Department of Budget & Management

Writing a Quality
Task Order Request for Proposal

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Introduction

So what is a Task Order Request for Proposal (TORFP)? Why is it so important? What are we trying to accomplish? Strictly speaking, the TORFP is a document that is distributed to elicit offers from potential business partners for a product or service. A well written, well-structured TORFP clearly delineates the deliverables associated with the project and establishes a framework for project execution. It specifies the scope of the desired procurement and defines the manner and means of the evaluation process. Ideally, the TORFP stipulates the requesting organization's requirements and the conditions demanded of Offerors clearly enough to minimize the possibility of misunderstandings and errors.

Many times the person tasked with procuring IT goods and services is a technologist, a procurement specialist, or simply the poor soul who happened to be in the wrong place at the wrong time. Rarely does the individual possess all of the skills or knowledge necessary to overcome the initial sudden rush of anxiety that goes along with such an assignment. It is the fear of the unknown that breeds anxiety.

The intent of this document is to provoke thought, increase awareness and provide sufficient information and guidance so that, regardless of your profession or experience, you will have a better idea of what is required to be successful. The intent of this document is not to reduce your anxiety by identifying shortcuts or ways around critical steps to a well-written TORFP, but rather to increase your knowledge and awareness of the characteristics of a well-written TORFP.

Successful TORFP development cannot be completed in a vacuum. TORFPs are sometimes complex and require significant coordination with others outside of your core operating unit or your span of control. Depending on the complexity of the desired acquisition and the involvement of others, it may be appropriate to treat the procurement process as a project in and of itself, complete with milestones, deliverables, and clearly defined roles and responsibilities. You must work constantly with all stakeholders: project team, technologists, procurement, legal, and the business unit that is the focus of the project.

A well-written TORFP clearly and concisely communicates the business problem and the requirements that are to be satisfied by the contractor by the conclusion of the resulting engagement. Through the TORFP, potential Offerors gain an understanding of the underlying business case for why the project is being undertaken. The quality of the TORFP directly influences the quality of the project it supports. Keep in mind that you are not just soliciting for a good or service. You are procuring a good or service whose arrival and quality must be coordinated and integrated with other project or operational activities.

Project Requirements

Before delving into the details of developing a quality TORFP, it is important to understand that in the State of Maryland, all IT projects must comply with certain policies and processes. These policies and processes provide direction for project governance, project execution and project oversight. One such process that must be followed is the System Development Life Cycle (SDLC)[1]. The SDLC consists of ten specific phases that govern a project from inception through development to operation and eventually retirement. The SDLC, while flexible in how it is applied to each specific project, provides the foundation from which all project activities, including procurement will be based.

There is no restriction on whether project tasks undertaken to complete any phase of the SDLC are supported by internal or external resources. It is perfectly acceptable to utilize a third party in support of any or all phases of the SDLC. For example, an initial TORFP for a third party to develop functional and technical requirements may be used ahead of a second TORFP for actual project development. The initial decision to procure is typically made during the planning phase of the SDLC. The Project Plan should include an acquisition strategy that considers a number of factors:

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[1] Required policies and processes can be found at: http://www.dbm.maryland.gov Keyword: SDLC

1. An analysis of business needs, goals, objectives and services, and an assessment of the importance of each relative to the overall organization;
2. A cost/benefits analysis and evaluation of options such as whether contracting is more or less expensive than utilizing internal resources;
3. Project risks and the risks associated with utilizing internal verses external resources.

Once the decision to procure is made, the procurement process should result in a TO Agreement that:
1. Protects the interests of the agency and the State;
2. Identifies the responsible parties to the TO Agreement;
3. Defines what is to be delivered; and
4. Documents the mutual agreement, the substance and parameters of what is agreed upon.

As prescribed by the SDLC, it is during the requirements analysis phase that functional requirements are documented. This crucial document is necessary for the development of a sound TORFP, a successful procurement and a successful engagement with the contractor. It is not until after the functional requirements are defined can a TORFP be written.

