

RFP Training & Certification

Part 4 – Developing the Scope

How to Write an Effective Scope?



OFFICE OF STATE PROCUREMENT

Agenda

- Overview & Terms
- Scope Workshop
- Take-Aways
- Next Up:
 - How to Write the Scope
 - Importance of Current Conditions



RFP Training & Certification

Part 4 – Developing the Scope

Element #1

Scope Workshop



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4 Major "Steps" to Contract

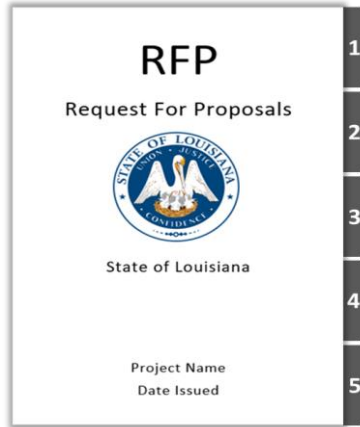
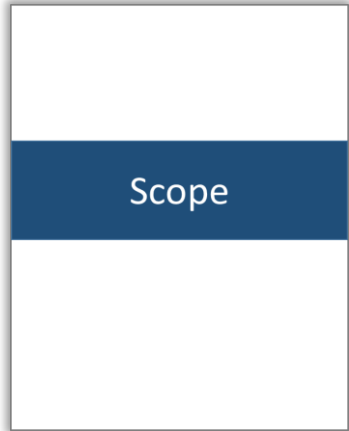
Contract



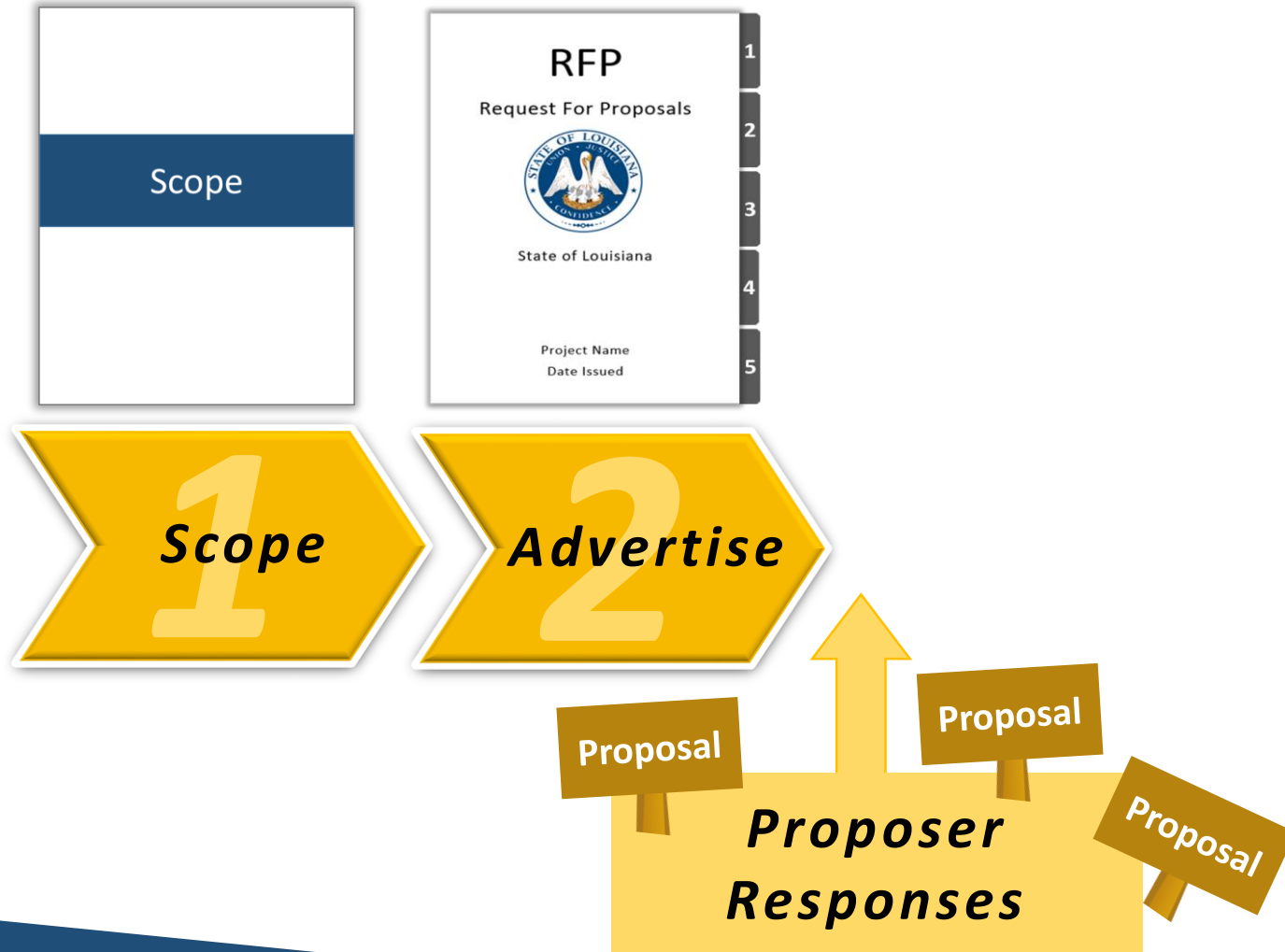
1) Define the Project Scope



2) Advertise the RFP (and Scope)



