OSP Policy
Evaluation of Proposals

When multiple proposals are received in response to a solicitation, a determination must be made as to which of the proposal(s) may lead to a contract that is the most advantageous to the State. This determination is based on consideration of price and the evaluation factors set forth in the solicitation, as well any discussions or negotiations conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award. Although evaluation of competing proposals inherently involves a certain degree of subjective judgment and discretion, proposals should be evaluated ethically, fairly, lawfully, and reasonably.

The standard approach to evaluating proposals is to utilize an evaluation committee comprised of individuals who have no conflict of interest and who have knowledge or experience that will allow them to contribute meaningfully to the evaluation process. This approach allows an agency to select members of an evaluation committee that will review the proposals and make a recommendation regarding the relative merits of the proposals when considered against the evaluation factors set forth in the solicitation.

This statement of policy applies to solicitations which utilize an evaluation committee to make a recommendation and which are issued by any of the following entities: the Office of State Procurement (OSP), State Agencies, State Boards and Commissions, and State Colleges and Universities. It is intended to help safeguard the integrity of the evaluation process.

In order to help facilitate the evaluation process, a procurement official/representative of OSP, the State Agency, the Board or Commission, or College or University must be available to offer guidance and assistance to the evaluation committee as needed throughout the evaluation process. At the first meeting of the evaluation committee, a procurement official should provide an overview of the evaluation process to the committee members. Although the procurement official should be available to help guide the evaluation committee through the evaluation process, he or she should not serve as an evaluator on the evaluation committee.

- **EVALUATION COMMITTEE TRAINING**

  Prior to receiving copies of the offerors' proposals, all evaluation committee members shall participate in evaluation committee training sponsored either by OSP or an Agency Procurement Official (APO). All evaluation committee members should receive a copy of a confidentiality agreement and have it explained to them as part of the evaluation committee training. They should submit their signed confidentiality agreements before any proposals or information derived from the proposals is released to them. A scoring/rating sheet that has been approved by the OSP representative or the APO should be distributed to the evaluation committee members along with the proposals. Its proper use and the applicable rating method must be explained as part of the evaluation training.

- **EVALUATION COMMITTEE STRUCTURE**

  Evaluation committee members should be selected based on their ability to make meaningful contributions to the evaluation of the competing proposals. Individuals with knowledge or expertise with regard to the commodity or service being evaluated should be included to the extent practicable. Reasonable effort should be made to select those individuals who are best qualified to decide, in a rational, honest, and unbiased manner, which proposal is most advantageous. The number of people included may vary and there is no upward limit, but OSP strongly encourages a minimum of three members whenever possible. An agency may request employees of other State Agencies, State Boards and Commissions, or Colleges and Universities to serve as evaluators. An agency may also use qualified evaluators from non-State governmental entities or the private sector.

Evaluation committee members must not have a financial interest, ownership interest, employee interest, or personal interest with any of the respondents or related parties, including identified subcontractors, who have submitted proposals in response to the solicitation. If a committee member discloses such an interest, or the chairperson of the commission and/or the procurement official learn that a member has such an interest, that member shall be removed from the committee.

In additional to actual disqualifying financial interests, ownership interests, employee interests, or personal interests, efforts should be made to avoid the appearance of the loss of impartiality based on recent or pending relationships, such as where one or more of the offerors is: (a) a person with whom the evaluator recently had or seeks a business relationship or transaction (not including routine and minor purchase of consumer goods or services from a major retailer or supplier in the ordinary course, such as, for example, the evaluator's purchase of groceries from a major food vendor); (b) a person for whom the evaluator has, within the twelve months preceding the evaluation, served as officer, director, trustee, general partner, owner, agent, contractor or employee; or (c) a person who enjoys or has recently enjoyed, within the twelve months preceding the evaluation, a special relationship or position of trust with the evaluators, such as a clergyman, superior officer, teacher, attorney, consultant, or fiduciary. Persons seeking employment or a business opportunity with one or more offerors are not to serve as evaluators.

Supervisors and their subordinates shall not serve jointly on the same evaluation committee without prior written approval from the OSP Director or the agency's APO.

- **EVALUATION PROCESS**

Evaluation committee members shall sign a Confidentiality Agreement and Disclosure Statement prior to participating in the evaluation process. It is imperative that evaluation committee members strive to maintain and document the integrity of the evaluation process. Until a contract has been awarded, members of the evaluation committee should not disclose any information derived from any offeror's proposal to any person not officially participating in the procurement/evaluation unless otherwise required by lawful authority. This confidentiality helps maintain the integrity of the evaluation process.