Characteristics of a Good TORFP

There is no single TORFP format or fill in the blanks template that will serve all of your needs. Each project, business opportunity or problem being addressed through the acquisition of third party solutions or resources will require a unique request for these services. However, there are a number of considerations that are common to all well written TORFPs.

All well written TORFPs share at least two characteristics. First, they are concise. They get to the point. They do not include a lot of information that is not directly relevant to the acquisition of a quality solution or the desire to attract the most qualified Offerors. Secondly, the information is presented in a very clear manner that minimizes potential misinterpretations of what is being requested. As the TORFP is being written and reviewed, you need to constantly ask yourself the question: Is there room for a difference of interpretation between what is written and what could be delivered? If at any time the answer is yes, you must refine what has been written.

In developing the TORFP, you need to consider the potential for multiple interpretations. The best way to ensure consistency is to ask others to review the drafts of the TORFP as it is being developed. Elicit the help of colleagues to review the draft and ask them to comment on their interpretation of what is being asked and what would be received as a result of the contractor's efforts. If they are unclear on what is being said, requested, or expected, you should rewrite it until these ambiguities no longer exist. Rewriting portions of the TORFP is not a bad thing; it is part of the process to develop a quality TORFP. Be sure to provide sufficient time in the TORFP development schedule to step back, evaluate what has been written, and when necessary, revise and edit.

Scope of Work (SOW)

Most would agree that the SOW is the most important component of the TORFP. After all, it is the SOW that defines what the Offerors are being asked to accomplish. It establishes the written description of work to be performed to satisfy the particular needs of the agency. The SOW contains all references to applicable specifications, technical and business requirements, deliverables and delivery schedules, IT architecture and environments, installation requirements, acceptance test procedures, and project stakeholders. The SOW is the foundation for all other sections of the TORFP. Other qualities and objectives of the SOW are:

- Enabling Offerors to clearly understand the requirements and specifications, and the relative importance of each; leave nothing open to interpretation.
- Allowing Offerors to submit high quality technical proposals;
- Establishing the baseline for other parts of the TORFP, particularly the evaluation criteria, technical proposal instructions and developing accurate financial proposals;
- Minimizing change orders that lead to increased project cost and delayed project completion;
- Allowing both the State and the TO Contractor to assess performance; and
- Reducing potential of future claims and disputes.

The key to writing a quality SOW is knowing what it is you are trying to accomplish. What business problem or opportunity are you addressing? What deliverables are you expecting throughout the engagement? How will you use and measure the quality of the deliverables of this engagement? Are you engaging a consultant to capture data and analyze a situation? If so, will the deliverable be a notebook of paper that contains the data and the analysis, or are you looking for data in a format that can be further manipulated? Are you expecting a fully operational application that satisfies specific requirements and that is built to defined specifications? Will you be receiving the source code or will it escrowed? What manuals are to be delivered and in what form? What is the required content of these manuals? Is training of the end users and technical staff to be conducted?

You need to keep in mind that there are no defined standards for what constitutes a deliverable or even a common definition or understanding of what is included when you request certain things. The only way to remove any doubt of what is expected is to specifically say it.

All good SOWs clearly and concisely communicate the following:

- **Background Information**. It is important to communicate only those high level details that are pertinent to the solicitation. The purpose is to convey to potential Offerors the business and operational environment in which they are to perform. Be brief. There is neither a need for, nor value in presenting the complete history of the organization, for example. The intent is to convey information that potential Offerors need to better understand their role in the context of the business or technical environment.

