only, make it clear that it is subject to change. The estimate should be reasonable for the goods or services being procured. An estimated budget does not represent a commitment on the part of the public entity to enter into a contract for a specified amount, but instead provides a framework within which suppliers may quote their proposed total cost.

Not including the budget could result in proposals that exceed the project budget. However, not including the budget also allows suppliers an opportunity to offer their best total cost based on their proposed solution. Cost then typically becomes a more important factor and receives a higher percentage of points in the overall evaluation.

**Scope of Work**

When developing the scope of work write as if you are trying to explain the requirements to someone who has no knowledge of your project and/or your business. Do not assume “they will know” what you are requesting. It is also important that the scope of work allow proponents to develop and propose their own value added solutions and innovations.

**Supplier Responsibilities**

This section includes a detailed description of the work to be performed or results to be delivered by the successful supplier. It should define the breadth and depth of the project and identify the desired outcomes for completion of the project. The scope of work should contain the five w’s – who, what, where, when and sometimes why. The how is what the supplier will provide in their response.

The requirements listed in the scope of work section should outline what is required for the project to be successful, emphasizing those elements considered crucial to resolve the business problem. For example, if the RFP is for courier service, a list of delivery locations and expected times should be included. Similarly for a Business IT Consultant assignment, the business problem and expected outcome should be defined. Although a certain level of detail is necessary, public entities are cautioned to not get too detailed as creative solutions from the suppliers should be encouraged.

If there are any other significant requirements that are necessary for the service to be completed successfully, such requirements should be included in the scope of work. Some examples include:

- travel requirements and who will be paying for it (to control costs, using pre-approved government rates is recommended);
- if office space will be provided for; and
- any other applicable requirements.

**Public Entity Responsibilities**

This section will include an indication of what the public entity will provide and/or be responsible for with respect to the service.

The responsibilities of both the supplier and the public entity should be outlined.

**Please refer to the Scope of Work Writing Guide for direction on completing a Scope of Work.**



**Rated Criteria**

Proposals received are rated and evaluated solely on the content contained within the proposal.

The rating criteria identify what is important to the public entity and how they intend to evaluate proposals and make an award decision. The rated criteria may include relative weightings which will vary by requirement and circumstances. Sufficient information should be provided on how the proposal will be evaluated as this should lead suppliers to provide better proposals.

There are many criteria that may be considered in framing a best value solution to a business problem or need. While not an exhaustive list, some of these may include:

- the quality required in the goods and services;
- budget, timing and resource considerations;
- potential use of outcome and performance based requirements over prescriptive technical specifications;
- deliverables and performance commitments;
- delivery;
- supplier experience, performance history and demonstrated ability to successfully perform the contract, including service, response time, and support capacity;
- supplier expertise, and team and individuals required;
- risk and compliance management, including safety practices and history;
- demonstrated knowledge of local conditions such as geotechnical factors, environmental factors, local laws, and codes, etc.;
- environmental impact of the goods and services;
- commercial or technical risks assumed by the supplier;
- public policy objectives relevant to the problem and solution sought;
- policy, legal and trade obligations;
- total cost of ownership, which may consider factors such as:
  - purchase or contract price;
  - costs of delays or performance failures;
  - administration and contract management costs;
  - extensions, change orders, price change and cost escalation;
  - price of additional features, enhancements, upgrades, etc.;
  - limitations associated with proprietary or patent rights or constraints;
  - cost to exit the contract if necessary;
  - legal or technical costs;
  - shipping and packaging;
  - transition and training costs;
  - licensing costs;

- knowledge transfer;
- regular and ongoing maintenance, asset performance, and life cycle costs;
- warranty, parts, and repair; and
- disposal and remediation costs.

Rated criteria will vary between RFPs and will reflect the individual needs and priorities of the public entity. The procurement area has a wide selection of rated criteria used in previous competitions by public entities. Also, the procurement area can craft custom criteria for specific needs upon request. Commonly used rated criteria include such areas as supplier experience, proposed approach, project work plan, proposed staffing resources and project cost. The following provides an outline of these areas.

### **Supplier Experience**

This section outlines the suppliers experience, which may include, but is not limited to, the following information:

- capacity and experience to perform the required service;
- experience in providing the requested service/product (to include a set timeframe for the experience, i.e. within the last five years);
- past performance;
- subcontractor or partnership arrangements;
- information that demonstrates sufficient operating and financial capacity to perform the work and deliver the outcomes promised; and
- references.

### **Proposed Approach**

This section includes a detailed description of the proposed approach and strategy the supplier plans on using to meet the requirements of the assignment.

The supplier should be clear about the proposed methodology and approach that will be used to achieve project deliverables, as well as any creative alternatives, opportunities or innovations that may be beneficial to the project or the public entity.

### **Project Work Plan**

This section requires the supplier to outline the project work plan and usually includes the following information:

- Start and end date for each task or phase of the project;
- Deliverables and milestone dates for each task or phase of the project;
- Resource allocation for each task or phase of the project;

- Monitoring or reporting that will occur throughout the project;
- An indication of the expectation and support that the supplier will require from the public entity; and
- A risk and, if needed, safety management plan.

### **Proposed Staffing Resources**

This section includes all aspects of the suppliers proposed staffing resources. Such aspects include: a list of the resource(s), their relevant work experience, their education and skills, the role they will play in the project, the estimated amount of days that the resource(s) will spend on the project, and a succession plan to ensure uninterrupted service.

Consider the importance of supplier experience and staffing resources. Allocate more rating points to the section with the highest material impact. A good supplier is important but the resource team actually performing the work and their experience, qualifications and skills is important to meet the requirements of the RFP.

### **Project Cost and Prices**

Depending on the particular project, the supplier is sometimes required to complete and sign a quote sheet that is attached to the RFP as an appendix. The RFP document should specify the currency in which the quote is to be provided, which is normally in Canadian funds.

Costs and prices may be quoted as a fixed price, time and material, phased (costs or fees at different stages of the project), or a fill in the blank budget sheet.

A common evaluation approach to assigning points for total cost is that the lowest costed compliant proposal receives full points and the remaining proposals are pro-rated to determine point value (see Evaluation of Price/Total Cost in section 4).

Care should be taken to give total cost a reasonable assignment of points. The only exception would be if the RFP includes a mandatory budget that suppliers must not exceed, then the assigned points for total cost would be at the lower end, or there will be no assigned points for the project cost.

The basis for evaluating proposals against any rated criteria must be determined before proposals are reviewed. Only the stated criteria and the relative weightings can be used to evaluate proposals.

The following illustrates a general scoring guide for all rated criteria. For more information, please refer to the Evaluation Guide published by Priority Saskatchewan.

**Written Proposal (Sample 4)**

Requirement	Maximum Points
Supplier Experience	15
Proposed Approach	25
Project Work Plan	20
Proposed Staffing Resources	20
Project Costs	30
Proposal Clarity (Optional)	5
<b>Total Points</b>	<b>115</b>

**Total Competition Points (Sample 5)**

	Maximum Points
Written Proposal	115
Interview/Presentation (Optional)	25
Reference Checks (Optional)	20
<b>Total Maximum Points</b>	<b>160</b>

Recommendation of award will be based on best value, which will be determined by combining scores of the written proposal, the interview/presentation and the reference checks. The highest scoring proposal is chosen as the preferred supplier. In submitting a proposal the supplier agrees that the decision of the evaluation team will be final.

Detailed evaluation processes including the basis for the assignment and allocation of evaluation scores are to be established in advance of receiving proposals. All evaluation scores and criteria must clearly relate to the requirements identified in the competition.

**In no event should a public entity consider or evaluate factors not identified in the RFP document.**

Public entities are encouraged to consider publishing the weights for evaluation criteria in the RFP to assist potential suppliers in setting priorities in their proposals.

**Communication  
During an open  
competition**

As part of writing the RFP, consideration must be given to how the public entity plans to communicate with participating suppliers. This should be outlined in the RFP document.

### **Supplier Conferences**

Public entities can choose to include a supplier conference as part of the RFP process and to make attendance at the conference optional or mandatory. Supplier conferences are recommended if the project is complex.

A supplier conference is intended to provide potential suppliers with an opportunity to ask questions, gather additional information, and seek clarification or express concerns related to a specific RFP. It also allows for consistent information distribution to the interested bidders. The public entity has the opportunity to provide additional information related to the competition.

#### **Location**

Where appropriate, the supplier conference may be held in the location where the work is to be completed. If it is a complex project or one where work might be required at a number of locations, public entities may conduct a series of conferences in different locations throughout the province. To manage costs and time, public entities may consider allowing a suppliers conference to be conducted by teleconference for out-of-town attendees.

#### **Time**

A supplier conference is usually held a week or two after the RFP is issued, and a few weeks before the closing date. The date and time of the conference should appear in the schedule of events section of the RFP document.

#### **Attendance**

A supplier's attendance at the conference should be optional unless the meeting incorporates a site visit. If attendance at the supplier conference is mandatory, this must be clearly identified in the RFP.

As most attendees will have read the RFP, a brief introduction of the intent of the RFP or the project will be sufficient. An optional attendance sheet may be circulated for attendees to sign in.

## Individual Supplier Meetings

Some suppliers may request individual meetings with the public entity. This is usually related to the RFP process. Meetings will be conducted at the discretion of the public entity and in accordance with the process identified in the RFP document.

## Record of the Conference

Detailed minutes of any supplier conference or meeting are to be recorded. A record of questions asked and responses given must be made available to all suppliers who have expressed interest in the opportunity and the minutes must be shared with all proponents.

The RFP will usually ask suppliers to submit questions in writing in advance of the conference. This gives the public entity time to prepare thorough answers. At the conference, these questions are answered and read out loud without disclosing the source from the floor. Questions that cannot be answered immediately will be answered in writing after the conference and will be distributed as part of the minutes of the meeting.

The contact person(s) from the RFP should be at the conference to ensure the fairness of the RFP process. It may be appropriate to ensure representative(s) are available to address specific questions (e.g. technical, financial, and logistical).