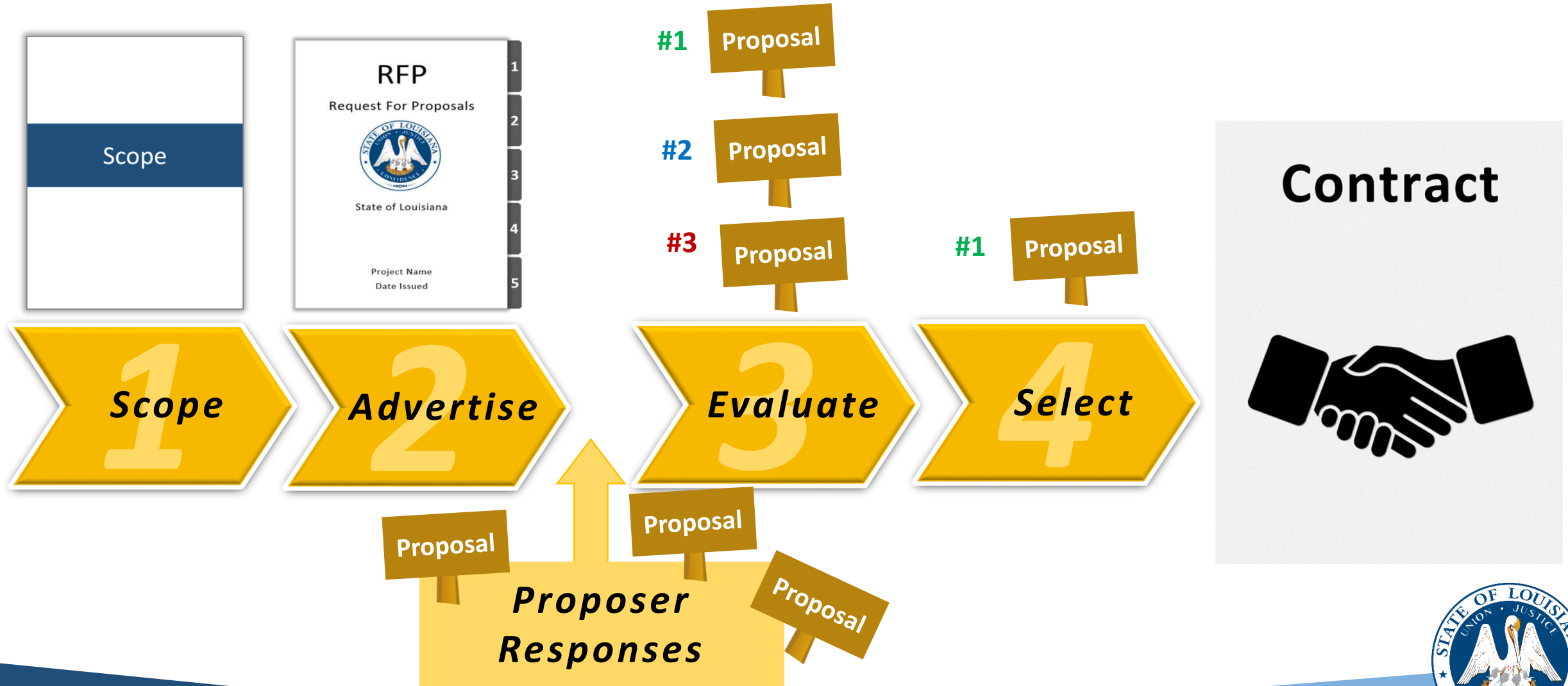
Proposers Respond



3) Evaluate the Proposals



4) Select the Top-Evaluated Proposer(s)



DEFINITION: Scope

- The Scope is an essential part of any solicitation.
- Describes what you are looking to purchase, acquire, or achieve.



Terminology

Many Terms are Used!

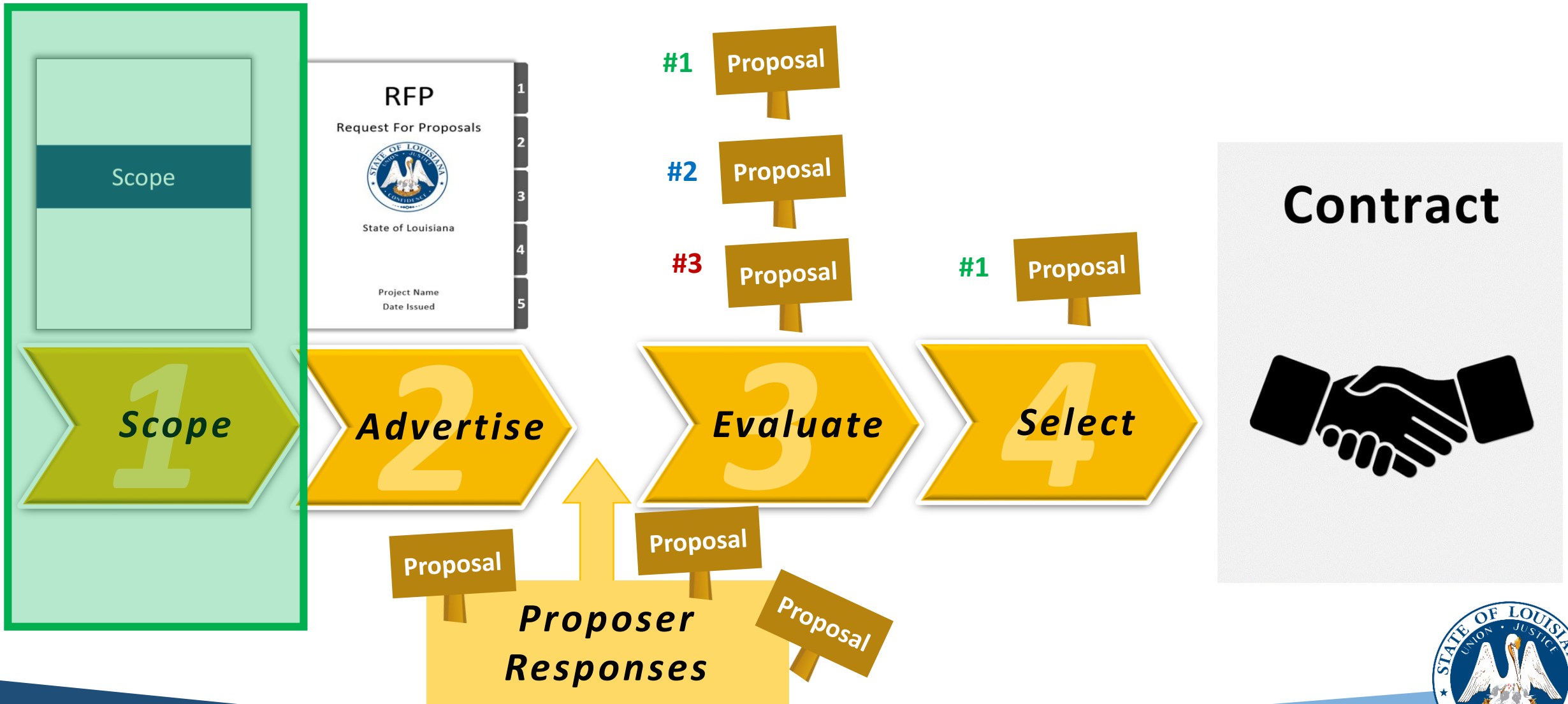
- Scope or Scope of Work
- Specifications or Minimum Specifications
- Requirements or Minimum Requirements
 - Business Requirements
 - Technical Requirements
 - Functional Requirements
 - Etc.
- Minimum Qualifications
- Note: Statement of Work typically goes in the final contract

Scope:

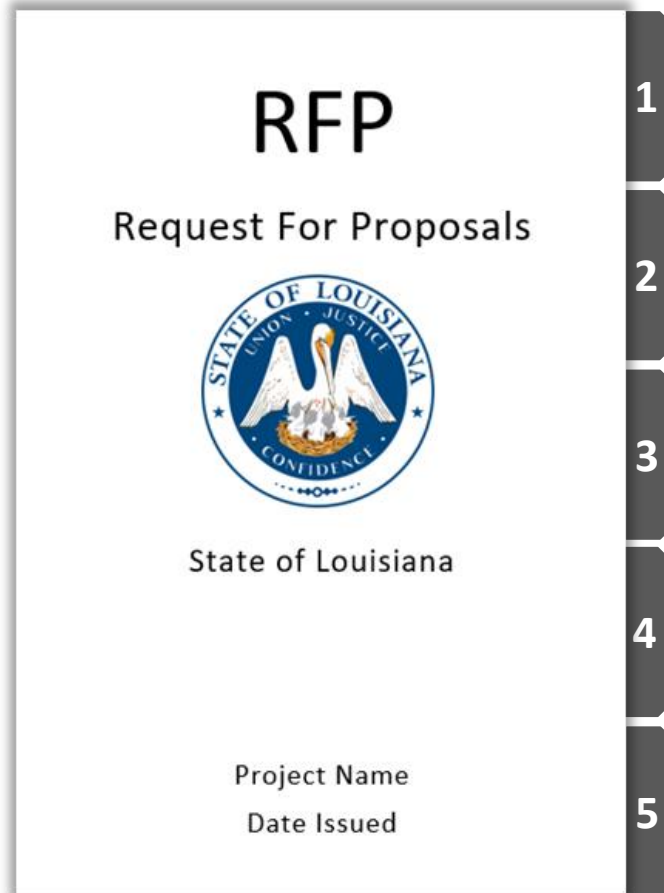
What you are
Hiring the
Proposer to
do



4) Select the Top-Evaluated Proposer(s)



