

CITY OF LITTLE ROCK BID PROCESSES

There are three basic types of bid processes: Invitation to Bid (ITB), Two-Step Request for Proposal (RFP), and a Request for Qualifications (RFQ).

The RFQ process is utilized primarily for professional services. Engineering, Architectural, Legal and Land Surveying are all deemed professional services for qualifications based bids by state statute. Municipalities may add other professional services with their governing body's approval. For example, our Board has allowed approximately twenty (20) additional services such as auditing, lobbyist, real estate marketing, advertising, employee benefit consulting, and veterinary services. City Ordinance #15,221 provides the complete details on the RFQ process. Generally, a RFQ includes a description of the service criteria and qualifications required, and it includes a description of the weighting that will be applied, if applicable, to the criteria. Price cannot be included with the vendor response or the response must be disqualified per City Ordinance and State Law. The responses are reviewed and rated by a committee, appointed by the City Manager. In some situations, the top tier of respondents are identified and asked to make presentations to the committee. Once the committee determines the most qualified respondent, negotiation of price may begin with the highest ranking respondent. If a fair price cannot be negotiated, the City may move to the second ranked proposal for negotiation and then to the third ranked respondent if necessary. If a price cannot be negotiated to the City's satisfaction after moving to the third most qualified respondent, the RFQ must be reissued.

The ITB and the RFP processes include a price component. In the ITB process, a bid specification (performance, design, etc.) is used for a benchmark or comparative to alternates submitted. These are price influenced bids that include goods and services such as equipment, computers, furniture, vehicles, construction and supplies. The bid is awarded to the lowest bidder that meets the specifications provided. If the bidder does not meet the specifications provided, they are disqualified. In addition, the City may disqualify a bidder based on poor experience/service history.

In the RFP process, the submission is broken down into two (2) components. This type of procurement is generally service related but the services are not deemed professional services. Examples include Community Programs projects, training, privatization contracts, information technology maintenance, phone services and concession/food bids. The first component includes the requirements of the product or service and the criteria by which the bid will be evaluated by a review committee. The second component is pricing, which must be placed in a separate sealed envelop. Pricing cannot be considered during the phase in which qualifications and service criteria are evaluated. Typically a minimum score between 80% and 90% must be achieved for the bid response to be qualified for the pricing evaluation. Bidders who fail to reach the minimum score are disqualified. Once all qualified responders have been determined, the sealed pricing envelopes are opened and the bid is awarded to the lowest qualified respondent. The RFP is a hybrid of the ITB and the RFQ methods of

procurement, as it allows for some subjectivity in determining qualifications and then brings price into consideration.