It is a good idea to provide a conference agenda to the attendees. The following is an example of a typical agenda (*Sample 6*):

<p><b>RFP Reference #</b>  <b>Public entity:</b>  <b>Date:</b>  <b>Time:</b>  <b>Location:</b></p> <hr/> <p><b>Chairperson:</b>  <b>Saskatchewan ____ Representatives:</b>  <i>(Public entity is to have a resource available to take notes)</i></p> <hr/> <p style="text-align: center;">-- Agenda --</p> <ol style="list-style-type: none"> <li><b>1. Welcome and Introductions - Chairperson</b> <ul style="list-style-type: none"> <li>• Names and roles of all participants</li> </ul> </li> <li><b>2. Project Objective - Public entity Representative</b> <ul style="list-style-type: none"> <li>• Start/end date of project</li> </ul> </li> </ol>
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- Key requirements
- 3. Review of Requirements - Chairperson**
  - Mandatory requirements
  - Rated requirements
  - Proposal response format
  - Evaluation criteria – obtaining full points, pass/fail and stages
  - Insurance requirements
  - Terms and conditions
  - Other
- 4. Instructions Regarding the Procurement Process - Chairperson**
  - Additional inquiries are to be directed, in writing, and provided by
  - Ask any and all questions – don't assume
  - Closing Date
  - Upon Closing – review by evaluation team
  - Short-List – tentative Interview date
- 5. Question and Answer Period – Public Entity Representative** *(Attach a copy of (or include) any questions (and answers) previously submitted).*
  - Additional concerns or questions

**NOTE:** Minutes from the Suppliers Conference will be posted on SaskTenders.

## Site Visits

Public entities may host site visits to allow potential suppliers to become fully acquainted with the nature of the work.

Public entities have the ability to make site visits optional or mandatory. The need for a mandatory site visit should be carefully considered and documented on the file as part of the procurement planning. Recognition should be given to the cost imposed on suppliers not in the immediate vicinity of the site when deciding if a site visit will be mandatory.

The RFP document must clearly identify the optional/mandatory site visit, and indicate the location, date and time. The RFP often requests that suppliers identify, in writing prior to the meeting date, the names of the representative(s) who will attend, and a list of the questions they propose to raise.

Ensure the site visit is scheduled with sufficient time to:

- enable suppliers the opportunity to review the RFP; and
- allow for preparation and distribution of minutes in order for suppliers to prepare and submit proposals on or prior to the closing date.

### Mandatory Site Visit

In the event of a mandatory site visit, the RFP document must clearly state:

- the site visit is mandatory; and
- failure to attend will result in the proposal being declared non-compliant.

**Interview/  
Presentation**

**Optional Site Visit**

In the event of an optional site visit the RFP document must indicate that:

- attendance by suppliers is optional; and
- suppliers that do not attend are not precluded from submitting a response.

Although there are no formal minutes, any clarifications, or changes in requirements resulting from the site visit must be amended in the RFP and posted to SaskTenders.

Shortlisted suppliers may be invited to make oral presentations and answer questions from the evaluation committee. Questions should be prepared ahead of time and presented to the supplier prior to the interview/presentation. It is important to inform the supplier that they cannot provide any new or additional information during the interview/presentation, unless that is specifically permitted in the RFP document. The content of the interview/presentation concerns what is in the supplier’s proposal and should further clarify the proposal.

The evaluation committee should determine the format of the presentation. Should it be a formal presentation or a question and answer session? Should the participants be able to interrupt the flow of the presentation with questions or ask questions at the end of the presentation? The answers to these questions are particularly important for suppliers, so they may tailor their interview/presentation accordingly. Each supplier should be treated in a similar and consistent manner.

The following is an example of elements that are often evaluated in an interview/presentation (*Sample 7*):

<b>1. Quality of Presentation</b>	<b>_____ points</b>
<ul style="list-style-type: none"> <li>- clear &amp; concise</li> <li>- effective use of materials</li> <li>- listened carefully to questions posed</li> <li>- good clarification/response to questions posed</li> </ul>	
<b>2. Project Requirements/Methodology &amp; Approach</b>	<b>_____ points</b>
<ul style="list-style-type: none"> <li>- demonstrated a clear understanding of the project requirements and business need</li> <li>- clearly demonstrated how proposed methodology/project plan will fulfill the objectives of the required services(s)</li> <li>- demonstrated value brought and innovation offered</li> <li>- demonstrated knowledge required to convince evaluation team regarding expectations and the proposed solution</li> <li>- complete confidence regarding delivery and quality of deliverables</li> </ul>	
<b>3. Team Participation/Resources</b>	<b>_____ points</b>



- appropriate resources represented
- all/appropriate resources participated in response
- resources are compatible with client's needs
- resources demonstrated a thorough knowledge of the client's business need and a sound understanding of the solution proposed
- resources demonstrated knowledge/experience necessary to fulfill requirements
- resources responded openly not with a practiced generic response
- resources genuinely work well together not a prepared stage show

### Including References

References, at the option of the public entity, can be an important step in confirming the reliability and capability of suppliers. If references are requested, the RFP must explain how the process will work. For example, public entities may choose to check references for short listed suppliers and any sub-contractors or partners of that supplier. Checking references can be time-consuming but can be a valuable source of information during the evaluation process. If references are requested, be sure that they relate to the RFP and to the project.

Ensure that the RFP document reserves the right to conduct reference checks with parties other than the references listed in the supplier's proposal. If stated, reference checks can be conducted any time during the evaluation process.

### Terms and Conditions

The terms and conditions apply to both the competition itself and any resulting agreement.

**Exercise caution when modifying or altering any terms and conditions in the standard RFP template document, as they have been verified by legal services and protect public entities, in case of a dispute with a supplier.** If you wish to make changes seek advice from your legal services.

Ensure that the terms and conditions for the RFP allow the right to modify the terms of an RFP during the competition, including the right to cancel an RFP prior to entering a contract with the successful supplier.

## THE COMPETITION

After all necessary approvals have been acquired the RFP is ready to be released to potential suppliers. The appropriate distribution method should be selected based on the total estimated value of the RFP. It is recommended, whenever possible, to use SaskTenders to advertise competitions. If the expected value is at or above the Trade Agreement thresholds, **SaskTenders is required to be utilized**. Please refer to Trade Agreements on page 12.

Recognize that preparing a proposal represents a significant cost and investment of time and resources for a supplier. It is important to allow suppliers enough time to prepare and submit a response. For example, consider that the competition length may increase with the inclusion of a site visit or suppliers' conference.

### Safekeeping the Process / Information Sharing

All potential suppliers must be provided with identical information throughout the formal competition process. Public entities will often identify one contact person to ensure all communication is filtered through a single source. A consistent contact person for an RFP enhances the fairness of the process by ensuring that the information provided to any one supplier in response to questions is shared with all interested suppliers.

#### Contact Person

The contact person will receive questions, obtain answers, distribute the questions and answers to all participating suppliers and issue amendments as necessary. All contact with suppliers related to the RFP during the RFP process (i.e., questions and answers) should be formal and documented in writing. Managing the flow of information between public entities and suppliers is important to ensure an RFP process that is fair and open.

#### Supplier Questions

Suppliers may request clarification related to the RFP. The role of the contact person is to ensure that all non-proprietary questions that are raised, and responses given, are documented and shared with all participating suppliers in a timely manner.

Questions related to a proprietary solution should be held in confidence and not be disclosed to other suppliers without the owning supplier's permission. This allows suppliers to ask questions they normally might not if they knew the information would be revealed.

As the contact person is entrusted with or has access to information governed by the *Freedom of Information and Protection of Privacy Act* or the *Health Information Protection Act*, this individual must ensure the necessary confidentiality of public entity and third party information.

**Amendments**

Any amendments to the RFP are to be communicated to the potential suppliers.

For example, for ministries, any amendments must be advertised on SaskTenders. As a result, suppliers are automatically notified.

Any significant changes to the terms of the RFP should be made far enough in advance of closing to give suppliers adequate time to respond in their proposals.

No changes to the RFP or procurement process can be made after closing unless allowed for in the RFP itself. Any changes to the RFP or procurement process after closing will follow the process as outlined in the RFP document. If changes are necessary after closing, public entities are to obtain advice from their procurement area and/or legal services to ensure that a change will not result in any unfair treatment, prejudice to any supplier, or significantly affect a supplier.

**The Evaluation Committee**

An evaluation committee is established as part of the RFP process. This committee is responsible for evaluating all proposals against the criteria included in the RFP document.

**Structure of the Evaluation Committee**

The evaluation committee may include the program manager, a technical advisor, a financial advisor, a client representative, and /or the procurement area representative. The number of people will depend on the complexity of the project. However, if the committee is too large it may complicate the process.

All committee members should be present for the entire evaluation period and should be involved in reviewing all proposals. The evaluation committee may seek help from other areas, such as the financial services group to run a spreadsheet to make pricing easier to assess and evaluate. However, the evaluation committee is still responsible for assigning a score to the proposals, and may consider the input received from other areas of the public entity.

Although the evaluation committee is not required to be involved until the evaluation process starts, the evaluation process will be much easier if the committee is involved in drafting the RFP and developing the evaluation criteria and evaluation plans.

The first formal meeting of the committee may not take place until after the closing date of the RFP. However, the committee will usually meet earlier in the process to obtain agreement on confidentiality requirements, review the evaluation criteria and draft scoring sheets, and make plans for subsequent meetings.

The evaluation committee is expected to adhere to the highest of standards of confidentiality and is not to discuss proposals or findings with any parties other than the evaluation committee or officials specifically authorized to be granted access to the evaluation materials or results.

### Conflict of Interest

It is important that all parties in the evaluation process are free from conflict of interest and lapses in ethical conduct.

For specific information on conflict of interest and code of conduct, please refer to the Conflict of Interest Policy available on SaskTenders.

### Creating the Evaluation Document

The evaluation document should be created by members of the evaluation committee and is to be finalized prior to competition closing or proposals being distributed to evaluation team members. This prevents the evaluation team from being influenced by any proposal or potential proposal. The document will be used to evaluate each proposal once the RFP competition period closes. The criteria must be based on the content of the RFP document. Nothing new can be added, therefore it is important to consider all evaluation criteria and ensure the evaluation document is in alignment with the stated requirements when drafting the RFP.