Major Sections of the RFP



1

Administrative Requirements

2

Evaluation Procedures

3

Proposal Instructions

4

Submittal Forms & Attachments

5

Scope of Work



Major Sections of the RFP



1

Administrative Requirements

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Scope of Work

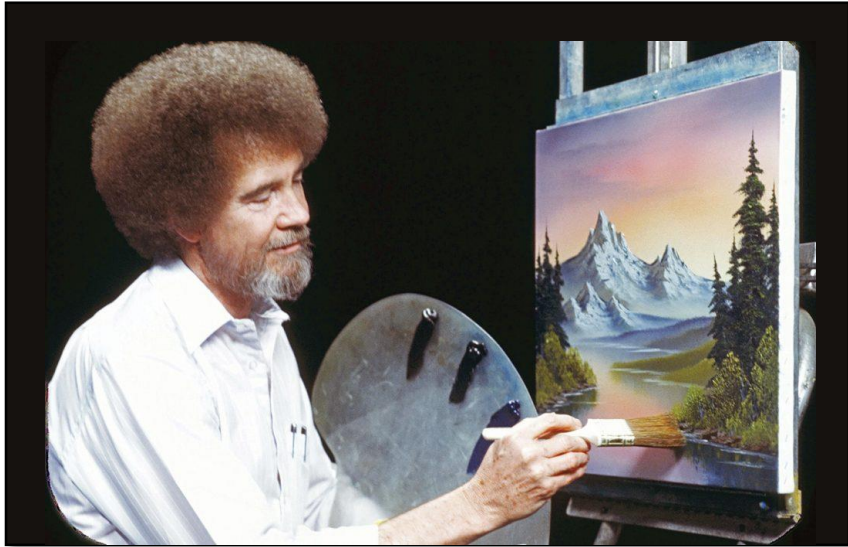


Scope of Work

<p>RFP</p>	1	Administrative Requirements
<p>Request For Proposals</p>	2	Evaluation Procedures
	3	Proposal Instructions
<p>State of Louisiana</p>	4	Submittal Forms & Attachments
<p>Project Name Date Issued</p>	5	Scope of Work “What” we are purchasing



The Goal of the Scope



- Paint the picture of what success looks like
- Describe what it will take to make you 100% satisfied (what are the outcomes & achievements)
- A good Scope assures that all of the Proposers propose a proper solution (that meets your needs)





Workshop

Purchasing a Vehicle

Common Responses...

- Quality of Scope impacts level of **Proposer frustration/satisfaction**
- Quality of Scope impacts how much **time & effort** Proposers spend
- **Budget** is critical
- **Purpose** is just as important as technical specs
- **Not enough** information can frustrate Proposers
- **Too much** information can be just as bad
- All you need is for one Proposer to be **honest**, to get the best deal



Lessons Learned

- Mandatory requirements must be “**MANDATORY**” (should be limited to the essential items)
- It’s not always about the best product (vehicle), if there is a service component to it.
- **Reality** = Most clients focus more on the product and fail to realize the importance of the people.



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Part 4 – Developing the Scope

Element #2

How to Write an Effective Scope?



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Content & Structure of a High-Performing Scope



Scope

- 1 Overview & Purpose
- 2 Future State
- 3 Itemized Requirements
- 4 Schedule & Budget
- 5 Unique Considerations



Important in all areas of the Scope

1
Clear &
Concise

2
Accurate

3
Complete



Content & Structure of a High-Performing Scope



- 1 Overview & Purpose**
- 2 Future State
- 3 Itemized Requirements
- 4 Schedule & Budget
- 5 Unique Considerations

**Concisely Describe
“What” & “Why”**



Content & Structure of a High-Performing Scope

Overview & Purpose



Content & Structure of a High-Performing Scope **Overview & Purpose**

- **Project Overview:** high-level summary that is easily understandable (1-2 sentences up to 1-2 paragraphs max)



Content & Structure of a High-Performing Scope Overview & Purpose

- **Project Overview:** high-level summary that is easily understandable (1-2 sentences up to 1-2 paragraphs max)
 - Avoid technical language, jargon, details, or specifics.



Content & Structure of a High-Performing Scope Overview & Purpose

- **Project Overview:** high-level summary that is easily understandable (1-2 sentences up to 1-2 paragraphs max)
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- **Goals, Objectives & Motivation:** primary business drivers and purpose



Content & Structure of a High-Performing Scope Overview & Purpose

- **Project Overview:** high-level summary that is easily understandable (1-2 sentences up to 1-2 paragraphs max)
 - Avoid technical language, jargon, details, or specifics.
- **Goals, Objectives & Motivation:** primary business drivers and purpose
- **Key Measures of Success:** top 3-5 quantifiable metrics (cost, time, quality, functionality)



Key Measures of Success

- Key Measures of Success: top 3-5 quantifiable metrics (cost, time, quality, functionality)
- Difficult for Business Units to do!
 - They often focus on activities rather than outcomes.
 - Takes intense questioning.



Content & Structure of a High-Performing Scope



- 1 Overview & Purpose
- 2 Future State**
- 3 Itemized Requirements
- 4 Schedule & Budget
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**Departures from
Current Conditions**



Content & Structure of a High-Performing Scope **Future State**

- **Overview of Services:** clear, concise, & easily understandable description
- **Project Deliverables:** tangible outcomes to be produced by Proposer
- **Figures, Diagrams, & References:** supporting explanation
- **Transition/Migration:** efforts to bring legacy data forward



Content & Structure of a High-Performing Scope



- 1 Overview & Purpose
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**Mandatory & Desired
Items**



Content & Structure of a High-Performing Scope Itemized Requirements

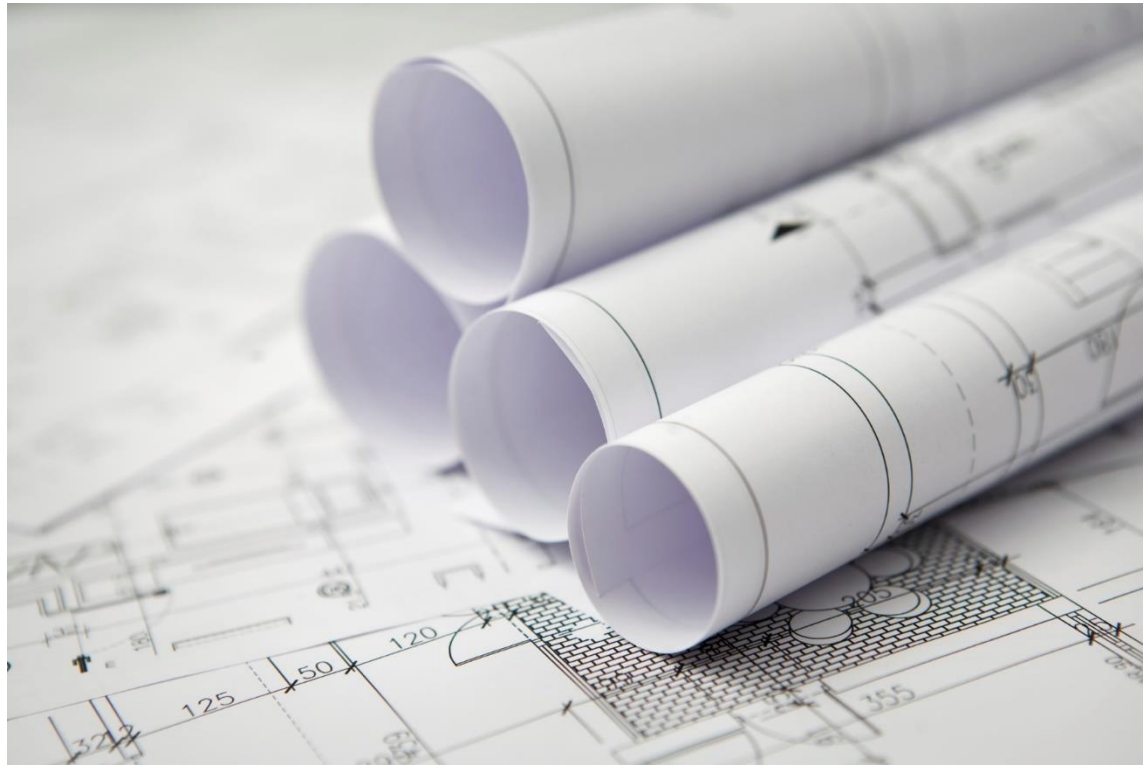
Organization:

