

# National Manual of Assets and Facilities Management Volume 9, Chapter 4

## Request for Proposal (RFP) Standard Procedure

Document No. EOM-KD0-PR-000003 Rev 001



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### Document Submittal History:

Revision:	Date:	Reason For Issue
000	28/03/2020	For Use
001	18/08/2021	For Use



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# Request for Proposal (RFP) Standard Procedure

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# Request for Proposal (RFP) Standard Procedure

## 1.0 PURPOSE

The purpose of this procedure is to guide and assist the Entity in preparation of Request for Proposals (RFP) for the procurement of Assets and Facilities Management (A&FM) services. The Entity shall follow a consistent approach in finding bidders who are best able to deliver the services at a market-related price, with optimal commercial and legal terms acceptable to all parties.

### 1.1 Principles

The guiding ethics are to promote open competition and to encourage the involvement of local businesses. It is the responsibility of the Entity to comply with regulations of the Government Tenders and Procurement Law.

The Entity shall incorporate the following principles when developing an RFP.

- Realize Value for Money
- Practice fairness, integrity and transparency
- Promote Saudization
- Comply with the KSA Government Tenders and Procurement Law

### 1.2 Definition of Request for Proposal (RFP)

In addition to the RFP definition provided in section 3.0 below, NIGP: The Institute for Public Procurement provides the following: “A *Request for Proposals (RFP)* is a solicitation document issued through a competitive procurement method. .... A RFP tends to be utilized for technical and complex procurements as proposers are encouraged to offer creative solutions that are customized to the entity’s need. A key characteristic of an RFP is the evaluation of proposals using pre-established criteria to select a proposer(s) for contract award. When an RFP is used to solicit a proposal, a proposer is selected based on a combination of price and non-price evaluation criteria.”

## 2.0 SCOPE

This document is written specifically for A&FM within Government entities. It applies to all RFPs and the personnel who write them. This procedure will aid in the task of choosing suitably qualified contractors without bias and that the Best Value is obtained.

### 2.1 Deliverables

This document aims to:

- Establish consistency and rules governing the way in which contracts are tendered and awarded
- Provide references of supporting procedures from the National Manual of Assets and Facilities Management that are required as prerequisites to RFP Procedure
- Determine stakeholder involvement at different stages
- Offer supporting information and documents used in the Procedure

## 3.0 DEFINITIONS

Term	Definition
A&FM	Assets and Facilities Management
Addendum	Means a set of documents and its attachments in the form of electronic files (in some instances, hard copy) issued through Etimad before the tender closing date and time to amend the tender documents
Approved Companies List	A list of Bidders whose basic credentials have been checked and approved.



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Term	Definition
Award Criteria	The set of predetermined qualitative factors that an evaluation committee will use to rate and score Bidders' Proposals to select the Best Value Proposal
Bid clarification	Written communication between the contract specialist and the bidder(s) purely for the purpose of clarifying aspects of the tender which are perhaps ambiguous
Bidder	A Company that has prequalified for bidding for works or services
BIFM	British Institute of Facilities Management
BV	Best Value - The most advantageous combination of the whole-life cost, quality and sustainability available to meet requirements
Company	A contractor, consultant, engineer, service provider or supplier who expresses interest in prequalifying for a specific package of Works or services and upon Award becomes the Entity contractor to perform such Works or services
Entity	Means Government Entity, Authority or Ministry responsible for the Assets and Facilities Management (A&FM)
Etimad	A unified electronic portal for procurement processes administered by the Ministry of Finance
FM	Facilities Management
IFMA	International Facility Management Association
ISO	International Organization for Standardization
KSA	Kingdom of Saudi Arabia
MOF	Ministry of Finance
NIGP	National Institute of Governmental Purchasing in the USA
Expro	Government Expenditure & Projects Efficiency Authority, as established under Ministerial Decree no. 485 dated 16 Dhul-Qa'dah 1436H/30 August 2015 for the purposes defined therein and Entity of the handbook
PQQ	Prequalification Questionnaire
Proposal	A written response from Bidder to RFP. Proposal is a Bid or offer that is put forward by one party to another for consideration.
Request for Proposal (RFP)	Request for Proposal is a solicitation document issued through a competitive procurement method.
RICS	The Royal Institution of Chartered Surveyors in the UK
Services	Intellectual and non-intellectual services not covered under goods
SLA	Service Level Agreement
Statement of Need (SON)	The determination of works required by the Entity is called Statement of Works. It provides an overview of the scope of works.
UK	United Kingdom
USA	United States of America
Value for Money (VFM)	The term 'value' relates to the benefits brought in relation to the resources needed to achieve it.
Works	To operate, improve, rehabilitate, demolish, repair, restore, or maintain buildings and infrastructure.

