



# EVALUATION AND AWARD

In the evaluation step of the procurement process, the solicitation representing the needs of the user agency, and the response of the suppliers answering the call to meet those needs are compared side by side<sup>1</sup>. Proper evaluation of bids and proposals leads to the awarding of a mutually beneficial contract to both the state and suppliers.

## PRINCIPLES OF EVALUATION

The evaluation of bids and proposals should be compliant with procurement law; conducted with a predetermined fair and unbiased process aligned with the criteria and requirements provided in the solicitation<sup>2</sup>. Bids and proposals have significant differences in the way they are evaluated. Depending on the type of solicitation used, specific evaluation criteria may change. Although solicitation type may dictate the particulars of how an evaluation is conducted, there are over-arching principles that generally apply regardless of solicitation type.

### 1. Alignment of the evaluation to the law

The evaluation must conform to the procurement law and all applicable regulations.



<sup>1</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

<sup>2</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

## 2. Alignment of the evaluation to the solicitation

Evaluation should be consistent with any requirements listed in the solicitation. The evaluation criteria must be developed to allow the procurement officer or evaluation committee to consistently measure the bids and proposals against the criteria. A mismatch in solicitation requirements and evaluation criteria is unfair in nature and goes against an unbiased competitive procurement process<sup>3</sup>.

## 3. Evaluation plan

The evaluation plan for administrating the evaluation must be determined in writing, and in place prior to the due date for bids or proposals.

## 4. Evaluation of price or cost

The public procurement officer should evaluate cost or price with any needed assistance from a public entity's fiscal personnel.

**Price Analysis:** The process of examining and evaluating a prospective price without performing a cost analysis; that is, without evaluating the separate cost elements and profit of the offeror included in the price<sup>4</sup>.

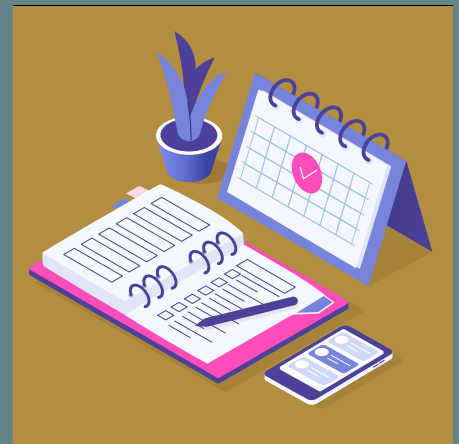
**Cost Analysis:** The review and evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred<sup>5</sup>.

## 5. Written documentation

The analysis of the bids or proposals must be documented in writing. Evaluation documentation should reflect the evaluation process conformed to the law and solicitation.

## 6. Timelines

The procurement officer should have an estimate for how long the evaluation of bids and proposals should take. This should be communicated in conjunction with any solicitation open bid or proposal timelines. If the timeline needs to be renegotiated due to unforeseen circumstance, the procurement officer should take all steps needed to ask each bidder or offeror to extend their respective bid or proposal<sup>6</sup>.



<sup>3</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

<sup>4</sup> Nash, Schooner, & O'Brien, 1998

<sup>5</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

<sup>6</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

## 7. Impartial evaluators

All evaluators in their respective role, in whatever capacity, must avoid any actual or perceived bias or conflict of interest. Additionally, all information received and discussed during an evaluation should be kept confidential and should not be shared outside of the staff involved in the evaluation.

## 8. Determination of responsibility

A determination of a bidder's or offeror's responsibility as part of the evaluation process should be strictly predetermined in the evaluation plan<sup>7</sup>.

### RESPONSIBILITY

Whereas **responsibility** refers to the bidders or offerors themselves and typically involves a review of the bidders' or offerors' financial stability and ethical practices among other factors.

VS

### RESPONSIVENESS

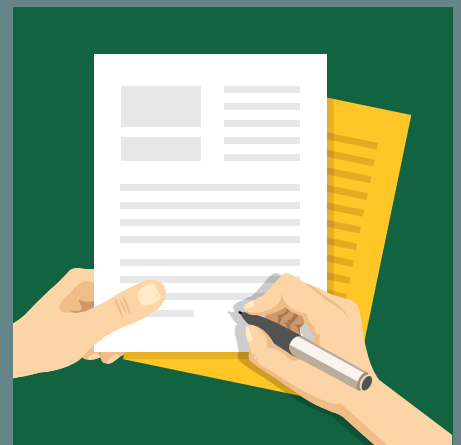
A bidder or offeror is seen as **responsive** if the submitted bid or offer is in compliance with all specifications, contract terms, and all of the important items put forth in the solicitation<sup>8</sup>.

## 9. Alignment of contract award to the law and solicitation

The awarded bidder or offeror must demonstrate compliance with contract award standards from both the solicitation and law; this process should be documented thoroughly and consistently with the state's procurement laws and regulations.

## AWARD AND NOTICE

A procurement law should allocate the awarding authority solely on the public procurement officer<sup>9</sup>. In some state and local governments, procurement law may also grant awarding authority to an elected official, or bodies of elected officials. After an award has been made, the awarded supplier and all other bidders or offerors should be notified of the decision in writing.



<sup>7</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

<sup>8</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO

<sup>9</sup> From NASPO (2019). *State and Local Government Procurement: A Practical Guide* (3rd Ed.). Lexington, KY: NASPO



## TOOLS TO LEARN MORE

Read Chapter 9 of the [State and Local Government Procurement: A Practical Guide](#), to learn in depth about the evaluation and award process, and all the steps not covered in this edition.

Take the [Procurement U Course: Introduction to Requests for Proposal](#) to learn the skills and knowledge needed of the evaluation team, score an RFP, and how to spot potential conflicts of interest in the evaluation process.

Read this [blog](#) to learn about bid protests.

Check out this white paper, [Comparative Review of State IT Procurement Practices](#), specifically the comparative solicitation practices section, starting at page 24.

Visit [Center for Procurement Excellence](#) to view additional resources on RFP development and award.

Read [this blog](#) about creating a transparency checklist.

Read this [FAQ](#) about the Federal Transit Administration best practices in cost analysis and price analysis.

