RFPs: Finding a Perfect Fit

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Introduction
Brad Strader, MKSK

Topics for this Session
- **Using a Consultant – The Basics** (Sarah Traxler)
- **Preparing an RFQ/RFP** (Brad Strader)
- **RFPs Best Practices** (Carmine Avantini)
- **The Interview and Contract Negotiation Process** (John Enos)
The Consultant Perspective

The Proposal Preparation Effort

The Proposal

- Evaluation of RFP, determine go or no/go …… 2-4
- Communications to form a team ………………… 1-2
- Preparing qualification materials ………………… 2+
- Cover letter …………………………………………. 1-2
- Research/Site Visit ………………………………. 4+
- Writing up a tailored scope of work …………… 8+
- Prepare custom materials ………………………… 4-6
- Preparing a budget ………………………………. 2
- Final Review ………………………………………. 2-4
- Assembly …………………………………………… 4

TOTAL ……………………………………………… 28 – 38+
## The Consultant Perspective
### The Proposal Preparation Effort

<table>
<thead>
<tr>
<th>The Interview</th>
<th>Hours Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation, practice, etc.</td>
<td>4</td>
</tr>
<tr>
<td>The Interview (inc. travel, 2 attending)</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>
The Consultant Perspective

The Proposal Preparation Effort

The Take-Away:

- Hours Invested (42-52) = $4,200 - $5,200 (and more for a complex RFP)

- Assume 10% profit – need $42,000 - $52,000 to break even (not including payment to subconsultants)

- So . . . . Responding to an RFP is a significant investment by the consultant!
Using a Consultant, The Basics

Sarah Traxler, McKenna
Benefits of Using a Consultant

Benefits

- Flexibility of service – no municipal obligation (on-call scenario)
- Maintain quality of service during overwhelming work periods
- Diversity of skills, specialties
- Outside lens on your project, community, strengths, etc.
- Direct saved staff time to other initiatives
- Can lead to internal innovation
What’s the Right Approach for My Project?

Deciding between staff, private planning consultant, County, region, etc.

- **Schedule, Budget, Quality (three pillars)**
  - Your staff’s time is quantifiable with real costs – don’t underestimate required resources
  - What am I choosing to maximize and which approach best aligns?

- Accountability
- Advocacy
- Focus
- Talent alignment

Source: planningpeeps.com
## Typical Roles

### On-Call Services

<table>
<thead>
<tr>
<th>Staff</th>
<th>Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main contact</strong> with electeds</td>
<td><strong>Supports</strong> staff with electeds</td>
</tr>
<tr>
<td><strong>Attends</strong> PC, Council / Board, etc.</td>
<td><strong>Often attends</strong> PC, Council / Board, etc.</td>
</tr>
<tr>
<td><strong>Assigns</strong> development reviews, etc.</td>
<td><strong>Prepares</strong> development reviews, etc.</td>
</tr>
<tr>
<td><strong>Performs</strong> counter-work / pre-apps, etc.</td>
<td>Participation <strong>varies</strong></td>
</tr>
</tbody>
</table>

### Special Projects

<table>
<thead>
<tr>
<th>Staff</th>
<th>Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main contact</strong> with elected</td>
<td><strong>Supports</strong> staff with elected</td>
</tr>
<tr>
<td><strong>Attends</strong> PC, Council / Board, etc.</td>
<td><strong>Attends</strong> agreed-upon meetings</td>
</tr>
<tr>
<td><strong>Manages work</strong> of consultant</td>
<td><strong>Performs work</strong> per agreement</td>
</tr>
<tr>
<td><strong>Provides</strong> background info</td>
<td><strong>Analyzes</strong> background info</td>
</tr>
<tr>
<td><strong>Available</strong> to provide comment</td>
<td><strong>Responsive</strong> to client</td>
</tr>
</tbody>
</table>
# Pricing Models

## On-Call Services

<table>
<thead>
<tr>
<th>1. Development Reviews</th>
<th>2. Office Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per agreement with consultant:</strong></td>
<td></td>
</tr>
<tr>
<td>• <strong>Fixed review fees</strong></td>
<td><strong>Retainer for set hours</strong></td>
</tr>
<tr>
<td>Often base price + per-unit charge; should align with City fee schedule</td>
<td><strong>Hourly fees for varied or set hours</strong></td>
</tr>
<tr>
<td>• <strong>Applicant pays fee</strong> (to cover review) and/or pre-set escrow</td>
<td><strong>Often not fee-driven</strong></td>
</tr>
</tbody>
</table>

## Special Projects

<table>
<thead>
<tr>
<th>3. Often “Lump Sum”</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Almost always paid for by municipality; developers occasionally subsidize</td>
</tr>
</tbody>
</table>
Be Deliberate – Plan for Projects!

