Why Score Proposals?

The text, *Developing and Managing Requests for Proposals in the Public Sector*, has supplied you with an extensive amount of information about using point scores when evaluating proposals. Indeed, there are many good reasons for knowing about and effectively using numerical scoring methods during proposal evaluation. That being said, public purchasers should be cautious about the effect that putting too much emphasis solely on numbers can have on the evaluation process. As you read this article, note the ways in which the information it contains serves as a balance to the information provided in the textbook.

Be prepared to discuss:

- The problems associated with scores
- The challenges of trying to determine an objective score.
- The importance of recording the facts and assumptions on which scores are based.
Why Score Proposals?

By John O. Adler, CPPO

For most of my professional career, I have worried over what might be the best way to evaluate proposals. Pretty much all of us in public procurement prefer some form of weighted scores. After all, scores make sense. When evaluating bids we give the contract to the responsible firm that tenders the lowest responsive bid number. When evaluating proposals, we award the contract to the one who receives the highest numerical score. Keep it simple we say. Read the proposals, put numbers in boxes, add the numbers and pick the winner. If an offeror submits too many pages or uses the wrong font, deduct 10 points. Ten years of experience earns 20 points while 20 years of experience is worth the maximum 40 points. Three good references are worth 60 points and two goods and a tepid reference are only worth 50. We simply divide the price into the lowest price offered times the available price points, add up the numbers and we have a winner. We have a fully supported, completely justified, protest proof, objective decision, no mess and no fuss.

Did we really make the right choice? Do the two points that separate winner from loser really determine the better offer? Can we explain why one offer is better than the other? Did one evaluator overwhelm the scores and sway the decision? Does the highest score truly represent the best offer or value? Are scores truly objective?

Is objective better than subjective?

Blacks Law, Abridged Sixth Edition defines Subjective as “based on an individual’s perceptions, feelings or intentions, as opposed to externally verifiable phenomena”. Some of the synonyms in Roget’s 2nd Edition Super Thesaurus include personal, individual, biased, prejudiced, emotional, idiosyncratic and introspective! These words, biased, prejudiced and idiosyncratic do not convey the high values of public procurement! We want to be objective in our evaluation of proposals. The same Black’s Law defines objective as “of, relating to, or based on externally verifiable phenomena, as opposed to an individual’s perceptions, feelings or intentions. This is what we do when we evaluate proposals! We make procurement decisions based on an objective analysis of facts.

Objective is one of those solid procurement words that should rank alongside integrity and ethics in the foundation of our profession. Subjective belongs on the trash heap of bad procurement words, along with arbitrary and capricious! Let us forever dismiss subjective from our lexicon and focus on the good word “objective”. Synonyms for “objective” include “unbiased” and “fair” both public procurement foundation words.

Are scores truly objective?

Does scoring proposals ensure that the evaluation is objective? I could not find the words score or weight listed as synonyms for objective. A score does not make a decision objective. Scores are nothing more than a numerical symbol representing the value we place on a proposal. A score can be subjective and biased. A score can be bad! A score can obscure discretion, hide the facts and lead to a bad decision. Our objective in evaluating proposals is to choose the most advantageous proposal or the
best value for our agency. Scores may not get us there. Scores can be manipulated leaving the favored firm a winner and the better proposal a loser.

A score does not help us negotiate and does not explain our reasons for rating one proposal higher than another. Scores do not help the judge understand why one firm won and the protesting firm lost.

**Only the words matter**

Procurement decisions must be based on facts and facts are best expressed in a narrative report. Words that are based on the facts observed by the evaluator will form the basis for the clarification and negotiation objectives. Once negotiations are concluded, the facts documented by the evaluation committee serve as the basis for the selection. The words help the competing firms understand the source selection decision. If audited or protested, the words in the technical evaluation committee report help the auditor or judge understand the decision. Sure, those words may be used to support numerical scores, but the words convey the reasons for the decision.

**Why bother with scores?**

The competitive negotiation process has been an officially recognized public procurement method for at least 60 years, maybe longer. In six decades, just about every possible RFP issue has been argued before a judge or administrative hearing officer and we can draw some assumptions from the legal ruling. One fairly consistent ruling at the Federal, state and local level is: The judge or hearing officer will not substitute his or her opinion for the source evaluation committee, unless the opinion was in violation of the law, contrary to the requirements of the solicitation, arbitrary or capricious. In other words, a procurement decision that follows the legal process that is described in the RFP, is based on facts and is objective will not be overturned, whether or not scores are used. Consider some of the problems with scores:

- Deducting points for minor flaws – So what if the proposer used 10 instead of number 12 font or submitted 2 pages more than the limit? Deducting “style” points could cost result in selecting the 2nd best proposal.
- Winning by a nose – Are you really sure that the two point difference between one and two, out of a possible 1000 points is sufficient to support a multi-million dollar decision?
- Scoring the wrong things – Do you credit the 30 year old firm with twice as many points as the 15 year old firm? Do you give the big established firm twice as many points as the small established firm, when both firms have sufficient capacity?
- Playing the game – Evaluators can use scores to favor the favorite. One evaluator can overwhelm the combined scores of two other evaluators simply by using a large scoring spread.

**Does the lowest price deserve the maximum points?**

We have all used some variation of the price evaluation formula, lowest price divided by the proposed price multiplied by the price points. This always results in the lowest priced offer receiving the most
points and the highest priced offer receiving the least number of points. What if the lowest priced offer is not realistic and is an attempt to “low-ball” the procurement? What if that “low-ball” offer skews the entire procurement? What if the most expensive proposal includes all the required and desired features and represents the best value?

Perhaps, we should look at price as a best value trade-off. What are we getting for the proposed price? Are there some unnecessary “bells and whistles” we can negotiate out of the proposal? Are there some hidden costs? What is the real life cycle cost? Is the price realistic for the requirement? Price is not a simple number that is scored and ranked. Price requires considerable analysis and should be rated on the value that price returns to the government.

If we don’t use scores, how do we know which proposal is best?

By the time we get through evaluating, clarifying and negotiating, we know which offer represents the best value. By this point, all the source evaluation committee needs to do is document the facts, rate each evaluation factor as unacceptable, weak, adequate and good (or any other set of adjectives you prefer) and make a consensus decision.

Go ahead and make your arguments favoring points:

- Scores are required by laws or regulations. Check again. The Federal Acquisition Regulation, ABA Model Procurement Code and many state and local laws do not require points and scores.

- Points are required to justify the selection decision. The score is a conversion of facts to numbers based on opinion. The facts support the decision.

- One must tally the points to determine which proposal is best. One can also summarize the strengths, weaknesses and deficiencies to determine which proposal is best.

- Without scores, we could get protested. With scores, we could get protested.

- Scores are necessary to counteract the personal bias of some evaluators. Biased evaluators can give biased scores. Evaluators who cannot overcome personal bias should be replaced.

Conclusion

Don’t get me wrong. Scores are not bad. Many of us rely on scores and some of our laws may even require scores. I am just suggesting that we might rely on scores more than we should. Scores help us avoid discretion, leaving raw numbers to make our procurement decisions. We should not rely completely on scores. We need to document and record the facts and assumptions that we observe when we read the proposals. These facts and assumptions form the basis for our discussions with proposers. These facts become the basis for our selection decision and our record of these facts serve as the historical record supporting that decision.

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