# Evaluation Guidelines

**Overview**

This document provides directions on how to receive and evaluate bids. The core elements evaluated in determining the successful bidder(s) are responsiveness, cost factors, non-cost factors, and responsibility.

Nav links

[Evaluation criteria](#_Evaluation_criteria)

[Bid tab document](#_Bid_Tab_Document)

[Bias free procurement principles](#_Bias_free_procurement)

[Bid submissions](#_Bid_Submissions)

[Responsiveness check](#_Responsiveness_check)

[Evaluation team](#_Evaluation_team)

[Non-cost factors](#_Non-cost_factors)

[Cost factors](#_Cost_factors)

[Responsibility check](#_Responsibility_check)

## Evaluation criteria

The competitive solicitation must “clearly set forth the requirements and criteria that the Agency will apply in evaluating bid submissions.” *See* RCW 39.26.160(4). Evaluation criteria should reflect sourcing team requirements and priorities, and allow qualitative and quantitative assessment of the bids. During the procurement, Procurement Coordinator leads the evaluation process according to the requirements and criteria laid out in the solicitation document -- required criteria should not be waived and new criteria should not be introduced at the evaluation stage.

Below is an example of the evaluation criteria:

|  |  |
| --- | --- |
| **Criteria** | **Points Available (Weight)** |
| **Non-Cost Factors** |  |
| * Performance Requirements | Pass/Fail |
| * Customer Services | 150 (15%) |
| * Website and Online Ordering | 200 (20%) |
| * Implementation Plan | 50 (5%) |
| **Cost Factors** |  |
| * Products | 500 (50%) |
| * Delivery | 100 (10%) |
| **Total** | **1,000 (100%)** |

[Back to top](#_Evaluation_Guidelines)

## Bid Tab Document

After the competitive solicitation documents are drafted, the Procurement Coordinator has to create a bid tab that aligns with the evaluation criteria and evaluation steps in the solicitation. The bid tab compiles scores for all evaluation steps and summarizes the results of the responsiveness check, non-cost factors evaluation, cost factors evaluation and responsibility check. Bid tab document is usually an Excel spreadsheet. Use *Bid Tab Template* document as a starting point and customize as needed.

***Note***: Procurement Coordinator can request help from the Business Operations Team to help build the bid tab and complete or check cost factor evaluations.

* If bidders are providing a written response to a pass/fail requirement, when reviewing bidder responses against the requirements, this is about screening bidders IN, not OUT

[Back to top](#_Evaluation_Guidelines)

## Bias free procurement principles

Per the DES Complaints and Protest [procurement policy DES-170-00](https://des.wa.gov/sites/default/files/public/documents/About/Procurement_reform/Policies/DES-170-00ComplaintsProtests.pdf), one of the reasons that bidders can protest the competitive solicitation results has to do with bias. The fundamental principle of the competitive solicitation is that represents a **fair, objective, merit based** process and everybody has the same opportunity to compete and win. If the evaluations are impacted by bias – whether it is conscious or unconscious bias – then those fundamental principles are no longer held true. As keepers of these fundamental principles of competitive solicitations, we need to be aware of the warning signs of biases and know how to mitigate them.

To help mitigate and minimize risk of any bias throughout our procurement process, our competitive solicitations and evaluations are based on the following principles for bias free procurements:

* **Principle 1**: Merit-based. Bias-free procurement helps ensure that all bidders are provided an opportunity to demonstrate and be judged on merit of their qualifications.
* **Principle 2**: Objective. A bias-free procurement process helps ensure that bidders are objectively assessed on evaluation criteria.
* **Principle 3**: Structured. A bias-free procurement process is structured and ensures that all bidders are assessed in the same manner and against the same criteria.
* **Principle 4**: Inclusive. A bias-free process is inclusive and free from barriers that might adversely affect qualified bidders from diverse communities, backgrounds and identities.