- Itemized
- Organized into major categories
- Attach (and reference) Exhibits to make this easier to follow (i.e. drawings, specs, pictures, diagrams, site plans, reference files, etc.)
- Do NOT need a written commentary for each requirement



Content & Structure of a High-Performing Scope Itemized Requirements

- Drawings & Specs (Construction)



- Requirements (IT/Software)

ID Num	Requirement Area	Requirement Subcategory	Requirement Name	Requirement
5402	System and Technical	Workflow	Approval / Denial	System shall provide ability to define multiple approval levels for electronic transactions / documents / business events processing.
5403	System and Technical	Workflow	Approval / Denial	System shall provide ability to restrict processing of electronic transactions / documents / business events until they pass all required approval levels.
5404	System and Technical	Workflow	Approval / Denial	System shall provide ability to set up Approver Groups associated with electronic transaction / document / business event processing.
5405	System and Technical	Workflow	Approval / Denial	System shall provide the ability to define a unique approval process for each user and type of document/business event.
5406	System and Technical	Workflow	Approval / Denial	System shall provide the ability to specify multiple approvers for a document/business event where only one of the approvers listed must approve the document in order to consider the document approved.
5407	System and Technical	Workflow	Audit Trail	System shall provide an audit trail of all adds, changes, and deletes to workflow rules.
5408	System and Technical	Workflow	General	System shall ensure that any transaction, document or business event entered into the on-line system is reviewable prior to its saving / processing / commitment.
5409	System and Technical	Workflow	General	System shall provide the ability to reverse / unwind processed transactions, documents and business events.
5410	System and Technical	Workflow	General	System shall permit a minimum of 10 levels of approval that may be established for each type of electronic document/business event.
5411	System and Technical	Workflow	General	System shall allow all authorized users to see the approval status of a document/business event.
5412	System and Technical	Workflow	General	System shall assure that an employee is removed from and added to the workflow process based on qualifying events (e.g., termination from or appointment to agency, or transfer to another organization entity within the agency).
5413	System and Technical	Workflow	General	If a user modifies an electronic document/business event, the system shall allow approvals to be reprocessed in accordance with business rules.
5414	System and Technical	Workflow	General	System shall provide the ability to search/retrieve documents/records based upon user defined criteria.
5415	System and Technical	Workflow	Notification	System shall include a workflow process, with notification options, for business events and documents.
5416	System and Technical	Workflow	Notification	System shall provide the ability to re-route transaction/document/business event for approval based upon user defined criteria such as dollar thresholds or random selection for statistical sampling purposes.
5417	System and Technical	Workflow	Notification	System electronic document management function shall be integrated with the State's electronic mail system or provide other means to alert "reviewer" of documents awaiting approval.
5418	System and Technical	Workflow	Tracking Document(s)	System shall provide ability to track (e.g., identify, record, inquire, report) the progress of electronic transactions / documents / business events.



Content & Structure of a High-Performing Scope Itemized Requirements

- **Mandatory Requirements (minimum, pass/fail):**
 - Proposers **MUST** meet these or be disqualified.
itemized, organized, and categorized
- **Desired Requirements (value proposition):**
 - Proposers **NOT disqualified** for missing any individual item.
 - But the Client's goal is to **achieve as many as possible**.
itemized, organized, and categorized



Content & Structure of a High-Performing Scope

Scope

- 1 Overview & Purpose
- 2 Future State
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- 4 Schedule & Budget**
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**Time & Financial
Constraints**



Content & Structure of a High-Performing Scope **Schedule & Budget**

- **Schedule:** clear & transparent identification of timing needs and constraints
- **Budget:** clear & transparent identification of financial needs and constraints



Content & Structure of a High-Performing Scope Schedule & Budget

- The Budget is crucial (one of the most important Scope elements)
- Clarifies your Scope & detailed requirements (what you can afford)
- Clearly & directly define any financial constraints or expectations you have
(not ranges or “fuzzy” information → don’t cause confusion!)
 - The consulting budget for this Project is \$150,000
 - The estimated spend for this Project is \$2 Million
 - The project budget is \$3,000,000 over 5 years, of which \$500,000 is allocated for implementation and \$500,000 for annual subscription/support.
- (same for Schedule expectations, constraints, critical dates, phasing, etc.)



Content & Structure of a High-Performing Scope

Scope

- 1 Overview & Purpose
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**Supplemental
Information**



Content & Structure of a High-Performing Scope

Unique Considerations

- **Unique:** what may be unusual in your environment?
(vs. the Proposer's other clients)
- **Unknowns & Assumptions:** list any conditions that are unknown or assumed
- **Attachments & Exhibits:** refer to pertinent supplemental information



Content & Structure of a High-Performing Scope

Unique Considerations

- Building will house a cyclotron (radioactive material)



Content & Structure of a High-Performing Scope

Unique Considerations

- Building will house a cyclotron (radioactive material)



- **Building is on an island 6 hours from mainland**

Content & Structure of a High-Performing Scope



Scope

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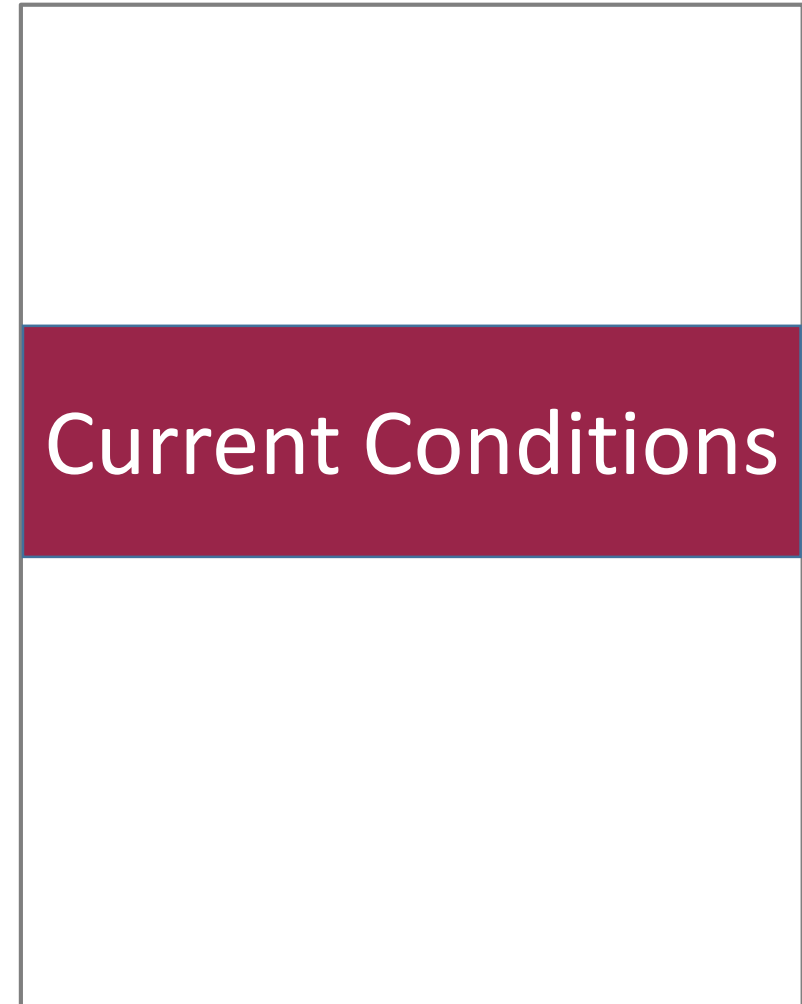
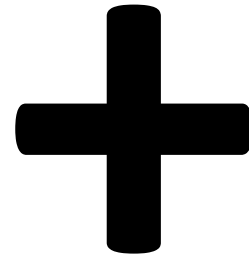
Part 4 – Developing the Scope