Each section of the evaluation document includes a breakdown of elements that determine the point allocation for each section. Typically the sections are rated on a point scale which can vary from excellent (maximum points) to poor (minimum points), with a description of acceptability within each scale.

The following is a sample section of an evaluation document, which was used in a competition for French language translation services, outlining the requirements of the supplier experience and the point rating (*Sample 8*):

<b>SUPPLIER EXPERIENCE – (page # _____)</b>	
- provided introduction of company	Yes ___ No ___ pg #___
- demonstrates capacity and successful experience to perform the service – _____ years	Yes ___ No ___ pg #___
- provided an indication of companies experience in translation and revision services for a provincial/territorial/federal government (within the last five years	Yes ___ No ___ pg #___
- 3 samples of translations submitted to a public sector agency	Yes ___ No ___ pg #___
<b>(samples must include the original source documents)</b>	

**(20-40 Points) Excellent = Has at least 8 years of experience; company has extensive experience with provincial, territorial, federal government (within last five years); company translated a wide variety of French to English and/or English to French documents ; all 3 samples are from submission to a public entity (all include original source documents); all samples are of very high quality**

**(10-20 points) Good = Has at least 4 years of experience; company has some experience with provincial, territorial, federal government (some within last five years); company translated a limited variety of French to English and/or English to French documents; 2 of 3 samples are from submission to a public entity (include original source documents); samples are of high quality**

**(1-10 Points) Fair = Has less than 4 years of experience; company has very little experience with provincial, territorial, federal government (some to very little within last five years); company only translated one or two kinds of French to English and/or English to French documents; 1 of 3 samples are from submission to a public entity (includes original source documents); samples are of fair quality**

**0 points Poor = No specific detail provided on years of experience; company has no experience with provincial, territorial, federal government; none of the samples are from submission to a public entity; none of the samples are English to French or French to English; samples are of poor quality**

SCORE =  / 40 points

## Receiving Proposals

Upon receipt, proposals must be date and time stamped, and placed unopened in a secure location. Proposals must not be opened until after the specified closing time.

Ensure that there is no uncertainty about when a proposal was received. All bids received by the closing time will be evaluated. Any proposal not received by the closing time should be returned to the supplier, unopened, with a covering letter explaining why it will not be considered.

Proposals may be submitted by courier or by hand. If a public entity chooses to accept proposals by fax or electronically, it is important to clarify the supplier's responsibility for completeness of the transmission and to have procedures in place to confirm the closing time cut-off. The acceptable method(s) of submission should be outlined in the RFP.

It is the full responsibility of the supplier to have their proposal submitted on time. The proposal cannot be considered in the evaluation process if it is submitted late (one second after closing is considered a late submission).

## Evaluation

During the evaluation process, committee members must treat all suppliers fairly and equally, and evaluate their proposals in accordance with the process described in the RFP document. Care must be taken throughout the process not to take any actions or make any decisions that could be construed as providing an unfair advantage to any supplier(s). As committee members are entrusted with or have access to information governed by the *Freedom of Information and Protection of Privacy Act*, they must ensure the necessary confidentiality of public entity and third party information. Evaluation committee members will be expected to:

- keep the proposals, and any notes they might make relating to them, in a secure place where others will not have access to them;
- not discuss the proposals or disclose their contents to anyone other than fellow committee members and officials specifically authorized to have access to such materials;
- retain copies of all notes and memoranda;
- keep all notes, discussions, and point ratings confidential and not disclose their substance or details to anyone;
- evaluate the proposals strictly in accordance with the evaluation criteria stated in the RFP;
- evaluate proposals solely on information contained therein, not on the committee's previous knowledge of the supplier or its business;
- score proposals strictly in accordance with the methodology and point ranges established in the RFP; and
- ensure proposals are not compared against each other (the only exception is when evaluating total cost).

For detailed information about evaluating an RFP, please refer to the Procurement Evaluation Guide available on SaskTenders.

## Taking Notes

One of the members of the evaluation committee should be responsible for creating a master record of scores and keeping notes for each score. This information forms part of a permanent record and may be made available to suppliers during debriefings in accordance with the Vendor Debriefing Policy. It is important to write supporting comments for both high scores and low scores. There is a natural tendency to put more emphasis on documenting the areas in which the supplier falls short. However, a benefit of documenting both positive and negative feedback is that, during debriefing meetings, the committee is able to comment on the proposal's strengths as well as areas that require improvement.

For further information refer to the Vendor Debriefing Policy available on SaskTenders.

## Evaluating Mandatory Requirements

The first step in the evaluation process is to check each proposal to ensure it is in compliance with the mandatory criteria. This must be done before the evaluation committee meets to evaluate proposals. Assessing the mandatory criteria determines whether the proposal meets or does not meet each mandatory criterion. Any proposal not fully meeting all mandatory criteria must be rejected without further consideration.

In cases of ambiguity in the wording of mandatory criteria, public entities may find themselves in a situation where it is unclear if a proposal meets the mandatory criteria. If faced with this situation, public entities may have to seek further advice from their procurement area to determine whether or not the proposal is substantially compliant, or if further clarifications are to be sought from the supplier.

## Evaluating Rated Criteria

Proposals that meet all mandatory requirements are further assessed against the stated rated criteria.

Team members may individually score proposals, and then as a group come to consensus agreement on the final scores; or score as a group consensus at a meeting.

Records and details of individual scoring are not to be part of the final evaluation file.

## Evaluation of Price

When assigning points for price/cost, the most common formula is to award the lowest priced/costed proposal full points and then pro-rate the remaining proposals to this lowest price/cost. Pro-rated prices/costs are determined by multiplying the total number of points available for price/cost by the lowest-priced/costed proposal and dividing this result by the supplier's price/cost.

$$\text{Formula: } S = \frac{\text{Min} \times M}{P}$$

S = score

Min = lowest-priced/costed compliant proposal

M = total points available for price/cost

P = price/cost on this proposal

### **Short List**

If the intent is to create a short list and invite suppliers who make the list to deliver an interview/presentation this should be clearly explained.

Often, a scoring threshold (e.g. 70% pass mark) is included in the RFP to determine a short list of suppliers that may be invited to interviews/presentations. The evaluation team will decide how many proposals will be shortlisted.

### **Interviews/Presentations**

Shortlisted suppliers may be given an opportunity to present their proposals where evaluation committee members have an opportunity to ask questions. This step must be mentioned in the RFP and cannot be added after the competition closes.

The purpose of the interview/presentation is to clarify or elaborate on the supplier's proposal. The supplier cannot change or add content to their proposal, unless specifically permitted as part of the RFP document nor can evaluation committee members make changes at this stage in the process.

### **Checking References (optional)**

The timing of, and approach to, checking references is to be indicated in the RFP document.

Regardless of the approach chosen to check references, questions asked should relate directly to the evaluation criteria and the same questions should be asked of all references. Reference questions should be objective, such as "How did you find the supplier's ability to respond to customer complaints?" Both the questions asked and the answers received must be recorded.

### **Identifying the Preferred Supplier**

After all the steps outlined in the evaluation section of the RFP have been completed, the preferred supplier should be chosen in accordance with the evaluation criteria. At this point, taking into consideration any internal approval processes, both parties will begin negotiating a contractual document.



## AWARD AND POST-AWARD

### Negotiating a Contract/Agreement

Submission of a proposal indicates that the supplier is prepared to enter into a contract with the public entity if its proposal is successful.

Public entities have the option of attaching the contract to the RFP document. The RFP may indicate that submission of a proposal indicates the supplier's acceptance of such a contract, as well as the supplier's willingness to enter into such a contract.

Ideally, everything from the successful proposal can be written into the contract and the supplier will readily sign it. This is the case for the majority of RFPs. On occasion some contract details will need to be negotiated with the successful supplier.

If the contract details that need to be negotiated are relatively minor, and do not substantially alter what was proposed, the public entity should proceed to negotiate a contract with the preferred supplier. Should an acceptable contract agreement not be negotiated, the subsequent preferred supplier may be selected, if permitted in the RFP document, and a formal written contract will be developed with such a subsequent preferred supplier.

An important consideration in the negotiation of the contract is ensuring the rules of the process do not change, as this would be unfair to the other suppliers. The contract should not be modified substantially so that the other suppliers could reasonably claim they would have submitted a different proposal. No matter how tempting, ideas from an unsuccessful proposal should not be incorporated into a contract with a successful supplier.

In planning for negotiations, public entities may want to:

- seek advice from their procurement area and /or legal services;
- anticipate the supplier's position(s), identifying and considering as many options as possible;
- consider the supplier's best and worst alternatives in coming to an agreement; and
- confirm the individuals negotiating the contract from both parties have the authority to approve the contract or to call off the negotiations.

Preparing for negotiation is of vital importance. As public entities participate in the negotiation process, they should:

- be aware that they are negotiating a long term relationship that both parties should be satisfied with;

- avoid being defensive or aggressive and give the other party plenty of opportunity to speak;
- take time to consider all information presented;
- keep the negotiation focused on issues or interests rather than positions or personalities;
- identify and build on areas of common interest;
- openly document areas of agreement, and retain the documents on file, so they do not get revisited later; and
- confirm claims that a supplier states prior to signing a contract.

Material terms between the successful supplier and the public entity are to be clearly documented in the contract. For example, if the supplier has agreed to assign certain staff to the contract, and the public entity wants these to be the ones who do the actual work, the contract should identify them by name. Whenever possible, avoid the use of interim agreements, such as Letters of Intent or Memoranda of Understanding. Ideally, the written agreement will be the final contract.

Your procurement area can provide a contract template for your use.

The public entity will develop the contract, which legal counsel should review and provide any recommendations.

During negotiations, it is important to remember that this is a legal process that will be relied on in the event of a dispute.

## Notifications

Contract award information should be shared in accordance with the policies of the public entity. Written confirmation of results should be sent to all suppliers that submitted a response to the competition providing them an opportunity to request a debriefing of their proposal. Results should be announced to the successful supplier first.

*Sample 9* illustrates the wording that is recommended for notifying the successful supplier in an RFP process.

Re: Request for Proposal for  
(public entity) RFP Reference #

This is to advise that the evaluation committee has completed their evaluation of proposals received for the above-noted competition and has selected \_\_\_\_\_ as the preferred supplier.

