

# **Radically Different RFP's –**

## **Our Experience from the Buyer/ Supplier Perspective...**

*The Best Value RFP process is not for the archaic and complacent. You must be ready to stretch your mind and be open to change. Remember you can do more than you think you can... Stretch and believe*

*You will be intrigued, engaged and surprised!*

*This New RFP process addresses 4 areas:*

- 1. Smart Data – WHAT, WHY & HOW are the key elements of what makes the best candidate float to the top. This process cuts out the fluff and over-stuffed marketing content found in the tradition RFP style*
- 2. Embracing Innovation: This is something new. TRY it, COMMIT to it and you will REAP the benefits*
- 3. Centricity: saves you both time and money. The Resources required are not wasting time with long drawn out proposals to sift through and try to compare*
- 4. Education: continue to learn and create diversity within yourself and for your company*

*Things you won't have to deal with:*

- Big binders- Multiple tabs that repeat the same marketing fluff which makes it difficult to decipher who is the best fit for your company*
- Information is too general - not specific enough to address the potential challenges and how these would be solved*
- Concentration on selling the buyer but not what the buyer needs*
- Evaluations are difficult - this creates a challenge for the selection team.*
- Standard evaluation – incumbent is known and therefore harder to evaluate*

*Best Value Model: ownership belongs to Arizona State University – the [PBSRG – Performance Based Studies Research Group](#) developed BVPIPS - Best Value Performance Information Procurement System. Their website provides an interesting short video on this process that will identify key differences to the typical RFP process.*

*What we liked about the BV model....*

*BV does not change the:*

- Contract format*
- Scope of services*
- Specifications*
- Terms & Conditions*
- Pricing*
- Delivery systems*

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*Best Value overlays on top of these and lays the ground work for a solid contract and allows you a traceable performance on a week by week basis with the Weekly Risk Report (WRR).*

*This weekly report will keep both parties engaged for the duration of the contract. The WRR addresses only concerns that will affect the contract. The format for this report is provided to you as part of the BV package.*

#### **Completing a BVP proposal:**

- *This process greatly simplifies the submission to the Buyer greatly*
- *Only a maximum of 6 pages can be submitted to the buyer for review*
- *Three areas are covered in the submission: Project Capability - Technical (risks you control); Risk Assessment ( risks you cannot control ) and Added Value (see samples)*
- *Makes evaluating much easier*
- *A matrix is used to grade each supplier and the assessment will clearly identify who should be shortlisted for the personal interviews.*
- *These interviews are 15-30 minutes maximum and the same set of questions is asked to all proponents.*
- *To allow for preparation, the Proponents are supplied the interview questions prior to interview date.*
- *Scoring is done by the evaluation team at each step and a matrix is used to calculate the scoring.*
- *Once the proponent is selected, the Pre-Planning stage begins*
- *In this Pre-Planning stage both parties work together to insert the deliverables for the contract*
- *Contract is not awarded until after the Clarification/Pre-planning Period*

#### **PRESENTERS:**

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*ASU Website <http://pbsrq.com>*

*ASU Best Value Evaluation Video*

*<http://pbsrq.com/videos/proposal-evaluation/>*

**Appendix A: See attached Samples of the three areas covered in the initial BV submission**

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### Sample - Project Capability Part 1: Technical Capability

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**Schedule 5 Project Capability Part 1: Technical Capability** (prioritize the major technical risks that have been minimized due to the Proponent's expertise). All cost impacts associated with these risks/solutions must be included in your proposal.

Risk 1: Inexperienced travel account management and lack of operational experience in fulfilment of unique needs and recognition of company culture.

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Why is it a Risk? Each area or unit may operate like a separate company with different financial constraints and requirements. By ignoring these requirements and not fully executing the program, you risk not making your commitment to preferred vendors affecting the measurement and management of your spend.

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Solution:

- Robust Implementation plan and regular meetings with the individual area or unit
- Training and communication tailored to area and/or units specific needs
- Identify specific stakeholders to perform specific cost/benefit analysis customized to their specific needs
- Liaise with the Travel Manager to ensure that policies and procedures are being adhered to by executing a robust program that measures uptake and identifies weaknesses or strengths that can be leveraged for additional gains

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Risk 2: Incomplete traveller specific information on the traveller profile.

