

Criteria: Need Both Parts

In the procurement business, we are quite familiar with evaluation (selection) criteria. In the case of simple goods, there may only be one criterion: price. There could be many other criteria for services. Those would generally fall into the “quality” category and might include experience or qualifications.

But if we name the criterion (price for example), is that enough info to make a decision?

There’s actually another component in the decision that accompanies the criterion name. Call it “application” or how we apply the price criterion. Yes, we’ll decide on price (the criterion name) but the way we will apply that criterion is to decide based on “lowest,” i.e., lowest price is best. That “lowest” part is the criterion application. Yes, we take that for granted in the case of price and don’t think twice.

But in a similar manner, if we declare that other criteria are experience or qualifications, we must also specify how we will judge experience or qualifications. To make a decision, we need both parts of each criterion: the name *and* the application.

We are in an era of new and impending trade agreements. No, they might not (all) apply to your organization but even so, they provide useful guidance about the evolving state of procurement expectations.

We looked at the following to see what they have to say about evaluation criteria in competitive procurement:

- Canadian Free Trade Agreement (CFTA)
- Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- Canada US Mexico Agreement (CUSMA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the related Trans Pacific Partnership (TPP)
- United Nations Commission on International Trade Law Model Law on Public Procurement (not a trade agreement but provides procedures and principles aimed at achieving value for money and avoiding abuses in the procurement process)

These have two similar themes:

1. Procurement documents must include all information required to permit respondents to provide compliant responses, “...the evaluation criteria that will be used... including the methods of weighting and evaluation.” (CFTA)
2. Procurement authorities must award the contract “...based solely on the evaluation criteria specified in the tender notices and tender documentation.” (CFTA)

Providing just the criterion name in an RFP (e.g., “suitability”) without specifying how we will apply (actually evaluate) the criterion runs afoul of both principles in the documents above.

- Because respondents do not know how their specific proposals will be evaluated and so have no idea if they will score well, they run the risk of submitting poor or non-compliant proposals, which is a waste of time for everyone.
- Because the RFP doesn’t explain the application part of the criterion, the evaluation committee will by necessity rely on some other information (a scoring matrix perhaps) that is not in the RFP. This is the general case of “undisclosed criteria,” which has been the subject of interesting legal cases.

Consider this criterion. It tells what is being evaluated (the criterion name) and even though it gives a rating scale, it provides no indication of how the evaluation committee will apply the scale to the proposal (the criteria application). Presumably, the evaluation committee has some sort of undisclosed marking guide.

Work Plan Suitability. Prepare a work plan that briefly describes how you would complete the contract requirements. For each task in the work plan, list the start and end dates, deliverables, and the team member who is going to carry out the task. **(100 points)**

100%	Exceptional	superlative response, exceeds requirements
80%	Good	sound response, fully meets requirements
60%	Acceptable	acceptable response, meets most requirements, acceptable risk
0%	Unacceptable	unacceptable response

Procurement authorities’ standard defence of this type of criterion is to argue that even though the application part of the criterion is not in the RFP, the name of the criterion *is* there and so it is not really undisclosed. “And besides, we’ve been doing it that way for years and nobody ever complained.”

Actually, this type of evaluation where the application component of the criterion is missing has many drawbacks including a potential lack of fairness, an actual absence of transparency, and the risk other operational issues described here https://timmit.ca/what/rfp_eval.shtml.

So why not bring your evaluation criteria closer to the state of the art? The effort you expend doing this up front will save you a lot of trouble and risk downstream.

Contact TimmiT to find out more about using a structured approach for developing objective selection criteria for your procurements.