After evaluation training, and after signing the required Confidentiality Agreement and Disclosure Statement, evaluation committee members should individually review all of the proposals before scoring or assigning any rating according to the rating method being utilized for the evaluation. Regardless of the rating method employed, evaluations must be based solely on the evaluation factors set forth in the solicitation. Evaluation committee members are expected to evaluate the proposals fairly and rationally based on the information presented in the proposals. They must not allow sympathy, prejudice, or like or dislike of any contractor or subcontractor being considered to influence their decision.

1. When conducting their initial review of the proposals, evaluation committee members should consider whether each proposal is "responsive." A "responsive" proposal conforms in all material respects to the solicitation, including the specifications set forth in the solicitation. After evaluation committee members have conducted their initial individual review of the proposals, they should review the proposals again and assign scores or ratings as explained in evaluation training.
2. After initial individual evaluations are complete, the committee members shall meet to discuss their ratings. If any of the individual evaluation committee members initially considered any of the proposals not to be responsive, the committee should notify the procurement official. The procurement official, after consulting with the committee, should determine whether to eliminate the proposal from further evaluation as non-responsive, or whether the committee should proceed with the evaluation of that proposal as being arguably or potentially responsive. If the procurement official determines that the proposal is clearly not responsive and should be eliminated from further evaluation, he or she must record that determination in writing along with

the justification for the determination.

3. The committee will proceed to review all remaining proposals as a group. Each member will be afforded an opportunity to discuss his or her rating for each evaluation criteria. Ideally this will allow the committee members a chance to discuss their individual perspectives as well as potentially remedy any confusion or misunderstandings. If any committee members express a desire to receive clarification regarding some aspect of a proposal, the chairperson of the committee should notify the procurement official, who will proceed to ask the offeror any clarifying questions deemed necessary.
4. After committee members have had an opportunity to discuss their individual scores and consider any clarifications that they may have received, they must be given the opportunity to change their initial evaluations if they feel that is appropriate. If individual proposals were evaluated by assignment of numerical scores by individual evaluators, the final individual scores of the evaluators will be averaged after they have made any adjustments they may have felt it was appropriate to make. On behalf of the evaluation committee, the evaluation chairperson shall provide a written outcome of the final scores/ranking to the procurement official/representative.
5. After the final scoring session, each evaluator should return all evaluation documents in his or her possession to the chairperson of the evaluation committee, who will send them to the procurement official for inclusion in the procurement file. The evaluation documents should be retained so that they can be examined if there is a question regarding whether the evaluation committee was properly organized and properly fulfilled its evaluative and advisory function.

- **EVALUATION OF COST**

1. In determining which proposal will be the most advantageous to the State, Arkansas Procurement Law requires that price, technical evaluation factors, and any discussions with responsible offerors be considered. When the evaluation method involves assigning a numerical value to the price associated with a proposal as well as to other technical evaluation factors, then the allocation of points awarded based on pricing should reflect the relative importance of pricing when considered against the importance of the technical evaluation factors.
2. Although Arkansas Procurement Law provides flexibility in determining the appropriate weight to assign to the consideration of price, it would violate the intent of Ark. Code Ann. § 19-11-230 to make price the sole determining factor between competing proposals from responsible offerors, as this would essentially make the solicitation an invitation for bids. To avoid this, the point value properly assignable to price considerations should not constitute more than 50% of the total points available when the procurement method is a request for proposals. On the other end of the spectrum, it would violate Ark. Code Ann. § 19-11-230 if price were not considered at all in determining which proposal is the most advantageous to the State. Consequently, consideration of price cannot be done in such a fashion as to allocate pricing 0% of the total points available. In striking a balance between allocating points to pricing so that the number of points allocated to it falls between 51% and 0% of the total points available, OSP adopts the position that at least 30% of the total points available should be assigned to pricing unless the OSP Director or agency APO determines something less is appropriate in a signed writing explaining his or her reasoning.

- **EXCEPTION SPECIFIC TO DBA**

Generally, this policy does not include RFQ's for design professionals which are reviewed by the Division of Building Authority (DBA). Agencies under DBA review authority may utilize OSP procedures if not in conflict with DBA Minimum Standards and Criteria.