There are many different types of biases, but below is a list of a few examples that might be more relevant during the procurement process that we should guard against:

* *Halo Effect*. Idea that because a person excels in one area, he or she will also excel in others. For example, if bidder’s response/qualifications are excellent in one area, there might be a tendency to score them higher in other areas where they might not be as qualified as other bidders.
* *Horns Effect*. Tendency people have to view another person negatively after learning something unpleasant or negative about them. For example, if bidder’s spelling or formatting has deficiencies, there might be a tendency to score them lower than they deserve based on their qualifications.
* *Anchoring Bias*. Anchoring is a bias in which the evaluator fixates on one piece of information. As a result, they give it more weight than it deserves according to the preset evaluation criteria and weighting.
* *Ingroup Bias*. Ingroup bias is the tendency to favor people who are similar to oneself.
* *Conformity Bias*. Tendency for people to act similar to the people around them regardless of their own personal beliefs.
* *Contrast Effect*. Comparing two or more things that you have come into contact with — either simultaneously or one-after-another — causing you to exaggerate the performance of one in contrast to the other. For example, our evaluators should be comparing the bids to the preset requirements, and not to each other – just because one bid exceeds a certain requirement, should not penalize the other bid that also fully meets that requirement with a lower score.
* *Name Bias*. Tendency people have to judge and prefer people with certain types of names – typically names that are of Anglo origin.

[Back to top](#_Evaluation_Guidelines)

## Bid Submissions

The Procurement Coordinator is responsible for evaluating the cost factors of the responsive bids. After the bids are received, the Procurement Coordinator just has to follow precisely the cost evaluation formula and methodology detailed in the competitive solicitation document. The results of the cost evaluation should be combined into the Bid Tab document.

***Warning Note***: To minimize bias for non-cost evaluations, evaluators should normally not have access to any information relating to the cost factors until non-cost evaluations have been submitted to the Procurement Coordinator.

**Zip files:**

The template solicitation documents state that bids should not be submitted as zip files. This is due to a security concern and best practice that the state system cannot check the contents of the zip files for any malicious software. If the bidder sends a zip file, send a clarification to receive the files without a zip or contact your agencies IT department to get access to the files.

**Checking the outlook quarantine:**  
There is an additional best practice to check for any emails that were placed in the outlook quarantine. The quarantine is part of the system that flags any suspicious emails. Sometimes this results in flagging bid submissions.

To check the quarantine:

1. Go to <https://security.microsoft.com/>
2. Click Review in the left toolbar
3. Click quarantine
4. Check received emails in the quarantine, by default the system will show emails in the default inbox this may include bid submission
5. Check team email by selecting filter from the toolbar and adding the appropriate team email as the recipient address, then apply the filter
6. If an email is likely to be a bid submission, select the checkbox and request release. This requests the release from WaTech. Depending on workload, times can vary. The best practice would be to check the quarantine emails again after a day or so to see if the email has been released. If the email has been released, check the mailbox the email was supposed to be received at and check to make sure it is there.

[Back to top](#_Evaluation_Guidelines)

## Responsiveness check

As a first step of the evaluation, the Procurement Coordinator checks all received bids to determine if the bids are responsive to the competitive solicitation. A bid is responsive if it meets all of the requirements of the solicitation, such as:

* include all the required exhibits
* all required information and response sections filled out
* certification and assurances exhibit completed
* meets all minimum mandatory requirements

Deviation from the competitive solicitation terms and requirements must be carefully evaluated to determine whether it is a material irregularity/deviation requiring bid rejection or it is an immaterialirregularity that can be waived or clarified by the Agency. Competitive procurements are not intended to reduce competition by unnecessarily excluding potential bidders who inadvertently omit an exhibit, a signature, or other minor issues.

**Determining responsiveness**

The State is in the practice of facilitating open and fair competition. This means erring on the side of finding bids responsive rather than non-responsive.

The test for whether an irregularity is material is whether the irregularity gives a bidder a substantial advantage or benefit not enjoyed by other bidders. Evaluation of whether a bid irregularity or deviation is material requires case by case analysis with Procurement Supervisor of each situation based on the specific requirements of the applicable solicitation.

Examples of material irregularities:

* Bid does not meet minimum bid requirements (e.g., quantity, size, etc.) or performance requirements (e.g., quality, certification, response time, essential delivery terms, etc.)
* Bid is submitted with no pricing or missing multiple sections of the price sheet
* The bid is untimely (e.g., meaningfully/inexcusably misses deadline). Lateness, almost always, is fatal to a bid and rejection mandatory, except in rare circumstances. Late bids must be rejected unless it can be shown there is a mitigating circumstance or the lateness could not prejudice other bidders (e.g. bid was 1 minute late for a long multi-stage solicitation evaluation).
* Unless allowed in the Competitive Solicitation (e.g., contract issues list), the bid takes exception to terms and conditions in the Competitive Solicitation

Examples of immaterial irregularity (may be clarified):

* Bidder submits a bid but inadvertently fails to fill out all required fields in an exhibit. For example, missing individual entries on a complex price sheet
* Bidder states the intent to include all exhibits in the body of the email, but forgets to attach an exhibit
* Bidder returned an unsigned certification
* An exhibit with incorrect formatting or a missing pages
* Bid is missing a few line items in pricing but has a majority
* On a bid using anonymous scoring there is some identifiable information in the bid submission

**Clarification**

The Agency may waive informalities in a bid or permit a bidder to clarify their submission. The Procurement Coordinator can use a written clarification with a bidder to eliminate minor irregularities. All bidders should be given an equal opportunity and reasonable time (usually about 1-2 business days) to make clarifications of minor irregularities.