Current Conditions



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Content & Structure of a High-Performing Scope



Content & Structure of a High-Performing Scope

Current Conditions

- 1 Overview & Background
- 2 Volumes & Quantities
- 3 Pain Points
- 4 Strengths
- 5 Figures, Diagrams, & References



Current Conditions

- Easiest to document
- Often skipped, ignored, missed
- **Most common request from Proposers!!!**



Painting-The-Picture (Scope)

We spend a lot of time focusing on the Scope...

- What success looks like
- What will make you happy at the end of the contract
- What you want to look like
- What you want to achieve



Painting-The-Picture (Current Conditions)

...But we forget to describe what we look like right now



Do Your Current Conditions Really Matter?



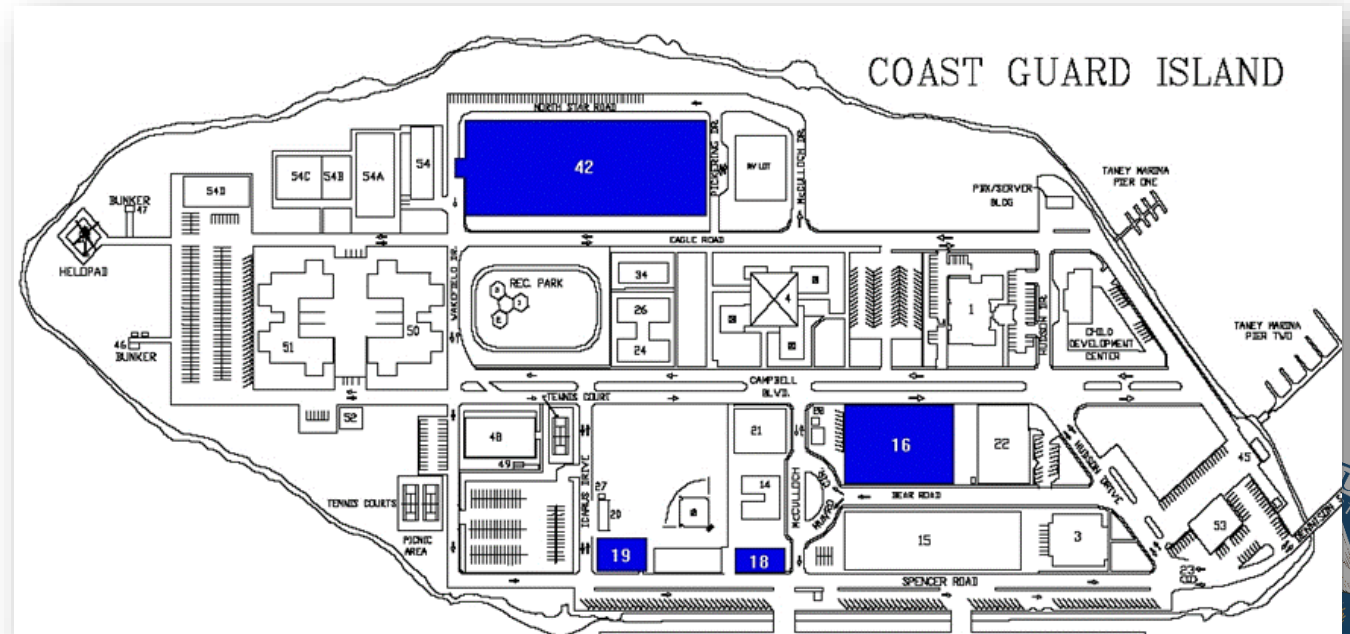
Importance of Current Conditions

- Allows the Proposers to understand the impact of the change
- Allows the Proposer to confirm if Scope is achievable
- Allows the Proposer to identify & address challenges
- Allows the Proposer to verify the accuracy of your Scope



Current Conditions in Re-Roofing

- Scope: Remove and replace existing roofing system and replace with a new built-up roofing system as shown in the drawings and specifications.





As a Proposer...

*Is There Anything You Would Like To Know??
(About The Current Conditions)*



Why are you really doing this project?

Current Conditions

- What activities occur in the building / building use?
- What issues or concerns do you currently have?



Current Conditions

- Building use = employee rec center (gym and basketball courts)
- Issue 1: we have leaks every time it rains
- Issue 2: we are worried about our wood basketball courts
- Issue 3: we don't want to have people monitor the gym during storms





***“The building leaks
aren’t just coming
from the roof...”***







30 3 2004



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Current Conditions Can Allow An Expert Proposer To Address Your Needs