You can expect representatives from the public entity to be in contact with you shortly to discuss the formal agreement.

Thank you for responding to this RFP. The Government of Saskatchewan looks forward to receiving other proposals from you in the future.

Sincerely,

*Sample 10* illustrates the recommended wording for notifying unsuccessful suppliers.

Re: Request for Proposal for  
(Public entity)  
RFP Reference #

This is to advise that the evaluation committee has completed their evaluation of proposals received for the above-noted competition and has selected XXX as the preferred supplier of these services.

Debriefing sessions are available upon request. Please call if you wish to arrange a session.

Thank you for responding to this RFP. The Government of Saskatchewan looks forward to receiving other proposals from you in the future.

Yours truly,

### Debriefing Suppliers

The purpose of a supplier debriefing is to provide a two-way communication process for public entities and participating suppliers to exchange constructive feedback on the public entity's procurement processes and practices, and the strengths and weaknesses of the supplier's submission.

For detailed information on debriefing, please refer to the Vendor Debriefing policy available on SaskTenders.

**Disposing of  
Materials**

Public entities are to follow their record retention and disposal policies.

All RFPs, proposals, written material and correspondence should be kept in a secure place and files be complete and in good order for easy access to enable responses to be made *Freedom of Information and Protection of Privacy Act* (FOIPPA) or any other inquiries/requests.

**Post-mortem  
Review**

Public entities are encouraged to review the effectiveness of select procurements once complete. This will provide the opportunity to:

- identify what went well and what did not;
- refine materials and processes;
- evaluate the effectiveness of scopes of work, evaluation practices and contract negotiation strategies; and
- seek industry input and feedback.

**CONTACTS****General Enquiries**

The public entity's procurement area or Priority Saskatchewan

<http://www.sasktenders.sk.ca>

[Purchasing Services Contacts \(Goods and Services\)](#)

[Purchasing Services Contacts \(IT Hardware\)](#)

[Purchasing Services Contacts \(IT Software\)](#)

**Feedback on the  
Guide**

When reading through this guide, any feedback would be appreciated and can be communicated to Priority Saskatchewan (see contacts section of the guide). Such feedback could include:

- Is the guide clearly written?
- Is the guide easy to navigate?
- Any suggestions for improvement?

## GLOSSARY AND DEFINITIONS

**Agreement** - the written contract between the preferred supplier and Her Majesty to provide the services contemplated by an RFP.

Reference to the Government of Saskatchewan, the province, a Treasury Board Crown or CIC Crown, are used for administrative purposes and mean ***Her Majesty the Queen in Right of the Province of Saskatchewan, as represented by "Insert Crown Name", corporation continued pursuant to "Insert the name of the Act incorporating the Crown"***.

**Evaluation Committee** - the individuals who will evaluate the proposals on behalf of the Government of Saskatchewan.

**Legal Services** - the legal services provided to ministries by the Ministry of Justice. Other public entities may have in-house lawyers or may seek services from the local legal community.

**Mandatory, shall, must, and will** - requirements that are imperative and must be met in order for the proposal to receive consideration.

**Non-Compliant** - the proposal fails to provide sufficient detail necessary to evaluate the proposal against the mandatory requirements outlined in this RFP document.

**Optional, may, might and could** - requirements that might be rated.

**Preferred Supplier** - the supplier who has been selected through the competition, but with whom a contractual agreement has not been signed.

**Pre-Qualification List** - a list of potential suppliers who have been pre-qualified for a specific or future procurement opportunity.

**Proposal** - the document submitted by a supplier in response to the RFP.

**Procurement area** - to the centralized purchasing unit, operating within the public entity.

**Public entity** – any ministry, Crown corporation, board, agency or commission within the Government of Saskatchewan.

**Rated, should** - requirements that will be evaluated in accordance with the evaluation criteria and assigned points.

**RFP** - Request for Proposal. In this guide the term RFP refers to both the RFP solicitation and the RFP document.

**SaskTenders** - the website developed by the Ministry of Central Services to provide electronic access to various competitions.

**Services** - the functions, duties, tasks and responsibilities to be provided by the supplier as described in the RFP document.

**Successful Supplier** the organization responding to a RFP who is determined to be successful in the competition and has signed a contractual agreement.

**Supplier** an individual or a company that submits, or intends to submit, a proposal in response to a Request for Proposal.

**QUICK LINKS**

SaskTenders

<http://www.sasktenders.ca/>

Acts

[The Purchasing Act, 2004](#) (PDF)

[Freedom of Information and Privacy Act](#) (PDF)

Agreement on Internal Trade (AIT)

<http://strategis.ic.gc.ca/epic/internet/inait-aci.nsf/en/Home>

ARIBA

<http://www.ariba.com>

New West Partnership Trade Agreement

<http://www.newwestpartnershiptrade.ca/>

Canada-US Agreement on Government Procurement

<http://www.international.gc.ca/international/index.aspx>

Office of the Saskatchewan Information and Privacy Commissioner

<http://www.oipc.sk.ca/>

Conflict of Interest Guidelines

[Human Resources Manual](#)

Financial Administration Manual

Section 4505: [Purchase of Goods](#) (PDF)

Section 4510: [Contracts for Services](#) (PDF)

Section 4515: Procurement of Services (PDF)

MERX

<http://www.merx.com>

Alberta Purchasing Connection

<http://www.purchasingconnection.ca/>

BC Bid website

<http://www.bcbid.gov.bc.ca/open.dll/welcome>





# Procurement Evaluation Guide



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## INTRODUCTION

### Information Contained in the Guide

This Procurement Evaluation Guide (Guide) will cover many of the issues related to the evaluation of a competitive process, such as:

- The principles of evaluation;
- The role of the procurement area;
- The public entity's responsibilities during the evaluation, selection and debriefing;
- Step-by-step guidance on how to prepare an evaluation document;
- Guidance on the disclosure of information; and
- Links to other tools and resources.

This Guide is intended to provide support and direction to public entities in the administration and application of the tender and request for proposal (RFP) evaluation process. Additional information can be obtained by contacting your procurement area.

The evaluation process is the glue that ties all elements of the competitive process together ensuring best value solutions, process fairness and efficient use of resources.

The evaluation process is intended to be an independent, systematic investigation into how, why, and to what extent a proposal satisfies the objectives or goals associated with a competitive process. It can help the public entity answer key questions about which proposal or solution offers the greatest contribution to the satisfaction of the public entity's program initiatives and business requirements. It is important to thoroughly document the evaluation process to meet transparency obligations.

A quality RFP and tender evaluation process helps minimize risk and identifies the critical elements to be addressed in the negotiations phase and built into resulting contracts, work plans or supplier performance and evaluation plans.

Determining the requirements to be included in the evaluation process begins at the business problem or need identification stage. The formal part of the evaluation process starts once the bids are received and carry through to the debriefing and contract negotiation phases. Done well, the process serves to select the best and most valuable business solution. Done poorly, the process may generate supplier complaints and challenges which may prove costly in terms of time, reputation and legal fees.

This document is part of a suite of materials provided to public entities to assist with procurements and their evaluations. The suite contains the following guides:

- Procurement Guide
- Guide to Preparing a Request for Proposal (RFP)
- Scope of Work Writing Guide
- Procurement Evaluation Guide
- Vendor Debriefing

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## Evaluation Principles

The Government of Saskatchewan is committed to the following general principles that provide a foundation for all public procurement:

- Open, transparent and fair processes;
- Flexible approaches to doing procurement;
- Consistency and clarity in how we do business;
- Best possible value for money and a focus on outcomes and business solutions;
- Demonstrated respect for our suppliers by engaging in meaningful consultation;
- Easy access to public tender information and opportunities;
- Innovation that fosters economic development and competitiveness;
- Respect for our trade obligations; and
- Continuously improving how we do business.

## Best Value Procurement

The Government of Saskatchewan is committed to the use of a best value approach in its procurement. A best value approach means public entities will structure and conduct procurements in a fashion which allows consideration and evaluation of factors beyond total cost in determining which supplier proposal provides the greatest overall benefit. While total cost remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors, such as those set out in the Best Value Procurement Policy, in developing the evaluation components of procurement opportunities.

For details please refer to the Best Value Procurement Policy available on SaskTenders. All competitions and their evaluation processes are to be designed with these principles in mind.

When it comes to the evaluation process there are a number of additional considerations that, if applied rigorously, will help reinforce a continually improving process framework and relationship with the business community. Those considerations are as follows:

- Requirements and evaluation processes are defined with purpose, actions and decisions in mind. Public entities need to ask, “How and when will we use the information that comes from this evaluation?” By better anticipating information needs, entities are more likely to design and conduct evaluation processes that will be useful and lead to effective, best value decision making.
- The evaluation process is fundamentally a learning process. As we engage in evaluation planning, implementation, and targeted use of results, we should actively learn and adapt.
- Evaluation is a product of strategy development and requirements identification. Building evaluative thinking into strategy development processes does several things:
  - It helps identify the assumptions and logical (or illogical) connections in business plans and stated requirements;

- It establishes a starting point for evaluation questions and an approach to answering them in a practical, meaningful sequence, with actions and defensible decisions in mind;
- It helps the public entity consistently link requirements identified in the RFP through the evaluation process to contracts and eventually to supplier performance and evaluation; and
- It allows the public entity to choose criteria and requirements strategically, maximizing rigour without compromising relevance.

## Types of Procurement

There are two principal models for structuring competitions. A tender process emphasizes lowest total cost relative to satisfaction of specifications and measurable requirements. Occasionally, other elements may be introduced into tender evaluations, however, the tender evaluation is fundamentally a price-driven process. Alternatively, an RFP process emphasizes business solutions and outcomes and evaluates total cost or price as one of the elements in the evaluation process to establish value.

### **Tender – total cost compared to minimum acceptable standards**

The traditional tender process focuses on establishing best value by evaluating compliance to pre-defined minimum design, quality or performance specifications and then awarding to the lowest total cost submission. This form of evaluation process is straightforward in principle. In practice, however, developing minimum acceptable requirements may be difficult without relying on brand names or unduly restrictive specifications.