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Why is it a Risk? Not fully understanding the unique needs and preferences of the travellers and departments can result in potential travel and service issues.

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Solution: Online Profile Tool

- Web based profile tool that immediately populates both online & GDS (Global Distribution Systems)
- Password protected
- Allows travellers and/or travel arrangers to make additions or deletions online anytime, anywhere
- Tracks various departments and cost centres for policy compliance and reporting

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Risk 3: Travel volume leakage due to usage of external self-serve (airline websites) booking tools/engines

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Why is it a Risk? Stakeholders can perceive that it is more efficient to control their own bookings. This can result in leakage to outside vendors. This volume is not accounted for via your travel management reporting which affects the commitments you have made to suppliers. These bookings are not accessible via the Emergency Travel Service and; therefore, are not traceable in a risk management situation.

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- Solution: Managed online booking tool.
- Give travelers control over their travel preferences and options with “anytime, anywhere” access to self-service travel reservations capabilities
  - It automatically applies university travel policies and negotiated contracts to ensure travelers make air, car, and hotel reservations in policy and on budget
  - Integrates seamlessly into your travel management program including management reporting, 24/7 After Hours service and branch/counsellor access
  - Self-booking will reduce the cost per booking transaction
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### Sample - Project Capability Part 2: Risk Assessment

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**This template must be used.** Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). Do not list any names/information that can be used to identify your firm. You may add/delete additional rows but do not exceed the 2-page limit. (You may delete these instructions.)

**Schedule 6 Project Capability Part 2: Risk Assessment** (Major Risks that the Proponent does not control). All cost impacts associated with these risks/solutions must be included in your proposal price.

- Risk 1: Under performance of travel volume commitments to supplier contracts.
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- Why is it a Risk? Under performance will weaken negotiated rates, rebate and fee programs, directly affecting bottom line.
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- Solution:
- Regular business reviews with key stakeholders and the development of an on-going internal communication plan will ensure that benefits are understood and buy-in is achieved from all stakeholders.
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- Risk 2: Travel Policy Enforcement/Compliance.
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- Why is it a Risk? When Travel Policies are not adhered to, travel programs have less chance of achieving the strategic objectives of savings, service and safety.
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- Solution:
- A well communicated travel policy
  - Non-compliant travel is reported to key stakeholders
  - Internal stakeholders to actively communicate policy rationale while following up with non-compliant travelers post trip
  - Reports outlining support of travel policy, i.e. support of the preferred vendors
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- Risk 3: Airline contract discounts decrease or go away.
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- Why is it a Risk? The price of travel for the university will increase.
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- Solution: Move as much business as possible to the airlines which are offering the best discounts.
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- Risk 4: Leakage to non-preferred suppliers or direct to supplier websites.
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- Why is it a Risk? Untracked volume will result in contract commitment shortfalls which will affect your discounts and other financial gains such as rebate programs and the usage of unused ticket credits. The inability to report on travellers on the road via crisis management reporting also effects your “Duty of Care” commitment.
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- Solution:
- Monitoring volume via management reporting and making the stakeholders aware
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of shortfalls and why they are occurring.

- Crafting a well communicated travel policy that outlines the requirements for booking travel and the benefits received, while respecting the university culture.
  - Ensuring that all travellers are aware of why the university needs to know where they are traveling and how that relates to the “Duty of Care” commitment.
  - Ensuring that all beneficial tools offered by the suppliers are understood and demonstrated to show actual impact on spend.
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### Sample - Project Capability Part 3: Value Added

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All cost impacts associated with this value added options must NOT be included in your price as part of Part A Schedule 3 Price.

Item 1: Account Management – local customized senior account management with a wealth of experience managing university travel programs. Includes standard supplier negotiations, travel policy review and development, cost savings and benchmarking analysis, training on all client accessible tools, strategic recommendations and regularly scheduled business reviews with stakeholders.

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Impact: Cost (\$) 0.00

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Item 2: Standard Reporting Package – web based access to over 120 standard management reports. Online access or scheduled broadcasts. Training included.

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Impact: Cost (\$) 0.00

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Item 3: Flight Pass – purchase, analysis and management.

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Impact: Cost (\$) 0.00

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Item 4: Crisis Management Reporting – pre and post “Duty of Care” support through our web based reports. Uploads via secure sites to H & S providers.

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Impact: Cost (\$) 0.00

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