

enterprising solutions

WITH ROBERT GROSSMAN

Picking a Partner ... Harmoniously

Last month's column ("Matchmaker, Matchmaker ...") focused on the first steps involved in choosing the right integrator for your project. I reviewed the process of selecting prospective bidders for your bid list and outlined how to ensure participation.

As promised, this month I'll take the discussion to its logical conclusion: supporting the bid process, evaluating the bids and selecting a partner. If you want to take a moment to review Part I in the May issue, take a look in your magazine stack or visit www.securitysales.com.

Before getting underway, there is one caveat I should have probably men-

tioned last month. Some of the options I described or will review this month are not available to all of you. Many government projects, for example, sharply restrict how you can and cannot disqualify bidders — sometimes forcing you to disqualify the company you may feel is best for the project. It makes it all the more important to ensure you are as thorough as possible when developing a specification, and forces you to adhere to strict standards throughout the bidding and review process.

Most of the items I'll mention here are consistent with public project bids, although the private sector enjoys more flexibility, which can be both a benefit and a drawback.

A Level Playing Field Is Essential

If there was one point raised last month that needs to be emphasized in

our review it is the importance of creating and maintaining a level playing field. The specification development was just the beginning; the next challenges are at the pre-bid meeting and walkthrough and the RFI (Request for Information) or Q&A stage. Remember, you'll be bidding projects in the future as well. Keep things fair or you'll lose the participation of those vendors who feel they're not getting the proper consideration.

When your bid has been issued, it is important that bidders are asked to register. I have found it necessary to turn this from an optional to a mandatory process. I used to ask companies to inform me if they intended to bid; now I

tell them their bid will not be considered if they don't register. This is critical because you want to be sure all bidders receive the same information. If they don't register (with an E-mail address in R. Grossman and Associate's case, but many still use faxes), we're not sure the answers are getting to the right people.

If a bidder does not register, make certain you ask them for your package back; you don't want details of your security project circulating any more than they need to.

Once registered, bidders may submit questions in writing. Answers to these questions are sent to all registered bidders throughout the bidding process, as are any changes, clarifications or other pertinent documents. My company answers questions as quickly as we can, and we try not to save them up, answering them as they come in whenever



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possible. The integrator is putting a lot of time and effort into preparing the bid package and we want to make the process as painless as possible.

By delaying a response, there is a concern they'll be up against a deadline and will either throw a high dollar number at the item in question or decide not to bid because of the uncertainties. Either way, that's one less competitive bid, which is bad news for our clients.

Gather Bidders for Project Review

Many projects benefit from a pre-bid meeting where all prospective bidders are gathered together for a project review. This is an opportunity to review any areas of the specification that might cause confusion, answer any questions and walk through the jobsite to get a feeling as to the physical conditions and work environment. Attendance at the pre-bid meeting is often mandatory, but this depends on the complexity of the project and the proximity of the bidders.

Make sure there is a published record of items discussed that is sent to all attendees (or registered bidders if attendance isn't mandatory). Pay particular attention to the questions you get during the meeting and through the RFI process. You'll quickly learn who has read the spec, who understands the requirement and who is just going through the motions. These are good indicators of the competence of the prospective integrators, but avoid making any snap judgments. Remember, the person preparing the bid is rarely the one who installs the system! →

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Executing a proper bid evaluation for a project includes a process of disqualifying bids, identifying the lowest qualifying bid and most qualified bid, plus a detailed comparison of the best scoring bidders.

At the end of the Q&A window, send out a composite list of all questions and answers. This ensures any late registrants who missed the first few RFIs are brought up to speed and provides a reminder of any tricky or vague issues that may be in the specification. Request that all recipients acknowledge they have read, understand and respond to these questions as part of their bid package. The simple act of doing this can dramatically reduce the number (and cost) of change orders if you pick a low bidder that is low simply because they somehow don't remember getting your clarifications. Don't laugh; it happens all the time.

Execute a Proper Bid Evaluation

On opening day, I tell my clients to rip open the packages, ignore all of the carefully prepared material and go right to the bottom line price. Why? Because everyone does that anyway, and we like our clients to take our advice. Once that is out of the way, everybody can focus on a proper bid evaluation. There are a few ways to do this; the method you use might depend on your internal policies or purchasing requirements.

Disqualify bids — Many companies and agencies first look to disqualify bids. It is a fact of life that not every bid is a competent and clear one. The caution here is you disqualify bids for real reasons, not just to thin the herd.

A real reason is an "incurable defect," where the bidder did not provide the proper information or grossly ignored your instructions.

For example, a bid for services for the United States Postal Service must either be hand delivered or shipped via one of the many delivery options it offers. USPS customarily rejects bids that ignore this instruction and essentially considers it a slap in the face. Bidders can expect their quote to be returned via another carrier.

On the other hand, I have heard of bids being rejected because a name was misspelled on the package or it showed up a minute late. Again, while this may reflect poorly on the bidder, if it turns out they were the best choice for the project but their mail-room person wasn't on the ball, who are you punishing? My suggestion is to review those bids as well, and reject them if you don't see enough positive points to offset a minor transgression.

Lowest qualifying bid — Many companies stack-rank the bids they receive from lowest cost to highest and look for compliance to the specification. If the lowest bid complies, go no further. We like to give bidders a score, and lowest cost certainly helps their score but it shouldn't be the only consideration.

Most qualified bid — By adding other elements to the scoring process,

you're often able to rank bidders on more than just price. While the scoring criteria can change based on the type of project, I often look at how long the bidder has been in business, references, familiarity with specific equipment, similar experience, geographic proximity, presentation quality and other factors, including price. The goal is to get a three-dimensional picture of the bidder to ensure you're making a well-rounded decision.

Bid equalization — While it's not always permissible, I like to take the best scoring bidders, put their quotes side by side on a spreadsheet, and perform a more apples to apples comparison. This is a better way to get a real cost for the project.

For example, if one bidder is offering free shipping and the equipment will be drop-shipped from a manufacturer, you may want to deduct the shipping cost from the other bidders, figuring you can likely negotiate that item away. If one bidder forgot to include the shipping cost for a rack, add that cost in; don't disqualify them. These adjustments may not always affect your ranking of the bidder. After all, it's not appropriate to reward those who make a lot of mistakes, but they will show you why there are variances in the bids and when a low bidder isn't providing comparable services.

Hopefully this process will lead you to a clear choice or at least a rich field from which to choose. If you find that isn't the case, take a close look at the specification, including any onerous terms you may have proposed, and consider rebidding the package with some of these restrictions modified.

If time is an element, a negotiated price is another good option. Whatever you choose, keep in mind ethics play a greater part in today's society than ever before. If you're the one tasked with selecting the winning bidder, hold off on buying that new sports car until well after the selection process. Better safe than sorry! ■