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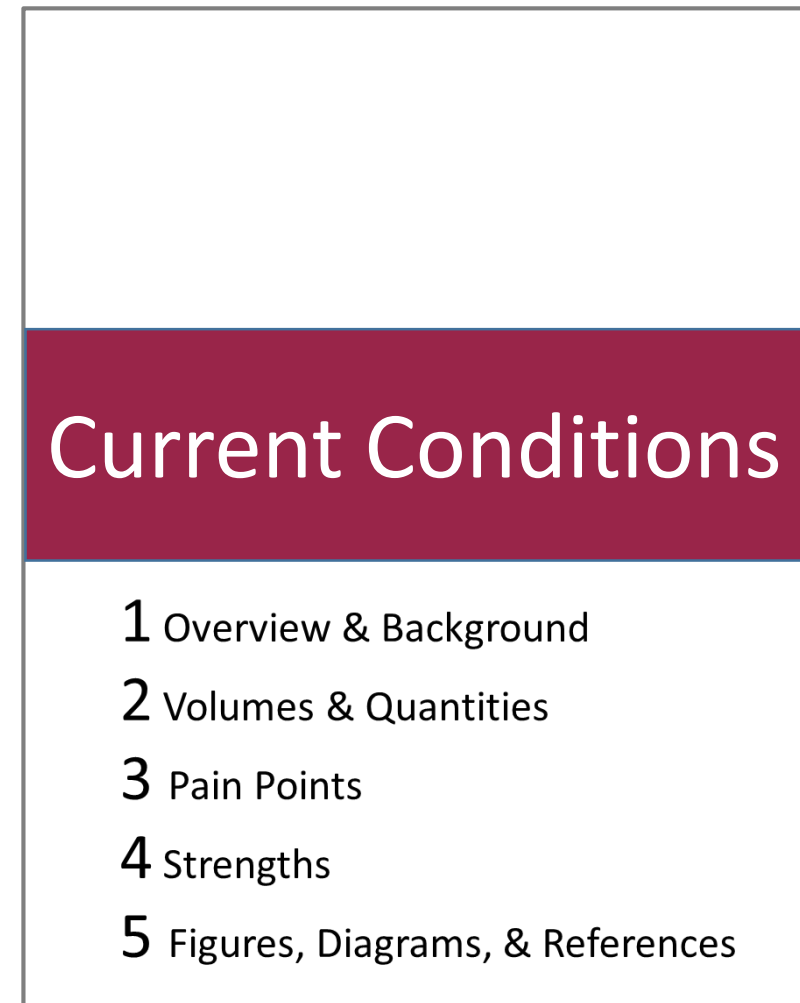
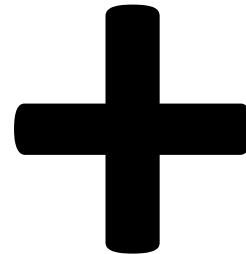
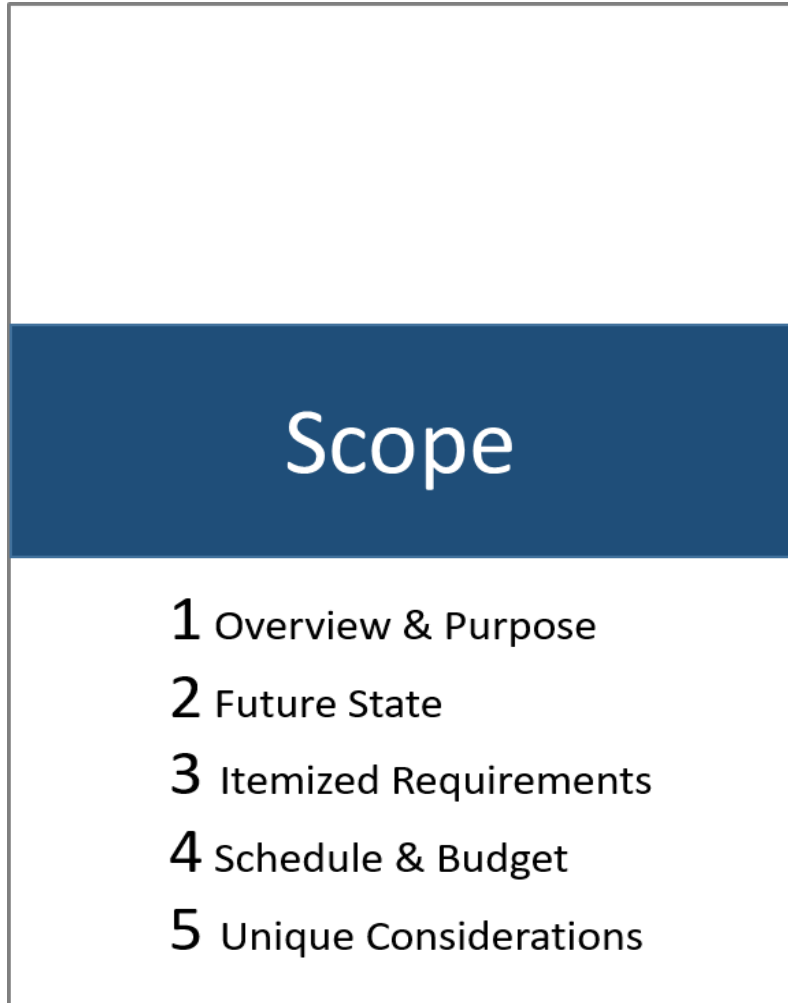
Part 4 – Developing the Scope

Too Much vs. Not Enough



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Content & Structure of a High-Performing Scope



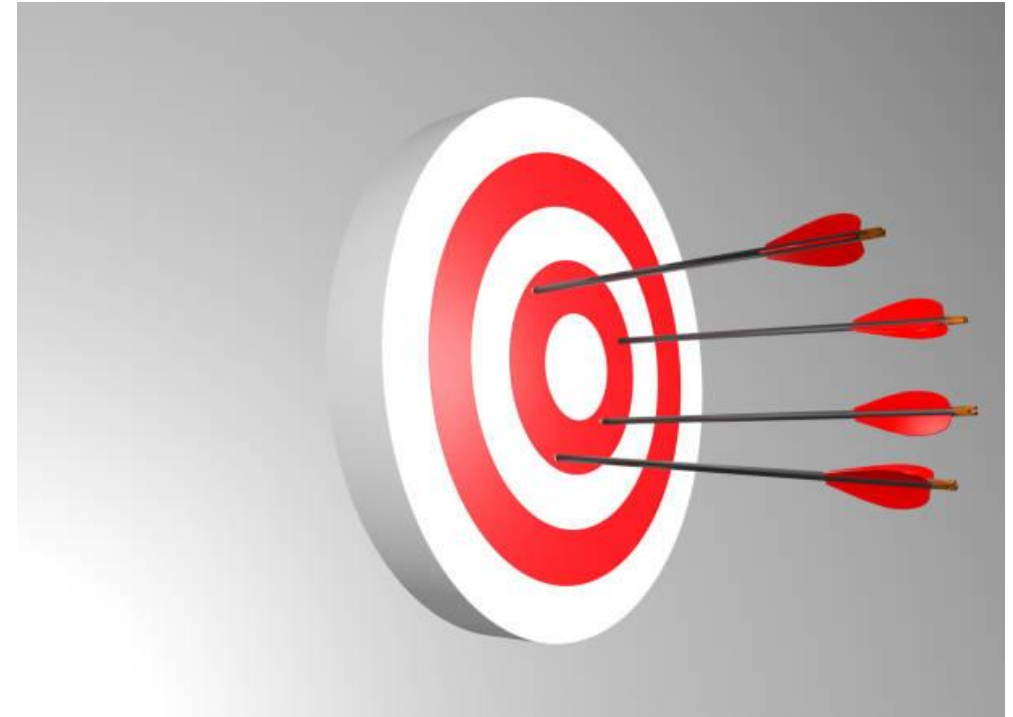
Keep in Mind...



Goal Is Not Perfection!