## 4.0 REFERENCES

Reference Description
British Institute of Facilities Management (BIFM) – Sourcing Strategies
International Facilities Management Association (IFMA) – Procurement
Kingdom of Saudi Arabia (KSA) Government Tenders and Procurement Law
Expro Projects White Book



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Reference Description
NIGP: The Institute for Public Procurement – Principles and Practices of Public Procurement “US Organization National Institute of Governmental Purchasing (NIGP)”
RICS Professional Statement, UK, IFMA & RICS July 2018 - Paper on ‘Procurement of Facility Management’

### 5.0 RESPONSIBILITIES

All parties involved in preparing RFPs shall comply with Government Tenders and Procurement Law, this procedure and business ethics to uphold honesty, integrity, and fairness in all aspects.

#### 5.1 The Entity

The Entity sets the vision and oversees the complete process. It is accountable for outcome of this process. It shall ensure that it has enough skilled and experienced people available in all stages of the RFP process to deliver.

#### 5.2 RFP Working Group

The Entity appoints a RFP Working Group which shall be responsible for preparation, issuance, and coordination of an RFP. The number of group members can vary as the Entity deems fit but the minimum members shall be as follows:

Role	Description
Chairperson/Facility Owner	A senior management representative from the Entity/Facility Owner who provides leadership and governance
Contract Specialist	An experienced professional who understands contract terms and conditions, ensures fairness and administers the process; and acts as a single point of contact for clarifications, negotiations and discussions with the Bidders. This individual also leads the development of Award Criteria and contracting plan
Financial Lead	A Finance Department representative who leads commercial aspects of RFP including pricing and payment mechanisms. This individual participates in developing commercial aspects of Award Criteria.
Technical Lead	A property or FM expert who understands asset management, technical requirements, and maintenance. This individual leads in development of scope of works and assists in developing Award Criteria

### 6.0 PROCESS

The process involves the preparation of an RFP which is issued to prequalified Companies which, in turn, respond by submitting their Proposals to the Entity.

The Entity shall consider all the following stages in RFP Procedure.



## 6.1 Contracting Strategy

Complete the process of formulation of contract strategy as detailed in the procedure set out by the National Manual of Assets and Facilities Management in Volume 9 Chapter 2, "Contracting Strategies Procedure". The Entity shall reconcile differing priorities and select a suitable contract type and procurement plan.

The Entity shall incorporate series of workshops and reviews in order to evaluate service requirements and means of achieving service delivery. The contracting strategy document shall underline the following elements:

- An understanding of Entity's requirements for responsiveness of service, preservation of assets, level of customer satisfaction and transparency of costs;
- Knowledge of the property portfolio, asset conditions, and maintenance requirements;
- Consideration of spending requirements;
- Adjustment of level of service according to budget;
- Suggested route to market; and,
- Give preference to performance-based contracts wherever possible.

## 6.2 Prequalification of Companies

Complete the process of prequalification of companies as stated in the procedure set out by the National Manual of Assets and Facilities Management in Volume 9 Chapter 3, "Standard Prequalification Procedure". The purpose of prequalification is to enable the Entity to produce a list of Companies that are likely to be most appropriate for bidders for RFP.

## 6.3 Preparation of RFP Package

The RFP Working Group shall use the RFP template issued by MOF and follow the following steps for preparing RFP as a package to be issued through the unified electronic portal (Etimad).

### 6.3.1 Information Letter

The letter to Bidders provides introduction and key information which they need for participating in the RFP process.

### 6.3.2 Instructions to Bidders

Provide instructions for preparing, structuring and submitting the Proposal; Include RFP submission deadlines, validity and other scheduled dates.

### 6.3.3 Technical Package

The Technical Lead shall determine the following requirements which will require input from the Bidders:

- Scope of Works;
- The service, resources, technology, reporting and technical requirements;
- System requirements: National Asset Register (NAR), Asset Management System (AMS) and Dashboard reporting.
- Specifications and standards upon which the Proposal must be based;
- Key improvements that need to be made to service levels;
- Mobilization plan and service delivery plan;
- Demonstration of capability and capacity to deliver the works;
- Key project personnel, which may require submission of CVs; and
- Management, spare parts, plant, and labor resources and availability requirements.

### 6.3.4 Commercial Package

The Finance representative will lead on compiling a complete pricing document which requires input from the Bidders as commercial part of their Proposal submission.





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- A schedule of commercial and financial input required from the Bidders;
- Payment mechanism, terms and conditions;
- A completed RFP pricing document;
- Schedule of rates;
- An initial mobilization cost;
- Insurances, warranties, etc.; and
- Confirmation to Entity's terms and conditions.