In a tender process the stages of evaluation are typically:

- Define specific measurable design or functional specifications including delivery and other requirements;
- Prepare the tender;
- Identify the competent and compliant proposals;
- Select the low compliant bid; and
- Announcement and debriefing.

### **RFP – evaluation of a range of weighted criteria in addition to price and costs.**

A well-crafted, criteria-driven evaluation process may be characterized as having multiple stages:

- Ensure the evaluation process and response requirements are clearly communicated;
- Select and adequately prepare the evaluation team;
- Identify the competent and compliant proposals;
- Identify and address gaps and ambiguities in proposals – including price and cost structures;
- First round scoring and detailed scoring;
- Consensus scoring and award approval; and
- Announcement and debriefing.

The RFP is utilized to solicit proposals from potential suppliers. Both non-cost and cost criteria are evaluated to establish best value. A well prepared RFP can result in a best value business solution to a problem, meet program needs and offer quality innovative solutions.

## THE TENDER EVALUATION PROCESS

A tender process is used when the purchaser has a good understanding of the good or service they wish to acquire and is looking for the lowest cost as the means to achieving best value. Therefore a tender process is typically used when inputs, design and performance characteristics are well understood and the business problem or intended use is not an issue.

In a tender process the procurement stages are generally as follows:

- Consult with your procurement area to assist with identifying and assessing procurement requirements and options;
- Define specific measureable design or functional specifications including delivery, bonding, trade agreement and other requirements;
- Prepare the tender including detailed specifications or illustrative equivalency descriptions;
- Invite proposals and tender responses;
- Invite shortlisted supplier(s) to give a presentation, if required;
- Negotiate a contract and/or purchase order with the successful supplier(s);
- Notify the unsuccessful supplier(s);
- Debrief the unsuccessful supplier(s) where requested. Occasionally the successful supplier will request a debriefing to find out where they can improve;
- Receive the good or service;
- Assess the performance and results; and
- Apply lessons learned to future processes.

The more specific elements in the tender evaluation process are typically as follows:

Step	Description	Action
1.	Evaluate compliance	<p>Assess all bids to determine whether they are compliant. Non-compliant bids must be excluded from further evaluation. Non-compliant bids are those that fail to comply with the terms of the invitation to tender. For example, bids that:</p> <ul style="list-style-type: none"> <li>➤ were submitted after the closing time;</li> <li>➤ were not signed where required;</li> <li>➤ were incomplete - for example, questions have not been answered, pages are missing, or required documentation has not been attached (for example, insurance certificates); or</li> <li>➤ failed to meet mandatory requirements or other compliance criteria.</li> </ul> <p><b>Note:</b> bids failing to satisfy any mandatory requirement must be rejected and may not receive further consideration.</p>



2.	Clarify bidder responses (where necessary)	<p>It may be necessary to seek clarification from a bidder if a bid is unclear. However, allowing a bidder to provide clarification does not mean that bidders can revise their original offer. Any clarification sought and the response should be fully documented, and done in consultation with your legal advisor.</p> <p><b>Note:</b> Where bidders are provided with the opportunity to correct unintentional errors of form between the opening of submissions and any decision, you must provide the same opportunity to all participating potential suppliers.</p>
3.	Evaluate qualitative criteria	<p>Occasionally, rated requirements may be included in a tender process. When rated requirements are used, the tender must clearly specify how all evaluation criteria will be applied.</p> <p>In a tender process rated criteria are often requirements such as delivery schedules, performance assurances, warranties, etc.</p> <p>In instances where rated requirements represent a relatively small portion of the evaluation, the tender process may be suitable. If rated requirements comprise a significant portion of the evaluation then the more flexible RFP process may be the preferred option. If in doubt please contact your procurement area for advice.</p> <p>It is sometimes useful to use an evaluation matrix to compare scores against each of the non-cost or qualitative evaluation criteria for each compliant tender. If you have weighted the evaluation criteria, a weighted evaluation matrix may be useful for comparison purposes.</p> <p><b>Remember, bidders must demonstrate that they meet the business and evaluation criteria - not just assert it.</b></p>
4.	Request suppliers make a formal presentation (optional)	<p>If appropriate, and identified in the tender documentation, bidders may be requested to make a formal presentation to the evaluation committee, clarifying their tender and providing the opportunity for the committee to ask questions. Under these circumstances, it is especially important that the bidder does not introduce new or revised information, and that questions and answers are formally recorded.</p>
5.	Identify the low compliant bid	<p>The objective of the tender process is to identify and select the bid that that meets all the requirements of the specification and offers the lowest cost while satisfying the minimum acceptable requirements of the specifications identified on the tender.</p>

6.	Seek clarification from references (where necessary)	<p>If discussing a bidder with their reference(s) it is important that the information the reference provides is used for clarification purposes only, not as the basis for a new judgment.</p> <p>To support accuracy and integrity of the process, all discussions with references must be documented in full.</p>
7.	Select the successful tenderer/supplier	<p>In cases where there are no rated requirements aside from price, the preferred successful bidder will be the compliant bid which offers the lowest total cost. Where rated criteria are also factors in the selection, the successful bidder will be the one with the highest rating based on the factors rated.</p>
8.	Apply due diligence	<p>For high risk/high value or complex projects, a due diligence investigation should be undertaken to ensure that the preferred supplier has the capacity and stability to fulfill all of the requirements of the contract.</p> <p>The due diligence process should confirm the financial ability, technical ability and capacity of the supplier to deliver the required services or products.</p> <p>These activities often require professional legal and financial input and advice and may be done in advance as part of the assessment of mandatory requirements.</p>
9.	Document the selection	<p>Throughout the evaluation process, the selection should be documented for the procurement file and audit.</p> <p>The report should include a record of the:</p> <ul style="list-style-type: none"> <li>➤ bids received;</li> <li>➤ compliant and non-complaint bids (including reasons for non-compliant status);</li> <li>➤ prices and any and all additional costing factors (including how they were consolidated into the final total cost/price index or measure); and</li> <li>➤ if rated elements were used, the assessment and how the final selection was impacted.</li> </ul> <p>The final decision must be able to withstand public scrutiny and may be subject to the Freedom of Information requests applicable to the public entity.</p>
10.	Award approval	<p>The selection must be approved in accordance with the public entity's governance processes before the contract is finalized.</p>

11.	Debriefing	Bidders/suppliers are entitled to a debriefing in accordance with the Government of Saskatchewan's debriefing policy (see Vendor Debriefing Policy for details).
12.	Contract performance and assessment	The good or service is delivered and performance is evaluated. In large or complex procurements it may be useful to conduct a post-mortem of the tender, evaluation and contract performance stages to improve future acquisition processes.

### Sample Tender Evaluation Process

Below is a visual representation of a price-oriented evaluation process comparing three responses:

	Weighting	Point Allocation	Bidder A	Bidder B	Bidder C
<b>Mandatory Elements</b>	-	-			
Bid received on time	-	Yes/No	Y	Y	Y
Good is certified appropriately	-	Yes/No	Y	Y	N*
					*Eliminated no further evaluation
<b>Price Requirements</b>  Price Prorated (lowest priced bid/bid price x total points). It should be noted that prorating is only one method of price evaluation. A cost per point method is one of several other approaches that might be considered when developing price evaluations.	100%	100	\$10,000 bid 100/100	\$12,050 bid 82.99/100	15,000 bid
		<b>Total</b>	<b>100/100</b>	<b>82.99/100</b>	
			<b>Highest Rated Bidder</b>		

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## THE REQUEST FOR PROPOSAL (RFP) PROCESS

The RFP process involves clearly articulating the needs and requirements and requesting proposed solutions from interested suppliers. The term RFP refers to both the RFP solicitation method and the RFP document, which is the tool for soliciting proposals. Proposals submitted in response to an RFP are evaluated using multiple criteria.

### When to Use an RFP

An RFP solicitation method is used when a public entity wants to review and/or implement different and/or new solutions to a problem, project, or business process. For example, an RFP may be issued when a public entity:

- would like a recommendation on the best solution to a problem or business requirement;
- wishes to evaluate a range of factors in addition to total cost when selecting a supplier;
- has a complex project;
- has a new program and would like ideas on how to deliver it;
- is seeking alternatives to the way it usually acquires a product or service; or
- is questioning the current flexibility, originality or development of an existing program and would like to explore new options.

### What is Involved

An RFP can range from a simple process for a straightforward procurement, to a more involved process for a complex procurement. Preparing a proposal can be costly for suppliers therefore, for straightforward procurements, a short-form RFP can be issued. As requirements increase in complexity and cost, the RFP becomes more complex and more detail is required in the competition document and suppliers response.

Complex RFPs may require a multi-stage process that may involve the use of an information gathering phase and/or a pre-qualification process before the RFP is issued.

### Step by Step Overview

Each RFP is unique. However, there are some common steps and decision points that are followed when moving from identifying a business problem to the delivery of the required services or goods. These steps are as follows:

- Identify a business problem or requirement;
- Consult with your procurement area to assist with identifying and assessing procurement requirements and options;
- Draft the RFP and evaluation criteria;
- Issue the RFP;
- Convene supplier conferences, market soundings and/or supplier consultations. Information sessions are open to all potential Suppliers. Note that these are often held in advance of the RFP being posted;
- Receive proposals and evaluate them;
- Shortlist supplier(s) meeting the minimum score or criteria;

- Invite short listed supplier(s) to give a presentation to the evaluation committee;
- Seek clarification on proposals, where necessary;
- Negotiate and sign a contract with the successful supplier(s);
- Notify unsuccessful supplier(s);
- Offer debriefing sessions to all participating suppliers. These are most commonly held with unsuccessful supplier(s). Occasionally the successful supplier will request a debriefing to find out where they can improve;
- Receive the goods or services;
- Assess performance and results; and
- Apply lessons learned to future processes.

### **Structure of the Evaluation Committee**

An evaluation committee is established as part of the RFP process. This committee is responsible for evaluating all proposals against the evaluation criteria included in the RFP document.

The committee may include the program manager, a technical advisor, a financial advisor, a client representative, and the procurement representative. The number of people will depend on the complexity of the project. However, if the committee is too large it may complicate the process. A committee of three to six members usually works best.