***Goal Is Not
Perfection!***



***Do Our Best
Within Resource
Constraints***





***...But We
Can't Totally
Miss The
Target!!!***



Too Much

Not Enough



**Open-Ended
Unclear
Ambiguous**

Too Much

Not Enough

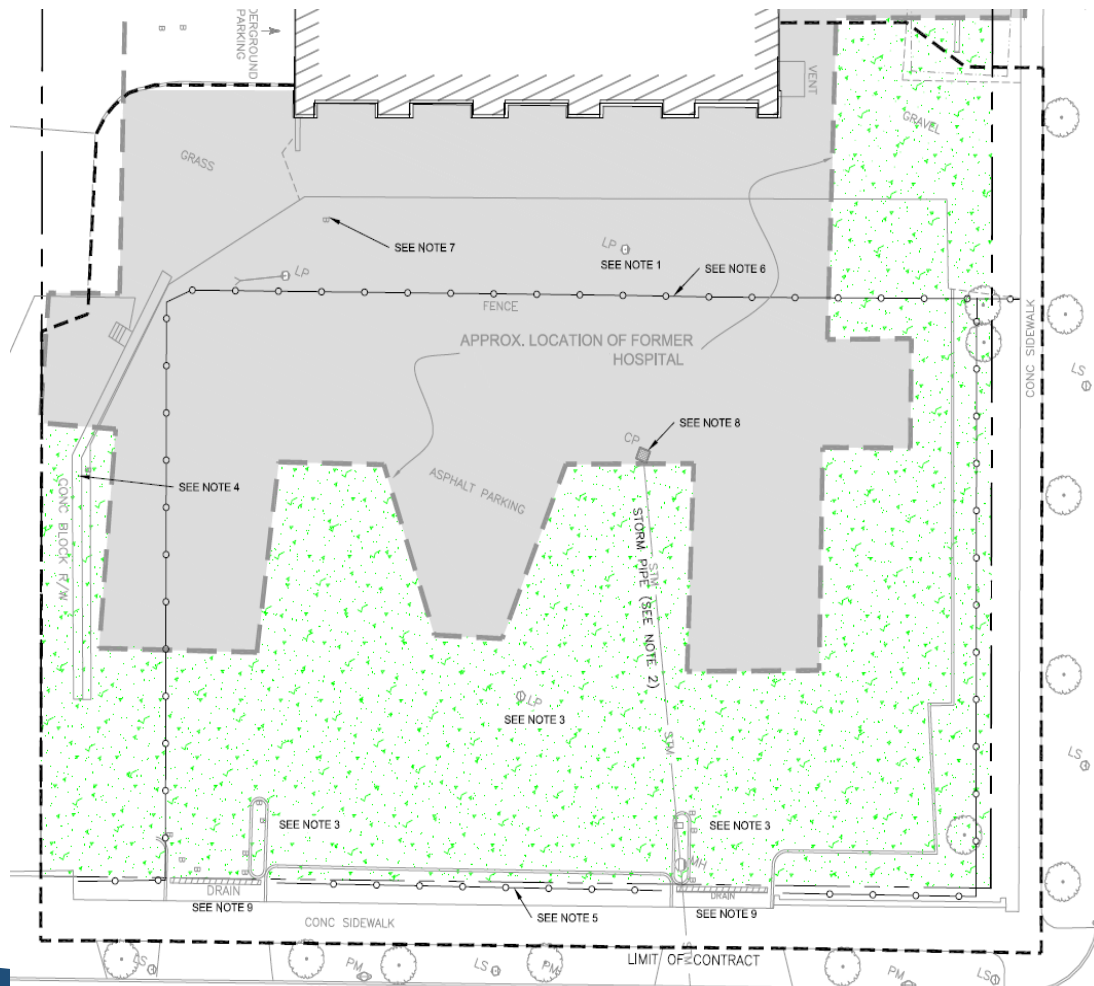


Public Sector Agency

- Full Technical Specification: “Pls dig a hol”



Construction Example: Site Excavation & Remediation



Construction Example: Site Excavation & Remediation



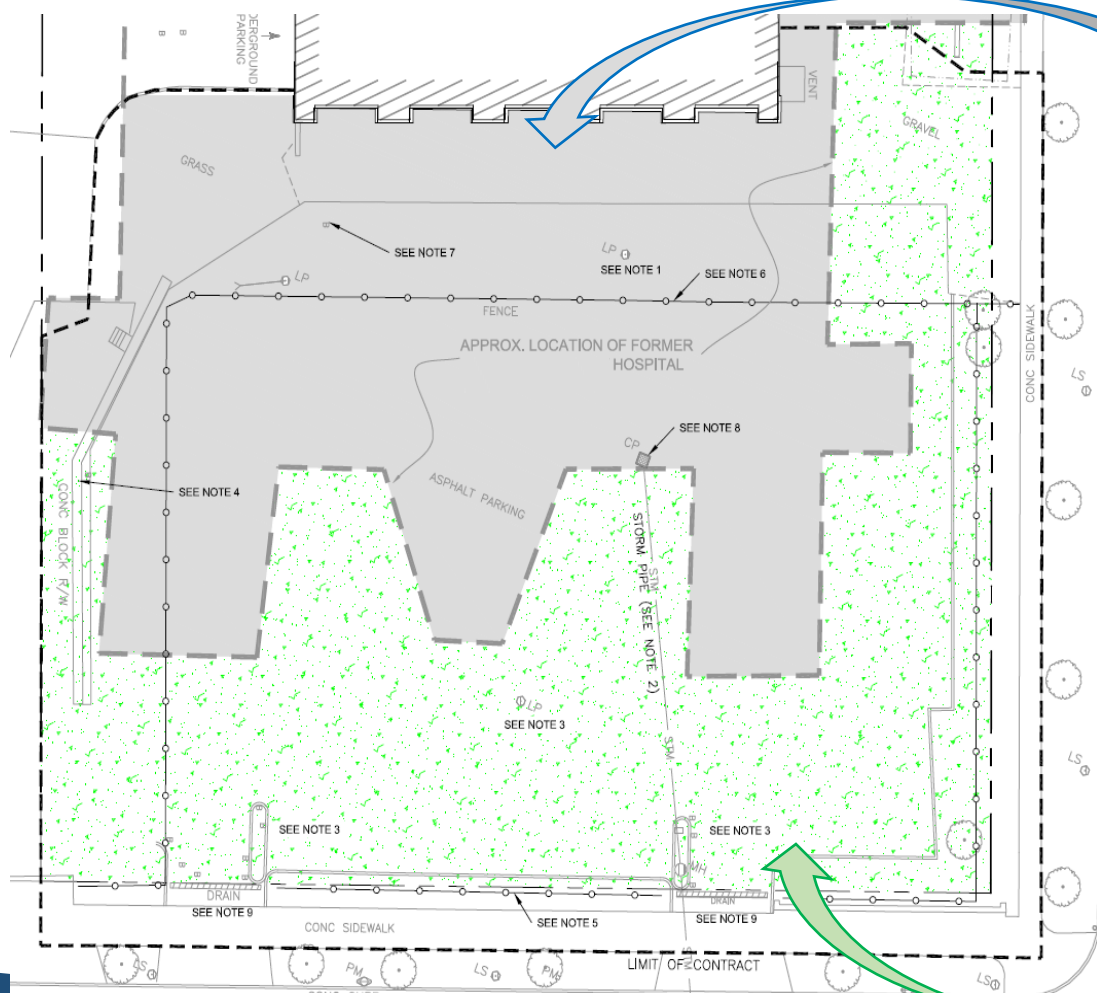
Construction Example: Site Excavation & Remediation



Construction Example: Site Excavation & Remediation



Construction Example: Site Excavation & Remediation



“Silt and sand soil, mixed with debris from the demolition of the hospital, and often underlain by a concrete slab or footings ranging from 1.8 to 3m thick.”

Contaminants: petroleum hydrocarbons, metals (arsenic, lead & iron), PAHs, & asbestos-containing materials, etc.

➤ **No benchmark to propose to...**
**(Contractors caught between a “no bid”
or adding contingency for unknowns)**

“Primarily dark brown/grey silty sand with gravel.”

Set a Benchmark to Propose to!!!!

- Ensure proposals are apples-to-apples (**as much as possible**)



Set a Benchmark to Propose to!!!!

- Client's Scope must:

- Make it easy for Proposers to find & understand the benchmark.

Example: Reviewing 4 Cost Proposals for an ERP System

- Quoted licenses ranged from 0 – 2,200.
 - 0 (TBD later **after they are awarded** the contract)
 - 1,260 to 1,450
 - 1,300
 - 2,200

How can you compare the Cost Proposals?



Set a Benchmark to Propose to!!!!

- Ensure proposals are apples-to-apples (**as much as possible**)

EXAMPLE



Set a Benchmark to Propose to!!!!

- Ensure proposals are apples-to-apples (**as much as possible**)

EXAMPLE

Question: What is the existing water pressure?



Set a Benchmark to Propose to!!!!

- Ensure proposals are apples-to-apples (**as much as possible**)

EXAMPLE

Question: What is the existing water pressure?

Answer:

For the purposes of the proposal, Proposers should assume that the existing water pressure is adequate. The waterline (described in RFI #4) is the main line for the CLIENT's main building and currently cover all fire suppression and other needs.



Set a Benchmark to Propose to!!!!

- Ensure proposals are apples-to-apples (**as much as possible**)

- This is the answer to...

“How do I know if I am too Open-Ended?”