A bid that fails to conform to the material requirements of the competitive solicitation should be rejected. The bidder must be notified of the reasons for such rejection via the Bid Rejection Letter (see Rejection Letter Template).

[Back to top](#_Evaluation_Guidelines)

## Evaluation team

### Recruiting the Evaluation Team

Depending on the type of solicitation and the specified non-cost requirements, the Procurement Coordinator has to put together an evaluation team made up of subject matter experts. The evaluation team will assist with evaluation of the bidders’ responsibility and non-cost factors. Depending on the criterion and the specialization of the evaluation team members, certain non-cost factor criterion might have a different set of evaluators. For example, technical requirements should be evaluated by Business Analysts and IT Architect, while IT Security requirements should be evaluated by the IT Security expert. If possible, there should be no less than 3 evaluators evaluating all non-cost factors that require pass/fail determination based on the bidder’s response or a scored evaluation.

To help our evaluators proactively address and block bias, they will be required to watch this series of videos, or certify that they’ve already taken similar bias training as part of the Certification for Evaluation Team Members. See *Certification for Evaluation Team Members*.

UCLA Equity, Diversity and Inclusion Videos:

1. [Preface: Biases and Heuristics](https://youtu.be/BwYFhJO9t50) (5:14)
2. [Lesson 1: Schemas](https://youtu.be/OQGIgohunVw) (3:12)
3. [Lesson 2: Attitudes and Stereotypes](https://youtu.be/7FgqGAXvLB8) (4:13)
4. [Lesson 3: Real World Consequences](https://youtu.be/8SIb97tZSpI) (3:45)
5. [Lesson 4: Explicit v. Implicit Bias](https://youtu.be/5S7Je6kbGDY) (2:49)
6. [Lesson 5: The IAT](https://youtu.be/hr9xAcWv790) (5:13)
7. [Lesson 6: Countermeasures](https://youtu.be/RIOGenWu_iA) (5:22)

### Setting up Individual Non-Cost Evaluations

Conducting independent evaluations before discussion, and keeping evaluator scores confidential can help with conformity bias. For this step, the Procurement Coordinator will have to:

1. Ensure that each evaluator has signed and returned the Certification for Evaluation Team Members form. See *Certification for Evaluation Team Members* form.
2. Put together the Evaluator Instructions and scoring form for the evaluation team. The instructions must mirror the evaluation criteria and the process included in the competitive solicitation. See *Evaluator Instructions* document. *Warning* *Note*: Remember to check and update the Evaluator Instructions if there was a solicitation amendment or Q&A that might impact the evaluation approach.
3. Email the evaluation team the following documents:
   * Solicitation package: exhibits, amendments, Q&A documents (if applicable)
   * Evaluator Instructions
   * Scoring Form(s)
   * Non-cost portions of the bids that are being evaluated
4. Set-up a meeting with the evaluation team to go over the instructions and answer any questions. Specifically remind the evaluation team about type of biases to be aware of and mitigate.

**Evaluation Team Debrief**

Set up a group debrief discussion to address any questions or issues evaluators encountered and to clarify any issues with evaluator comments that might not align with the scoring. Focus the discussion on any requirement or response that had a significant variance in individual evaluator scoring to ensure there was no potential issues or misunderstandings. If after the debrief, any evaluators change any of their original scores, they must document justification for each adjustment on their evaluation forms and resubmit the evaluation form to Procurement Coordinator.

**Capturing Evaluation Outcomes.** Once the scores are finalized, Procurement Coordinator inputs the scores into the bid tab to calculate total non-cost factor scores for all bids.

[Back to top](#_Evaluation_Guidelines)

## Non-cost factors

Non-cost factors can be scored by an evaluation team or the Procurement Coordinator based on the nature of the factors. The more measurable, objective factors can potentially be scored by the Procurement Coordinator. Narrative responses and responses that require subject matter expertise to determine quality are scored by the evaluation team. While the evaluation team could score measurable, objective questions it is a best practice to reduce the amount of time and effort for evaluators to be cognizant of their time and to facilitate a quicker evaluation.