All committee members should be present for the entire evaluation period and should be involved in reviewing all proposals. The evaluation committee may seek help from other areas, such as the financial services group to run a spreadsheet to make pricing easier to assess and evaluate. However, the evaluation committee is still responsible for assigning a score to the proposals, and may consider the input received from other areas of the public entity.

Although the evaluation committee is not required to be involved until the evaluation process starts, the evaluation process will be much easier if the committee is involved in drafting the RFP and developing the evaluation criteria and evaluation plans.

The first formal meeting of the evaluation committee may not take place until after the closing date of the RFP. However, the committee will usually meet earlier in the process to obtain agreement on confidentiality requirements, review the evaluation criteria and draft scoring sheets, and make plans for subsequent meetings.

The evaluation committee is expected to adhere to the highest of standards of confidentiality and is not to discuss proposals or findings with any parties other than the evaluation committee or officials specifically authorized to be granted access to the evaluation materials or results.

### **Conflict of Interest**

It is extremely important that the competitive process be free from conflict of interest and lapses in ethical conduct. For specific information on conflict of interest and code of conduct, please refer to the Procurement Guide available on the SaskTenders website.

## Creating the Evaluation Document

The evaluation document should be created by members of the evaluation committee and is to be finalized prior to competition closing or any proposals being received by the evaluation committee. This prevents the evaluation committee from being influenced by any one particular proposal or potential proposal. The document will be used to evaluate each proposal once the RFP competition period closes. The criteria must be based on the contents of the RFP document - nothing new can be added.

Ideally, technical evaluations should be conducted in advance of the cost and pricing information being disclosed. This prevents the evaluation committee from being influenced by the pricing offered in all of the proposals.

Each section of the evaluation document includes a breakdown of elements that determine the point allocation for each section. Typically the sections are rated on a point scale which can vary from excellent (maximum points) to poor (minimum points), with a description of acceptability within each scale.

The following is a sample section of the evaluation document, which was used in a competition for French language translation services, outlining the requirements of the supplier experience and the point rating:

<b>SUPPLIER EXPERIENCE – (page # _____)</b>	
- provided introduction of company	Yes ____ No ____ pg # ____
- demonstrates capacity and experience to perform the service – _____ years	Yes ____ No ____ pg # ____
- provided an indication of companies experience in translation and revision services for a provincial/territorial/federal government (within the last five years)	Yes ____ No ____ pg # ____
- 3 samples of translations submitted to a government ministry	Yes ____ No ____ pg # ____
(samples must include the original source documents)	
<b>(20-40 Points) Excellent = Has at least 8 years of experience; company has extensive experience with provincial, territorial, federal government (within last five years); company translated a wide variety of French to English and/or English to French documents ; all 3 samples are from submission to a government ministry (all include original source documents); all samples are of very high quality</b>	
<b>(10-20 points) Good = Has at least 4 years of experience; company has some experience with provincial, territorial, federal government (some within last five years); company translated a limited variety of French to English and/or English to French documents; 2 of 3 samples are from submission to a government ministry (include original source documents); samples are of high quality</b>	
<b>(1-10 Points) Fair = Has less than 4 years of experience; company has very little experience with provincial, territorial, federal government (some to very little within last five years); company only translated one or two kinds of French to English and/or English to French documents; 1 of 3 samples are from submission to a government ministry (includes original source documents); samples are of fair quality</b>	
<b>0 points Poor = No specific detail provided on years of experience; company has no experience with provincial, territorial, federal government; none of the samples are from submission to a government ministry; none of the samples are English to French or French to English; samples are of poor quality</b>	
SCORE = <input type="text"/> / 40 points	

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## Establishing Requirements

### Mandatory Requirements

Mandatory requirements are important to highlight as a proposal must meet these to be compliant. They are typically objective, project focused or administrative criteria that when evaluated will be answered by a “yes” or “no”. If the mandatory requirements are not met, the proposal submitted will not be considered for evaluation.

If the mandatory requirements are too restrictive or too difficult to achieve, there is a risk of good proposals being rejected. It is important to keep the mandatory requirements to a minimum.

A mandatory requirement is any statement that uses the words “must,” “shall,” and/or “will.”

If subjectivity is required in determining whether or not a mandatory requirement is met, it may not be enforceable and should be treated as a rated requirement.

### Rated Criteria

Rated criteria define what the proposals will be evaluated against. The RFP should outline the rated criteria, which may include relative weightings, that will be applied during the evaluation process. Weightings will vary by requirement and circumstance. Clear information provided on how the proposal will be evaluated will result in better proposals. The rating criteria should identify what is important to the public entity and how they intend to evaluate proposals and make an award decision.

There are many evaluation criteria to consider in framing a best value solution to the problem. While not an exhaustive list, some of these may include:

- the quality required in the goods and services;
- budget, timing and resource considerations;
- potential use of outcome and performance based requirements over prescriptive technical specifications;
- deliverables and performance commitments;
- delivery;
- supplier experience, performance history and demonstrated ability to successfully perform the contract, including service, response time, and support capacity;
- supplier expertise and team and individuals required;
- risk and compliance management, including safety practices and history;
- demonstrated knowledge of local conditions such as geotechnical, environmental, local laws, codes and requirements, etc.;
- environmental impact of the goods and services;
- commercial or technical risks assumed by the supplier;
- public policy objectives as relevant to the problem and solution sought;
- policy, legal and trade obligations;
- total cost of ownership, which may consider factors such as;
  - purchase or contract price;
  - costs of delays or performance failures;

- administration and contract management costs;
- extensions, change orders, price change and cost escalation;
- price of additional features, enhancements, upgrades, etc.;
- limitations associated with proprietary or patent rights or constraints;
- cost to exit the contract if necessary;
- legal or technical costs;
- shipping and packaging;
- transition and training costs;
- licensing costs;
- knowledge transfer;
- regular and ongoing maintenance, asset performance, and life cycle costs;
- warranty, parts, and repair; and
- disposal and remediation costs.

Rated criteria will vary between RFPs and should reflect the individual needs and priorities of the public entity. The procurement area has a wide selection of rated criteria used in previous competitions, available to public entities. Also, the procurement area can craft custom criteria for specific needs upon request. Commonly used rated criteria includes such areas as supplier experience, proposed approach, project work plan, proposed staffing resources and project cost.

## Receiving Proposals

Upon receipt, proposals must be date and time stamped, and placed unopened in a secure location. Proposals must not be opened until after the specified closing time.

Ensure that there is no uncertainty about when a proposal was received. All bids received by the closing time will be evaluated. Any proposal not received by the closing time will be returned to the supplier, unopened, with a covering letter explaining why it will not be considered.

Standard practice is that proposals may be submitted by courier or by hand. These options are typically outlined in the RFP. If a public entity chooses to accept proposals by fax or electronically, it is important to clarify the supplier's responsibility for completeness of the transmission and to have procedures in place to confirm the closing time cut-off.

It is the full responsibility of the supplier to have their proposal submitted on time. The proposal cannot be considered in the evaluation process if it is submitted late (one second after closing is considered a late submission).

## Proposal Evaluation

During the evaluation process, committee members must treat all suppliers fairly and equally, and evaluate their proposals in accordance with the process described in the RFP document. Care must be taken throughout the process not to take any actions or make any decisions that could be construed as providing an unfair advantage to any supplier(s).



As committee members are entrusted with or have access to information governed by the *Freedom of Information and Protection of Privacy Act*, they must ensure the necessary confidentiality of government and third party information. Evaluation committee members will be expected to:

- keep the proposals, and any notes they might make relating to them, in a secure place where others will not have access to them;
- not discuss the proposals or disclose their contents to anyone other than fellow committee members and officials specifically authorized to have access to such materials;
- retain copies of all notes and memoranda;
- keep all notes, discussions, and point ratings confidential and not disclose their substance or details to anyone;
- evaluate the proposals strictly in accordance with the evaluation criteria stated in the RFP;
- evaluate proposals solely on information contained therein, not on the committee's previous knowledge of the supplier or its business;
- score proposals strictly in accordance with the methodology and point ranges established in the RFP; and
- ensure proposals are independently evaluated against the established criteria rather than against other proposals (the only exception is when evaluating price).

### **Documentation and taking notes**

One of the members of the evaluation committee should be responsible for creating a master record of scores and keeping notes (strengths and weaknesses) for each score. This information forms part of a permanent record and could be used as a reference in a debriefing process. It is important to write supporting comments for both high scores and low scores. There is a natural tendency to put more emphasis on documenting the areas in which the supplier falls short. However, a benefit of documenting both positive and negative feedback is that, during debriefing meetings, the committee is able to comment on the proposal's strengths as well as areas that require improvement.

### **Evaluating Mandatory Requirements**

The first step in the evaluation process is to check each proposal to ensure it is in compliance with the mandatory criteria. This must be done before the full committee sits to evaluate proposals. Assessing the mandatory criteria determines whether the proposal meets or does not meet each mandatory criterion. Any proposal not fully meeting all mandatory criteria must be rejected without further consideration.

In cases of ambiguity in the wording of mandatory criteria, public entities may find themselves in a situation where it is unclear if a proposal meets the mandatory criteria. If faced with this situation, public entities may have to seek advice from their procurement area to determine whether or not the proposal is substantially compliant, or if further clarifications are to be sought from the supplier.

### **Evaluating Rated Criteria**

Proposals that meet all mandatory requirements are further assessed against the stated rated criteria.

Team members individually score proposals, and then as a group come to consensus agreement on the final scores.

Proposals are to be rated and evaluated solely on their own content and merit. It is important to clarify that evaluation criteria must relate to the business and program objectives set out in the RFP. As noted earlier, the requirements and their associated evaluation factors are interconnecting themes that integrate the entire selection process. Consequently, consistency and logical connection throughout all stages of the competitive and contracting process is essential.

The basis for evaluating proposals against any rated criteria must be determined before proposals are reviewed. Only the stated criteria and the relative weightings can be used to evaluate proposals.

Previous experience with a supplier is not normally considered unless it has been documented as part of the government's supplier performance assessment process.