- *If you've established a solid benchmark to bid to...*
- *... you have probably provided “enough” Scope info to avoid being open-ended.*



Impact of Open-Ended or Unclear Scope

- Open to interpretation
- Encourages the minimum
- Less consistency in pricing (*wider range in cost proposals*)
- Less competitive pricing (*increased contingency*)
- Discourages Proposers from submitting
- **Brings Risk to the Project!**



Open-Ended
Unclear
Ambiguous

Too Much

Not Enough



**Overly Prescriptive
Limiting
No Room for Innovation**

Too Much

Not Enough



Waste Hauling Scope

5,000+ tons of waste collection across urban area



- “An adequate fleet of collection vehicles should be used and maintained by the Proposer..”
- “It is the [Owner’s] expectation that collection vehicles designated for service should at a **minimum be less than two years old at the start of the contract”**



Waste Hauling Scope

5,000+ tons of waste collection across urban area



- “In order to support accurate measurements towards the [Client’s] sustainability goals, all vehicles must be solely dedicated to [the Client] and cannot be used for other sites.”



Waste Hauling Scope

5,000+ tons of waste collection across urban area



- Average Proposal Price: +46% over the Budget
- Maximum Proposal Price: +106% Over the Budget
- Scope was put together with great intentions
 - Seeking high quality services & impressive sustainability goals.
- Over-emphasis on the inputs (restricting Proposer means & methods) can detract from the outcomes (results)!



Elevator Maintenance (campus-wide)



- The Proponent shall assign a **dedicated maintenance technician** to this contract.
- This individual must be **solely assigned** to this contract and will perform all preventative maintenance & major repairs within the building zone.
- Over-emphasis on the inputs (Proposer resources) can detract from the outcomes (results)!



Major Overhaul for a Power Plant (Minimum Qualifications)

- Minimum 10 years experience
 - At least 10 projects in Design-Build (DB) contracts.
 - Experience in working on behalf of both owners and DB contractors.
 - Minimum of 5 DB projects in [specific State]
 - Must have completed 1 DB project working on behalf of a public owner.
 - Have completed 1 DB project that was not new construction, but was a refurbishment, remodel, or addition in a secure operating facility.
 - And more...
- Over-emphasis on pre-qualifications can restrict the pool (or worse...)



Impact of Overly Prescriptive Scope

- Can significantly increase cost & schedule
 - Removes flexibility to offer strategies & innovations for the specific environment
 - “tie the hands” of Proposers regarding the work and manner in which it is undertaken
 - Limits the maximum accountability & responsibility Proposers have to perform
- **Brings Risk to the Project!**



Impact of a Poor Scope

Perceptions of Owner Scopes

- **Unclear**
- **Information is missing**
- **Overly prescriptive**
- **Unrealistic**
- **Discourages innovation**
- **The owner is “fishing”**
- **Misunderstands Needs**
- *Procurement is Not Fair*



Impact

- **Fewer proposals**
- **Low quality proposals**
- **Less qualified teams**
- **Less competitive pricing**
- **Less consistent pricing**
- **Open to interpretation**
- **Have to believe the Proposer**
- *Brings Risk to the Project*



A "High-Performing" Scope requires the appropriate perspective...



UMPIRE MECHANICS

Theory of Proper Positioning

“Angle is primary; distance is secondary;

Closer is better, up to a point.”

TEXAS BASEBALL UMPIRES ASSOCIATION

TBUA



What is a High Performing Scope?

Core Objective: What would a **High-Performing Proposer** need (or want) to know?

ALWAYS question whether the Scope....

- Allows Proposers to provide the **best price**?
- Gives Proposers information to **plan their approach**?
- Enables Proposers to **minimize contingency**?
- Prevents Proposers from **walking away**?



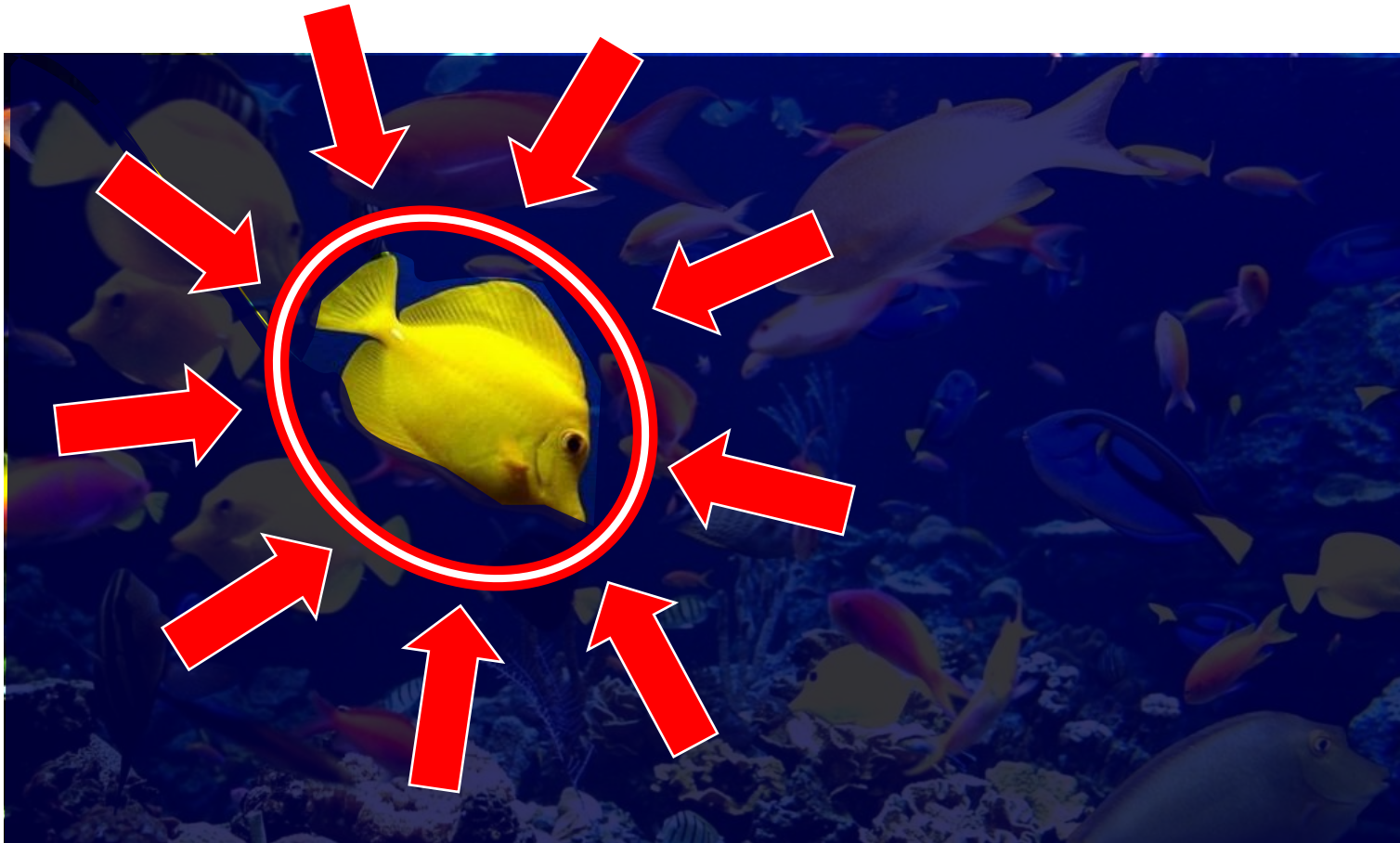
Why is this Important?



Always Remember...Proposers Have Options!



You Want To Look More Attractive Than All Other Current Owners!!!



If You Look Dangerous....



Questions?



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