### 6.3.5 Contract Selection

Contracts Specialist will select the Contract and align terms and conditions in accordance with contracting strategy and scope of work. The Contracts Specialist shall arrange the RFP and contract documents according to the outline structure below:

- Instructions to Bidders
- Annex 1: Contracts Template (Parts 1 – 5)
  - Part 1: Main Contract Document (the Agreement)
  - Part 2: General Conditions of Contract
  - Part 3: Special Conditions of Contract
  - Part 4: Commercial Conditions of Contract
  - Part 5: Scope of Works (Including description, operations, service levels, standards and specifications)
- Annex 2: Questions and Answers Template
- Annex 3: Technical Proposal Documents
- Annex 4: Commercial Proposal Documents
- Annex 5: Guideline for Local Content Requirement
- Annex 6: Terms and Conditions of applying the local content weighing mechanism.

### 6.3.6 Award Criteria

The Proposals received in response to the RFP will be evaluated by following the Proposals Evaluation Procedure set in Volume 9, Chapter 5 of National Manual of Assets and Facilities Management. They shall be evaluated against a range of predefined criteria. The said procedure will require assessment criteria referred to as 'Award Criteria'. Values can be assigned to factors such as price, past performance, relevant experience, technical ability, sustainability, health and safety, innovation, resource availability, management skills and systems, and proposed methodology. The Award Criteria and thresholds are set by the RFP Working Group. The Entity should share the Award Criteria with the Bidders in the RFP documents.

#### **In order to set up Award Criteria:**

- Elements of the RFP are ranked according to their "degree" of importance to the Entity
- Points are assigned to each criteria component according to the degree to which the proposed solution meets stated requirements
- The criteria are then weighted to reflect how important they are to the Entity

### 6.3.7 Weighted Requirements

- Weighted (or desirable) requirements refer to the parts of a bid that are scored
- The RFP shall identify the basic requirements which are used as a benchmark for minimum passing score
- The Entity shall follow the regulations regarding preparing of the proposals evaluation criteria issued by MOF.



### 6.4 Issuance of RFP

- All governmental tendering and procurement shall be advertised and released through the digital services platform Etimad.
- Contracts Specialist shall issue the RFP through Etimad after compiling all required documents, ensuring that the information provided is clear.

### 6.5 Explanation Meetings/Site Visits

Explanation meetings/site visits shall be arranged for complex commercial or technical requirements as determined necessary by the Entity. The Contracts Specialist shall be responsible for coordinating explanation meetings. The meeting's objective is to explain the RFP to Bidders and answer any questions they might have.

**When conducting the explanation meetings, the Contracts Specialist shall:**

- Respond to all questions during the meeting if possible. If responses to all questions are not immediately available during the meeting, then responses may be issued through a tender clarification or Addendum issued to all Bidders through Etimad.
- Develop minutes of meetings jointly with assigned working group
- Share the approved minutes of meeting with all Bidders through Etimad.

### 6.6 Questions and Answers and Clarifications

Questions and Answers (Q&A) may be arranged during the RFP process to allow clarification of matters raised by Bidders that might otherwise lead to an inaccurate Proposal submission. All questions raised by the Bidders shall be received through Etimad. The Contracts Specialist will record and circulate the Bidders' questions to the RFP Working Group for answers. The Contracts Specialist shall issue a comprehensive list of questions, answers and clarifications to all Bidders. It is important that any clarification, additional information, or changes to the RFP documents are circulated to all the Bidders to ensure a level playing field. However, this should not give away a Bidder's proposed methodology, commercial proposals or programming advantages. Such information must be treated as confidential.

Responses to questions raised during the tender process can lead to clarification or amendment of the RFP documentation. The Entity shall allow enough time during the RFP process to clarify problems, as the resulting RFPs will then be better prepared and will be likely to save time and money later.

### 6.7 Addenda

All changes to the RFP Documents will only be made via an Addendum.

### 6.8 Alternative/Variant Proposals

Alternative or variant Proposals may be submitted if the Bidder believes that what they are proposing offers better Value for Money. However, such proposals shall only be accepted if they have been requested by the Entity, and shall always be accompanied by a proposal that is in full compliance with the terms and conditions stated in the RFP. Alternative Proposals that provide a technical and/or commercial advantage to the Entity must be in the format detailed in the RFP and must be clearly marked "ALTERNATIVE".

### 6.9 Submission of Proposals

The Proposals must be submitted before the closing date and time through Etimad. Bidders shall comply with the procedure for submission of Proposals. It is the sole responsibility of each Bidder to familiarize itself with the entire RFP process. Failure on the part of the Bidders to inform themselves is undertaken at their own risk and no redress shall be given for any errors or omissions.