The following table illustrates an example of a general scoring guide for rated criteria:

Requirement	Maximum Points
Supplier Experience	15
Proposed Approach	25
Project Work Plan	20
Proposed Staffing Resources	20
Project Costs	30
Proposal Clarity (Optional)	5
<b>Total Points</b>	<b>115</b>

### Sample RFP Evaluation Process

Below is a summary visual representation evaluation process comparing two responses:

	Weighting	Point Allocation	Bidder A	Bidder B
<b>Mandatory Elements</b>	-	Yes/No		
Bid received on time	-	Yes/No	Y	Y
Good is certified appropriately	-	Yes/No	Y	y
<b>Rated Requirements</b>	100%	200		
Solution suitability		80		
• Meets performance or technical requirements		60/80	55/60	48/60
• Timeframe acceptable		20/80	15/20	10/20
Previous Experience		30	26/30	15/30
Appropriate resource availability		20	18/20	17/20
Appropriate Risk Management Plan		10	10/10	10/10
Price Prorated (lowest priced score/bid price x total points)		20	\$200,000 bid 17.5/20	\$175,000 bid 20/20
<b>Sub-Total based upon proposal review</b>			<b>141.5/160</b>	<b>120/160</b>

References		20	20/20	20/20
Demonstration		20	16/20	18/20
<b>Total</b>			<b>177.5/200</b>	<b>158/200</b>
			<b>Highest Rated Bidder</b>	

### Allocating a Score to Recognize Quality or Additional Features

Below are examples of score allocations:

#### (Example 1)

One of the easiest ways to ensure that evaluation of quality and more subjective elements of a competition is done consistently is to mark all questions out of a set figure (for example: five) and apply the relevant weighting for that particular criteria to obtain a score. For example:

Score	Criteria for awarding score
0	Completely fails to meet required standard or does not provide a proposal
1	Proposal significantly fails to meet the required standard, contains significant shortcomings and/or is inconsistent with other proposals
2	Proposal falls short of achieving required standard in a number of identifiable respects
3	Proposal meets the required standard in most material respects, but is lacking or inconsistent in others
4	Proposal meets the required standard in all material respects
5	Proposal meets the required standard in all material respects and exceeds some or all of the major requirements

If this model is used, a bidder meeting the requirement in full will only score 4 out of 5 (or 80%) for each assessed requirement. By allowing the fifth mark (20%) for added value the public entity is leaving some room for the suppliers to improve on the specification and demonstrate to the public entity the additional features, innovation or quality they are recommending.

In such cases, the competition documents should specify that suppliers are expected not only to meet the required standard but are encouraged to exceed them. However should a public entity not wish to award extra points for certain proposal features or elements that are of no value to it, it should provide some guidance to suppliers as to the added benefits it has in mind.

(Example 2)

A scoring system which permits an allocation of marks within each description provides a viable alternative. Establishing a ranking within a range relies on consensus scoring from the committee.

Scoring values should be tailored to meet each circumstance.

For example:

Score	Classification	Definition
0	No response (complete non-compliance)	No response at all or insufficient information provided in the response such that the solution is totally unassessable and/or incomprehensible
1-5	Unsatisfactory response (potential for some compliance but very major areas of weakness)	Substantially unacceptable submission which fails in several significant areas to set out a solution that addresses and meets the requirements: little or no detail (and, where evidence is required or necessary, no evidence) has been provided to support and demonstrate that the supplier will be able to provide the services and/or considerable reservations as to the supplier's proposals in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.  Would represent a very high-risk solution for the contracting authority.
6-10	Partially acceptable response (one or more areas of major weakness)	Weak submission which does not set out a solution that fully addresses and meets the requirements: response may be basic/minimal with little or no detail (and, where evidence is required or necessary, with insufficient evidence) provided to support the solution and demonstrate that the supplier will be able to provide the services and/or some reservations as to the supplier's solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.  May represent a high-risk solution for the contracting authority.
11-15	Satisfactory and acceptable response (substantial compliance with no major concerns)	Submission sets out a solution that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas of the solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.  Medium, acceptable risk solution to the contracting authority.

**(Example)**

**Total Points Allocated to the Competition**

	<b>Maximum Points</b>
Written Proposal	115
Interview/Presentation (Optional)	25
Reference Checks (Optional)	20
<b>Total Maximum Points</b>	160

Relative weightings need to be considered to ensure that the possible scores are appropriate in achieving best value. Note that some requirements may be pass/fail.

Recommendation of award will be based on the highest score utilizing the stated criteria with the highest-scoring proposal chosen as the preferred supplier.

Detailed evaluation schemes, including the predetermined basis for the assignment and allocation of points to each of the evaluation criteria, are to be established in advance of the receipt and review of any proposals. All evaluation scores and criteria must clearly relate to the requirements and factors identified in the competition. In no event may a public entity consider or evaluate factors not identified in the solicitation document.

Where subjective criteria are used it is useful to create a matrix of characteristics that should be present to warrant a particular range of scoring.

**Evaluation Consensus**

Following the individual evaluations by committee members, the committee will meet to review each of the rated criterion and the scores assigned by the individuals. Where variances exist, the committee will discuss how each member arrived at his/her score and come to consensus on a final score for the criterion. It is recommended that an individual who is familiar with the RFP but did not participate in the evaluation process facilitate this discussion. The final outcome of the consensus process is an evaluation document stating the consensus scores and comments on how that score was determined.

The consensus evaluation document becomes part of the permanent record of the competition and may be subject to requests for information under *the Freedom of Information and Protection of Privacy Act*, while documentation pertaining to the individual evaluations should be destroyed.

Note that while the consensus method is the preferred method of reaching final scores, they may also be reached by averaging the individual evaluator scores

## Evaluation of Price/Cost

### *Example 1 – Weighted Costs*

When assigning points for price/cost, the most common formula is to award the lowest priced/costed proposal full points and then pro-rate the remaining proposals to this lowest price/cost. Pro-rated prices/costs are determined by multiplying the total number of points available for price/cost by the lowest-priced/costed proposal and dividing this result by the supplier's price/cost.

$$\text{Formula: } S = \frac{\text{Min} \times M}{P}$$

S = score

Min = lowest-priced/costed compliant proposal

M = total points available for price/cost

P = price/cost on this proposal

To illustrate the forgoing formula, please see the examples below:

A public entity is procuring design services by RFP. In Example A, the design services are fairly straightforward. In this circumstance, it was determined that total cost should be weighted more significantly. In Example B, the design services are very complex. In this circumstance, it was determined that the evaluation criteria should be weighted towards the qualifications of the design firm and away from price. The same evaluation scores and total cost figures are used to show how the cost weighting chosen impacts the final ranking results.

Supplier	Proposal Points	Price	Price Points	Price Score	Total Score	Ranking
	A	P	M	Min x M/P	A + Price/cost Score	
Example A						
X	113	\$1,100,000	100	72.7	185.7	2
Y	90	\$800,000	100	100	190	1
Z	88	\$850,000	100	94.1	182.1	3
Example B						
X	113	\$1,100,000	20	14.5	127.5	1
Y	90	\$800,000	20	20	110	2
Z	88	\$850,000	20	18.8	106.8	3

### *Example 2 – Demonstrated Cost Reductions or Net Savings*

In the following example, the cost of the current service is \$1 million per year. The public entity has carried out market sounding and analysis which has demonstrated that it should be able to achieve an annual savings of at least 10% through an external service contract.

In its RFP document, the public entity has imposed a mandatory price ceiling of 10% less than the current cost to it of receiving the services, that is, \$900,000. Bids which exceed the \$900,000 cap will be rejected as non-compliant. Bids which demonstrate additional savings will score additional points, up to a maximum of an overall 20% saving:

Score (out of 10)	Submitted price (\$)	Equivalent percentage saving
10	\$800,000	20%
9	\$810,000	19%
8	\$820,000	18%
7	\$830,000	17%
6	\$840,000	16%
5	\$850,000	15%
4	\$860,000	14%
3	\$870,000	13%
2	\$880,000	12%
1	\$890,000	11%
0	\$900,000	10%

***Example 3 – Total Cost of Ownership (TCO)***

In the following example, the responding suppliers are asked to provide the total cost of ownership of an IT solution over a five-year period. This can help simplify the overall cost evaluation when many variables are expected to be in the solution and therefore the cost model format is not prescribed.

Cost	In Office (Service Provider A)			Software as a Service (Service Provider B)		
	Upfront Cost	Annual Cost	5 Year TCO	Upfront Cost	Annual Cost	5 Year TCO
Estimated Average Cost	\$33,000	\$4,000	\$53,000	\$26,000	\$8,000	\$66,000

***Example 4 – Cost per Point***

The cost per point model is used when cost and rated criteria are equally weighted in the RFP. The score is calculated by dividing the cost of the proposal by the number of points that have been awarded. The proposal with the lowest cost per point is the winning proposal. The following is an example:

	Service Provider A	Service Provider B	Service Provider C
Cost	\$50,000	\$75,000	\$100,000
Total Points	1,000	2,000	3,000
Cost per Point	\$50.00	\$37.50	\$33.33

Note that depending on the complexity of the cost model, the public entity's Financial Services Group may be engaged in the evaluation.

### **Establishing RFP Short List**

If the intent is to create a short list and invite suppliers who make the list to deliver an interview/presentation this should be clearly explained.

Often, a scoring threshold (e.g. 70% pass mark) is included in the RFP to determine a short list of suppliers that may be invited to interviews/presentations. The evaluation team will decide how many proposals will be shortlisted.

### **Interviews/Presentations/ Demonstrations (optional)**

Shortlisted suppliers may be given an opportunity to present their proposals where committee members have an opportunity to ask questions. This step must be mentioned in the RFP and cannot be added after the competition closes.

The purpose of the interview/presentation is to clarify or elaborate on the suppliers' proposal. The supplier cannot change or add content from their proposal nor can committee members make changes at this stage in the process.

### **Seek Clarification if Required**

During the evaluation process it may become necessary to contact suppliers for clarification on items submitted in their proposal. This is not an opportunity for suppliers to add content to their proposal, but rather to clarify what has already been presented. To ensure a fair, open and honest competition, the evaluation committee should ensure that all proposals are reviewed and, if warranted, allowed the opportunity to provide the same clarification.

### **Checking References (optional)**

The timing of and approach utilized in checking references must be indicated in the RFP document.