How do you determine the skills and experience you’re looking for?

- Solicit background from your counterparts in other towns
- Write and workshop a purpose description for the project itself; go beyond “to comply with MPEA”
  - What’s order of importance for three pillars? (Schedule, Budget, Quality)
    - Discuss meaning of “quality” in this context
- Review qualifications / proposals in context of your priorities
- Then, sprinkle in the personal elements
  - Fit of project team, public engagement approach

Source: Jeff Weiner
Single vs. Team

Consider / study / confirm the following:

- If have existing relationship:
  - Can my preferred planning consultant expertly perform the services I need?
  - If not, are they willing to bring in a partner to augment their experience?

- If issuing RFP/Q “cold”:
  - Ask for specific details on whether a sub-consultant is proposed as part of team
  - Consider whether one firm could get the job done to your standards
  - Local knowledge + national / special expertise sometimes a benefit
  - If team, is prime consultant charging more for managing more partners? Worth it?
Advertising

Cast a wide net or send to few who are clearly qualified?

Ideas for “wide net”:

- MAP - Planningmi.org
- MAP PIPP list (Planners in Private Practice)
- APA - Planning.org
- Planetizen.com/RFP
- Direct mail to advertisers in relevant publications
Proposal Efforts

We ALL want to partner
We ALL invest heavily when compete

- Telephone / email questions and answers + dialogue
- Research on past planning efforts, current events, etc.
- Gathering teammates (when applicable)
- Develop creative approach
- Develop right-sized approach (especially difficult when don’t know budget!)
- Staff time in producing quals / proposal documents
- Interview prep and attendance...

...+ loss of sleep and sanity!
What if you already know who you want to hire?

- Professional services = not bound by lowest price
- Review purchasing ordinance to ensure consistency
- Work closely with purchasing, if applicable
  - Help inject “common sense” into approach
- If certain, avoid going through effort (wastes your time, too)!
Preparing an RFQ/RFP
Brad Strader, MKSK
First off, is it a “Q” or a “P”?

Different Tools for Different Steps of the Process

Source: Muppet Wiki
“Q” vs. “P”

Request for **Qualifications** (RFQ)
- Introduce the Firm/Team
- Demonstrate relevant experience
- Demonstrate firm’s understanding of the project
- May ask the firm to describe a general approach they would take to complete the project

Request for **Proposals** (RFP)
- Detailed, formal proposal, including:
  - Scope of Work
  - Schedule/Timeline
  - Proposed Fee
  - Additional Services (optional)
“Q” vs. “P”

Request for **Qualifications** (RFQ)
- **Benefit to Client:**
  - Minimize review time by narrowing down potential consultants before issuing RFP
- **Benefit to Consultant:**
  - Typically shorter/less time-intensive to prepare

Request for **Proposals** (RFP)
- **Benefit to Client:**
  - Can review comparable proposals from competing consultants
- **Benefit to Consultant:**
  - Can customize the proposal to client’s needs
Is it both? (Combined RFQ/RFP)

- **Most typical approach**
  - Benefit to Client: Minimize staff preparation and advertising by eliminating 2-step process
  - Benefit to Consultant: Minimize (potentially) the overall project pursuit timeline

- **Potential Drawbacks:**
  - Client may receive more submissions, requiring additional time/resources to review and compare
  - Consultant may spend much time/resources to prepare without the benefit of client indicating interest in advance
Basic Structure of an RFP

Typical Contents
- Project Purpose
- Background Information
- Minimum Qualifications/Areas of Expertise
- Scope of Work
- Required Deliverables
- Project Schedule/Key Deadlines
- Budget or Fee Proposal Criteria
- Evaluation & Selection Process
- Contact Information/Procedures
- Terms & Conditions/Legal Requirements
Considerations for Preparing a Good RFP

- Clearly outline the proposal structure for easier comparisons
- Describe the specific services or project tasks needed
- Identify the expertise desired – what type of consultants do you need?
- Describe the previous plans and policies that need to be considered – link to them online if possible
- Who will the consultant be working with: staff, officials, committees?
- If municipal staff are available to assist, describe that in some detail – what tasks or products, how many hours?
- Outline the general level of public involvement desired
- Any goals or requirement for DBE, WBE, local firm? Or other special contract requirements (like insurance, local business license)?
- Project schedule – how important is it compared to other project objectives?
- Pros and cons of budget details
The Do’s & Don’ts of RFPs

Or

How to keep your consultants from banging their head against the wall
Do’s and Don’ts