For measurable, objective factors the solicitation should have a rubric for the scoring of responses. It is a best practice that the rubric is in the bid tabulation before the solicitation is posted to ensure fairness in scoring. The Procurement Coordinator should follow the rubric and enter the relevant scoring into the bid tabulation. If there is an inconsistency discovered in the scoring rubric with bid responses, determine what the issue is and potential solutions with your supervisor.

For narrative responses and responses that require subject matter expertise the evaluation team will review and assign points based on the scoring rubric. See Evaluator Instructions document. All evaluators’ scores for each non-cost factor are then averaged, and the average score is then multiplied by the total points available for that requirement to arrive at the total awarded points. For example:

Scoring example

|  |  |  |  |
| --- | --- | --- | --- |
| Non-Cost Factors | Score | Points | Calculation |
| Customer Services | 0-100% | 150 | Avg evaluation% x 150 |
| Website and Online Ordering | 0-100% | 200 | Avg evaluation% x 200 |
| Implementation Plan | 0-100% | 50 | Avg evaluation % x 50 |
| Total |  | 400 | Sum of above |

[Back to top](#_Evaluation_Guidelines)

## Cost factors

Cost factors are usually scored by the Procurement Coordinator since cost factors are object values.   
Each solicitation might need to have different pricing methodologies based on the intricacies of the specific good or service. However the task of the procurement coordinator remains the same, to apply the scoring formula from the solicitation to the received bids. Procurement Coordinator will evaluate bids by reviewing and comparing the submitted bid prices usually using the formula:

(Lowest Bid / Bid Evaluated) x Maximum Point Available.

***Note***: The above formula does not work if a bidder bids zero for something. Some bidders might try to put zero for a certain pricing component to take advantage of the scoring method. To address this proactively, the solicitation and the pricing exhibit instructions should clearly warn bidders against putting zero for any pricing component or their bid may be disqualified.

If there are issues with applying the stated scoring formulas from the solicitation to the submitted bids the procurement coordinator should consult with peers and supervisor to determine an appropriate response. Responses may be requesting clarification of cost submissions to cancelling the solicitation for material errors in the scoring structure.

[Back to top](#_Evaluation_Guidelines)

## Responsibility check

Pursuant to Washington’s Procurement Code RCW 39.26.160(2), in determining whether the bidder is a responsible bidder, the Agency “must consider the following elements:”

(a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;

(b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;

(c) Whether the bidder can perform the contract within the time specified;

(d) The quality of performance of previous contracts or services;

(e) The previous and existing compliance by the bidder with laws relating to the contract or services;

(f) Whether, within the three-year period immediately preceding the date of the bid solicitation, the bidder has been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW [49.48.082](http://app.leg.wa.gov/RCW/default.aspx?cite=49.48.082), any provision of chapter [49.46](http://app.leg.wa.gov/RCW/default.aspx?cite=49.46), 49.48, or [49.52](http://app.leg.wa.gov/RCW/default.aspx?cite=49.52) RCW; and

(g) Such other information as may be secured having a bearing on the decision to award the contract.

The Bidder Certification addresses several important bidder responsibility requirements. *See* *Exhibit A-1 – Bidder’s Certification*. However, in addition to receiving the bidder’s signed certification, the Agency must, engage in a minimum level of due diligence, investigation, and evaluation to determine if the bidder is capable and qualified to perform the contract.

Responsibility analysis is done on a pass/fail basis. The Agency cannot reject the lowest responsive and responsible bidder simply because another bidder is more responsible. Instead, the Agency must simply determine whether the lowest responsive bidder also is responsible. *See* RCW 39.26.160(2).

Follow these steps to assess bidder’s responsibility. Any negative findings might have to be investigated further and be carefully considered in partnership with the Agencies procurement team and AAG to determine if they justify bidder failing the responsibility check.