Regardless of the approach chosen to check references, questions to potential suppliers should relate directly to the evaluation criteria and the same questions should be asked of all references. Reference questions should be objective, such as "How did you find the supplier's ability to respond to customer complaints?" Both the questions asked and the answers received must be recorded.

Under the *Freedom of Information and Protection of Privacy Act*, suppliers may be entitled to know what was said about them by their references. It is preferable that the evaluation committee provide the score, rather than asking the reference to determine how a supplier has scored. For example, instead of asking, "Out of 20 points, how would you rate the supplier's ability to meet deadlines?" It might be better to say, "Please describe the supplier's ability to meet deadlines." The committee can then assign a score to the response.



## Identifying the Preferred Supplier

After the steps outlined in the evaluation section of the RFP have been completed, the highest scoring proposal should be chosen as the preferred supplier. At this point, both parties will begin negotiating a contractual document.

## NOTIFICATIONS

Contract award information should be shared in accordance with the policy of the public entity. Written confirmation of results should be sent to suppliers that submitted a response to the competition providing an opportunity for a debriefing of their proposal. Results should be announced to the successful supplier first.

Possible wording for notifying the successful supplier in an RFP process is as follows:

<p>Re: Request for Proposal for Public Entity of RFP Reference #</p> <p>This is to advise that the evaluation committee has completed their evaluation of proposals received for the above-noted competition and has selected _____ as the preferred supplier.</p> <p>You can expect representatives from the ministry to be in contact with you shortly to discuss the formal agreement.</p> <p>Thank you for responding to this RFP. The Government of Saskatchewan looks forward to receiving other proposals from you in the future.</p> <p>Sincerely,</p>
--

Possible wording for notifying unsuccessful Suppliers:

<p>Re: Request for Proposal for Public Entity of RFP Reference #</p> <p>This is to advise that the evaluation committee has completed their evaluation of proposals received for the above-noted competition and has selected XXX as the preferred supplier of these services.</p> <p>Debriefing sessions are available upon request. Please call the contact identified in the RFP if you wish to arrange a session.</p> <p>Thank you for responding to this RFP. The Government of Saskatchewan looks forward to receiving other proposals from you in the future.</p> <p>Yours truly,</p>
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## DEBRIEFING SUPPLIERS

The purpose of a supplier debriefing is to provide a two-way communication to allow public entities and participating suppliers to exchange constructive feedback on the public entity's procurement processes and practices and the strengths and weaknesses of the supplier's submission.

Debriefings are an important component of a competitive procurement process and provide an opportunity to:

- recognize the efforts suppliers make in responding to procurement documents issued by the public entity and provide suppliers with an opportunity to provide feedback on challenges that the process creates for suppliers, and potential changes or improvements that could be made to the public entity's procurement processes and practices;
- provide constructive criticism and suggestions for improvements so that unsuccessful suppliers have a better opportunity for succeeding in future procurement processes;
- promote positive two-way communication between the supplier and the public entity's procurement professionals in order to build relationships and allow perspectives to be shared, which may result in enhancements to future procurement activities and improve project results; and
- provide suppliers with an explanation as to why their submission was not successful and address questions and concerns in a non-confrontational manner, which may increase the supplier's understanding of the process and assist in mitigating the risk of unsuccessful suppliers pursuing litigation or initiating procurement disputes.

### Nature of a Debriefing

The debriefing process is not a complaint or dispute resolution process and should not be treated as such. Information about other suppliers or their submissions will not be discussed or disclosed in the debriefing. Information provided to a supplier during a debriefing is provided verbally and no documents will be distributed. The debriefing is intended to be an informal meeting and the supplier should not bring legal counsel to the debriefing.

### Availability of a Debriefing

Unless otherwise stated in the procurement document, debriefings are available in connection with all open competitive procurement processes where the procurement document is publicly posted, but may not be available in connection with lower value competitive procurement processes that are conducted by invitation. Debriefings are not offered if the competitive procurement process is cancelled. A debriefing is typically initiated at the request of a supplier. Only suppliers that submitted a response to the competitive procurement process may request a debriefing. In most cases only one debriefing session will be provided to any one supplier in connection with any one competitive procurement process.

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## Requesting a Debriefing

Requests for a supplier debriefing should be directed to the contact person identified in the procurement document. Unless otherwise stated in the procurement document, suppliers are expected to make their request for a debriefing within 30 days of the notification of the outcome of the competitive procurement process. Requests for a debriefing that are made outside of the required time period may be considered by the public entity on a case by case basis. If the procurement document contains alternate or additional instructions regarding the time period or process for requesting a debriefing, suppliers must follow those instructions.

## Scheduling a Debriefing

The contact person is responsible for communicating and scheduling the debriefing with the supplier's representative. Debriefings may occur in person at the public entity's offices or by way of teleconference, depending on the location of the requesting supplier. The public entity should be as flexible as possible, within reason, when scheduling supplier debriefings. In most cases, a 30 minute session should be sufficient and debriefings should be scheduled on that basis.

When scheduling the debriefing, the following should be addressed with the supplier's representative:

- confirm the time and location of the debriefing or dial-in information if the debriefing is being conducted by way of teleconference;
- remind the supplier of the purpose and the nature of the debriefing, as described in this protocol; and
- confirm who will be attending the debriefing on behalf of the supplier.

## Conducting the Debriefing

The suggested structure for conducting a debriefing is as follows:

- introductions and reiteration of the purpose and nature of the debriefing;
- overview of the evaluation process and relative ranking;
- discussion of the strengths and weaknesses of the supplier's submission in relation to the evaluation criteria;
- discussion of how the supplier could improve their submissions in response to future procurement opportunities;
- opportunity for the supplier to provide feedback on the competitive procurement process and suggestions for improvements to the public entity's procurement practices; and
- questions and answers.

## DISPOSING OF MATERIALS

Public entities are to follow their record retention and disposal policies.

All proposals, written material and correspondence should be kept in a secure place and files should be complete and in good order for easy access in the event of an access request under *The Freedom of Information and Protection of Privacy Act* (FOIPPA) or any other inquiries/requests.

## POST PROJECT REVIEW

Public entities are encouraged to review the effectiveness of select procurements once complete. This will provide the opportunity to:

- identify what went well and what didn't;
- refine materials and processes;
- evaluate the effectiveness of statements of work, evaluation practices and contract negotiation strategies; and
- seek industry input and feedback.

## CONTACTS

### General Enquiries

<http://www.sasktenders.sk.ca>

[Purchasing Services Contacts \(Goods and Services\)](#)

[Purchasing Services Contacts \(IT Hardware\)](#)

[Purchasing Services Contacts \(IT Software\)](#)

### Feedback on the Guide

When reading through the guide, any feedback would be appreciated and can be communicated to:

Priority Saskatchewan  
720 – 1855 Victoria Ave  
Regina, SK S4P 3T2

Phone: (306) 798-8014

Such feedback could include:

- Is the guide clearly written?
- Is the guide easy to navigate?
- Any suggestions for improvement?

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## GLOSSARY AND DEFINITIONS

**Agreement** - means the written contract between the preferred supplier and Her Majesty to provide the services contemplated by the RFP.

Reference to the Government of Saskatchewan, the province, a Treasury Board Crown or CIC Crown, are used for administrative purposes and mean ***Her Majesty the Queen in Right of the Province of Saskatchewan, as represented by “Insert Crown Name”, Corporation continued pursuant to “Insert the name of the Act incorporating the Crown”.***

**Evaluation Team** - means the individuals who will evaluate the proposals on behalf of the Government of Saskatchewan.

**Legal Services** - refers to the legal services provided to ministries by the Ministry of Justice. Other public entities may have in-house lawyers or may seek services from the local legal community.

**Mandatory, Shall, Must, and Will** - means requirements that are imperative and must be met in order for the proposal to receive consideration.

**Non-Compliant** - means the proposal fails to provide sufficient detail necessary to evaluate the proposal against the mandatory requirements outlined in this RFP document.

**Optional, may, might, or could** - means requirements that might be rated.

**Preferred Supplier** - means the supplier who has been selected through the competition, but with whom a contractual agreement has not been signed.

**Pre-Qualification List** - means a list of potential suppliers who have been pre-qualified for a specific or future procurement opportunity.

**Proposal** - means the document submitted by a potential supplier in response to the RFP or tender.

**Procurement area** - means the centralized purchasing unit operating within the public entity and the Procurement Services Representatives delivering services and advice to clients.

**Public Entity** – means any ministry, Crown corporation, board, agency or commission within the Government of Saskatchewan.

**Rate or Should** - mean requirements that will be evaluated in accordance with the evaluation criteria and assigned points.

**RFP** - means Request for Proposal. In this guide the term RFP refers to both the RFP solicitation and the RFP document.

**SaskTenders** - means the website developed by the Ministry of Central Services, Purchasing to provide electronic access to various competitions.

**Services** - means the functions, duties, tasks and responsibilities to be provided by the supplier as described in this RFP.

**Successful Supplier** - means the organization responding to this RFP who is determined to be successful in this competition and has signed a contractual agreement.

**Supplier** - means an individual or a company that submits, or intends to submit, a proposal in response to this Request for Proposal.

## QUICK LINKS

SaskTenders

<http://www.sasktenders.ca/>

Acts

[The Purchasing Act, 2004](#) (PDF)

[Freedom of Information and Privacy Act](#) (PDF)

Agreement on Internal Trade (AIT)

<http://strategis.ic.gc.ca/epic/internet/inait-aci.nsf/en/Home>

ARIBA

<http://www.ariba.com>

New West Partnership Trade Agreement

<http://www.newwestpartnershiptrade.ca/>

Canada-US Agreement on Government Procurement

<http://www.international.gc.ca/international/index.aspx>

Office of the Saskatchewan Information and Privacy Commissioner

<http://www.oipc.sk.ca/>

Conflict of Interest Guidelines

[Human Resources Manual](#)

Financial Administration Manual

Section 4505: [Purchase of Goods](#) (PDF)

Section 4510: [Contracts for Services](#) (PDF)

Section 4515: Procurement of Services (PDF)

MERX

<http://www.merx.com>

Alberta Purchasing Connection

<http://www.purchasingconnection.ca/>

BC Bid website

<http://www.bcbid.gov.bc.ca/open.dll/welcome>