DON’T
- Call it an RFQ, but require an actual proposal
- Throw in the kitchen sink
- Develop RFP by committee
- Copy and paste (at least without proofreading!)
- Include contradictory requirements
- Be unreachable
- Overly micro-manage the scope

DO
- Be clear about the process
- Prioritize what you want/need
- Assign a lead RFP writer
- Spend time writing an RFP that will tell consultants the client is serious about the project
- Make the proposal specifications and submittal procedures simple, clear and consistent
- Provide contact information and be available for questions
- Allow the consultant to be creative and propose an alternative approach
Do’s and Don’ts

DON’T

- Require a list of other commitments or available hours of personnel
- Use bid language for a professional service RFP
- Overpromise what staff can do or time available
- Require an overly detailed fee and hours breakdown for individual tasks, individual personnel and all expenses
- Expect consultant to attend “all meetings necessary”

DO

- Recognize that consultants are busy (you are too!). Judge them based on their qualifications, approach and fee.
- Treat planning projects like planning projects – flexibility and creativity are your friends
- Be realistic – is this an effort to save money, or to keep staff engaged? You are spending resources either way.
- Consider how important this really is. If at all, keep it general (e.g. overall hours by personnel assigned to the project)
- Recognize that meetings cost time and money. Allocate a contingency budget for additional meetings that may arise.
Do’s and Don’ts

**DON’T**
- Ask for free work
- Be silent on the budget
- Issue an RFP that is clearly written to favor a particular firm or team

**DO**
- Allocate a stipend budget if the proposal or interview requests some sort of preliminary deliverable
- Consider publishing the budget. If no budget is allocated yet, be up front about that in the RFP.
- If you know who you want, direct select if you can.
Definite Don’ts
(at least from a consultant’s perspective)

- List a budget but also encourage a lower or more “competitive” fee
- Public interviews or interviews open to competing teams
- Post proposals online in the middle of the selection process
RFPs Best Practices
Carmine Avantini, CIB Planning
Contact with Consultants

- Complete information = Good proposals
- Some proposals require all contact through purchasing department
- Open lines of communication with consultants
- Consider pre-proposal meeting for larger projects
Providing Budget Information

- Community might be concerned about getting value for fee
- Consultants base fee on scope and assigned professionals
- Most RFP’s are not detailed enough to receive comparable submissions
- Providing budget information better helps communities align with consultants appropriate for that project
- Make sure the money is committed before sending out RFP
- Helps eliminate wasting the time of both community administrators and consultants
Who’s Paying for the Project?

- Detail how the project is being funded in the RFP
- Outside funding may add to the administrative cost of the project
- Consultant may have prior experience with funding programs
- Can lend insight into how it might be managed differently from other similar projects
- Funding programs might have prolonged payment timeframes
Projects funded using programs with agencies such as MEDC, EDA, MDNR, etc.

Detail any program-specific requirements in the RFP

For example, the Redevelopment Ready Communities Program (RRC) has Best Practice and certification requirements to be met.

Some federally-funded programs have reporting requirements.
Tips for Working with Consultants

- Be clear on expectations
- Make time for communication and feedback
- Follow-through on administrative requirements of the community
- Stay involved in the process and inform the public about progress
- Ask questions!!!
The interview and contract negotiation process

John Enos, Carlisle | Wortman
"To make it more sporting, I've also blindfolded the men."
So now you have it narrowed down, now what?

- Selection Committee
- Planning Commission
- Elected Officials
- Administration
- Others?

- Selection Criteria
- RFP/RFQ
- Similar Clients
- Administration
- References
The Interview Process

- Select at least 3-4 firms (See Slide #1 Presenter List for good options 😊)
- Dependent upon Selection Committee (e.g. Day or Night?)
- Contact firms a few weeks in advance (Avoid schedule conflicts)
- Attempt to coordinate all on one day
- Suggest 30-40 minutes hour for each firm to present (plus Q&A)
  - Dependent on project type
The Interview Process

- Have set of questions in hand (Leave time for discussion)
- Have other firms leave the interview room (Egads uncomfortable!)
- Be clear on representation (Who will be present at client meetings?)
- What’s your gut telling you?
Final Selection

- Contact chosen firm with the Good News!
- Request contract or send municipal contract
- Coordinate any potential issues (Additional meetings, mileage/expenses)
- Meeting with staff and client representatives
- Coordinate introductory kick-off meeting
Final Selection

- Send participation ribbon to the losers (don’t leave them hanging with no contact!)
- Contact via mail/e-mail and follow-up with a personal phone call
- Provide constructive critique of the RFP response and interview