1. **Verify the company is in good standing with regulatory agencies:**

* Search Department of Licensing (DOL) [License Lookup tool](https://professions.dol.wa.gov/s/license-lookup) to confirm the bidder has the appropriate professional or business license.
* Use Department of Revenue (DOR) [Business Lookup](https://secure.dor.wa.gov/gteunauth/_/) tool to check if the bidder is registered and has reseller permits.
* Search bidder’s name on Department of Labor and Industries (LNI) [Verify a Contractor, Tradesperson, or Business](https://secure.lni.wa.gov/verify/) tool. Check if a bidder has an expired account, insurance or bond, any lawsuits against the bond, L&I tax debts, or license violations. Any of these can be cause for designating the bidder as non-responsible.
* Search Secretary of State (SOS) [Corporation Search](https://ccfs.sos.wa.gov/#/AdvancedSearch) tool to verify the bidder is registered and their account is active.
* Search [Occupational Safety and Health Administration (OSHA) database](https://www.osha.gov/pls/imis/establishment.html) to check if there are any inspections or cases against the bidder.
* US Food and Drug Administration (FDA), [FDA Who Must Register](https://www.fda.gov/medical-devices/device-registration-and-listing/who-must-register-list-and-pay-fee) or [Establishment Registration](https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfRL/rl.cfm)
* Search [US Office of Foreign Assets Control (OFAC)](https://sanctionssearch.ofac.treas.gov/) to confirm the bidder (and/or principal owner, if known) is not on the list of sanctioned companies/persons.

*If business is new to doing business in WA State*: To be awarded a state contract, the bidder will have to present proof that they applied to be registered with DOR and SOS. If at the time of the procurement, the bidder hasn’t yet done business in State of Washington, use their *Exhibit A-2 Bidder’s Profile* (or ask the bidder) to find what state they are registered to do business and look-up their business name in that state’s equivalent of SOS, DOR, DOL, LNI, etc.

1. **Conduct an Internet search by bidder name** to review if there are any concerning news articles, customer reviews, or [Better Business Bureau records](https://www.bbb.org/local-bbb/bbb-great-west-pacific?utm_term=better%20business%20bureau&utm_campaign=Brand&utm_source=adwords&utm_medium=ppc&hsa_acc=2138947514&hsa_cam=901069139&hsa_grp=58134124056&hsa_ad=500131147650&hsa_src=g&hsa_tgt=kwd-28234350&hsa_kw=better%20business%20bureau&hsa_mt=e&hsa_net=adwords&hsa_ver=3&gclid=EAIaIQobChMIkNv68-uS8gIVQhh9Ch1Hiw4qEAAYASAAEgL2ifD_BwE). This search will help discover any potential issues that might deem the bidder non-responsible, for example:

* Are there any current lawsuits, ethical or legal issues related to the bidder (e.g. sweatshop practices, discrimination practices, etc.)? If there is risk of sweatshops for a certain commodity, search the [Sweat free Purchasing Consortium](https://buysweatfree.org/aa_search_vendor) database.
* Are there any conflicts between bidder’s business practices and our [Environmentally Preferred Purchasing](http://des.wa.gov/services/ContractingPurchasing/PoliciesTraining/Resources/Pages/EPP.aspx) (EPP) standards?

1. **Check past performance.** The Agency may reject any bidder who has failed to perform satisfactorily on a previous contract with the State of Washington. *See* RCW 39.26.160(5).

Past performance must be assessed using the following tools:

1. **References**. References are a good way to determine the bidder’s ability to meet the solicitation requirements. Work with the stakeholder group to confirm a list of questions to use for references. References can be done over the phone or via email. Start with *Reference Template* and modify the list of questions as needed.
2. **Past Performance on State Contract**. Check if the bidder was previously awarded a state contract. If so, check PCMS Remarks, and contract file for vendor feedback reports from PCMS or directly from customers. Use *Aging and Unreported in the Responsibility Check* instructions to check if vendor has a history of non-compliance with sales reporting and management fee payments.
3. **Debarment.** Debarment is when a company has been officially excluded or prohibited from doing business with the State. [RCW 39.26.200](http://apps.leg.wa.gov/rcw/default.aspx?cite=39.26.200) authorizes DES to assess penalties or debarment on contractors.
   * Check DES website that hosts the [debarment list](http://www.des.wa.gov/services/ContractingPurchasing/Business/Pages/Vendor-Debarment.aspx) to ensure the bidder is not on the list. Note: As of the date of this document, there are no debarred vendors at the State level.
   * Check Federal debarment list on [The System for Award Management (SAM)](https://sam.gov/search/?index=_all&page=1&pageSize=25&sort=modifiedDate&sfm%5Bstatus%5D%5Bis_active%5D=true&sfm%5Bstatus%5D%5Bis_inactive%5D=null). To use this system, click the link above, and enter the business name in the “search” field. Not all companies will be listed in SAM. If bidder’s name does come up, make sure their status is active and they do not have any active exclusion or delinquent federal debt. If bidder has exclusions, consult with the Supervisor if they should be rejected as non-responsible bidder.

[Back to top](#_Evaluation_Guidelines)