### 6.10 RFP Process Ends

During the RFP process, the Contracts Specialist issues a periodic (as agreed and required by the Entity) progress report including issues and risks. After the Proposals are received from the Bidders, the Contracts Specialist issues a comprehensive Bidding report (format is flexible).

The RFP process ends at the stage when the Proposals are received. At this stage, the RFP Working Group is dissolved and replaced by a Proposals Evaluation Committee. Refer to the Proposals Receipt and Evaluation process as stated in Volume 9 Chapter 5 of the National Manual of Assets and Facilities Management, "Standardized O&M Proposals Evaluation Procedure".

### 7.0 ATTACHMENTS

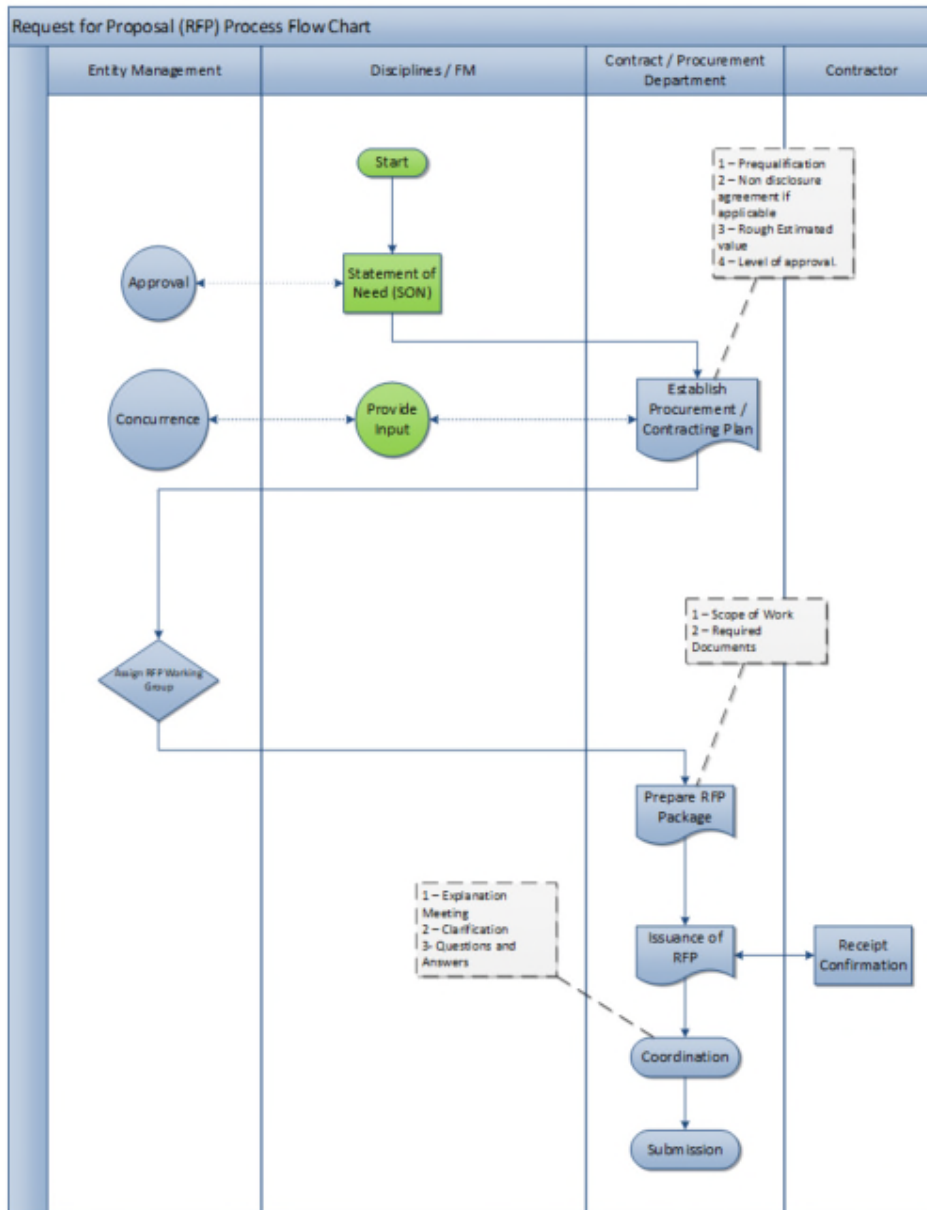
1. Attachment 1 - RFP Process Flowchart



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## Attachment 1 - RFP Process Flowchart

The flowchart below follows the RFP process from its creation to its issuance.



**Figure 1: RFP Process Flowchart**