- **Specifications vs. Requirements**. Specifications are used when the TORFP includes work or products that must meet industry or regulatory standards, or it is known exactly how something is to be supplied or built. Requirements are usually written as business benefits or features and are not as prescriptive as specifications. Regardless of a defined specification or requirement, all relevant information must be conveyed:
    - Specifications are prescriptive and must be conveyed in as much detail as possible. One such way is to provide web links to accepted sources of specification details. For example, all IT products and services procured on behalf of the State must adhere to Non-Visual Access standards. When including this specification in a TORFP, you would refer the Offeror to http://www.dbm.maryland.gov Keyword: NVA;
    - With requirements, (this information redundant with above) you do not want to preclude consideration of all feasible solutions or negate the competitive environment. (See Contractor Experience below for an example of negating a competitive environment.) Different classifications of requirements may include:
        - Functional or Business Requirements: Those requirements that directly support the business objectives for the project.
        - Technical Requirements: Those requirements that define or describe the technologies the new system is designed around, how the system should behave or what is required to keep the system running securely and reliably such as fail over, clustering, etc.
    - All specifications and/or requirements should be prioritized in order to distinguish between those that are mandatory and those that are optional. Be wary of adding specifications and/or requirements that add cost but provide little or no value. Consider that "quality" should be defined as "conformance to requirements and fitness for use."

- **Services vs. Labor Categories.** The SOW should not specify job titles or labor categories, but instead define the type of service required. For example, the purpose of the TORFP would be to engage a contractor to provide network engineering and management services, not to provide a network engineer. The Master Contractors will propose the labor categories necessary to satisfy the service being requested.

- **Contractor Experience.** Unless there are extenuating circumstances, the SOW should not require a contractor have to experience with an exact system; rather that the contractor have experience with a particular platform or type of system of equivalent functionality and scope. For example, it is not acceptable to require the contractor to have experience operating and maintaining the State's Web Fleet Master system. Rather it is more appropriate to require the contractor to have experience performing

operations and maintenance on web based applications designed to manage an enterprise's fleet of motor vehicles. Naming the application and requiring specific application experience impedes competition in favor of incumbents.

- **Consideration for project related requirements (SDLC, security, project management, specific mandated requirements).** Do not assume the Offeror is familiar with these requirements or the degree of applicability to a given project. Define the extent to which the Offeror is obligated to comply with mandatory policies and processes in either performance or in developing project deliverables.

- **Services vs. Project Development.** Distinguish between a TORFP for ongoing services and a TORFP for one-time project development. Each will have unique specifications and/or requirements, deliverables, and TO management aspects. For example, a service TORFP may require monthly work activity reports tied to monthly invoicing and reference the operational performance metrics and requirements. By contrast, a project development TORFP would reference the SDLC and require "progress" related deliverables and invoices.

Quantifiable Deliverables

Under no circumstance should a SOW be developed or a TORFP be released where the deliverables are not quantified or the criteria for acceptance are not defined. Clarity and conciseness are imperatives. Remember: If you cannot say it, you cannot expect potential Offerors to understand what it is that you want, propose the best solution, or satisfy your expectations. A few considerations:

- **Focus on Specificity not Quantity.** The number of deliverables is not as relevant as a thorough explanation of what they are and when they are to be completed. However, multiple deliverables, as opposed to a single or fewer more encompassing deliverables are preferred. This approach reduces project risk by providing more opportunities to quantifiably verify TO Contractor performance and progress towards overall completion.

- **Requiring Drafts.** It is perfectly acceptable to require draft deliverables in advance of final deliverables, especially when the deliverable is a report or some sort of documentation such as a Detailed Design Document. Drafts can be either a milestone or a deliverable with defined payments. The intent of receiving a draft deliverable is to ensure the contractor is on track in format and content well enough in advance of the corresponding final deliverable so corrections can be made if necessary.

- **Specify Format.** The format of a deliverable at the time of presentation for acceptance must be clearly established. If the deliverable is a software application, how is the source code to be delivered? Is it in escrow? If a deliverable is a report developed as a result of capturing and analyzing certain data, is it acceptable for the deliverable to be a binder or a binder plus the data in electronic format that facilitates independent analysis? What is the format for the electronic data? Does your agency have the application required to read and further analyze the data, or is it acceptable that the data is in a proprietary format?

- **Define when deliverables are required.** Depending on the project, this may be communicated as a specific date or as a Notice To Proceed, plus a certain number of days (NTP+). Using NTP+ for when a deliverable is expected provides the TO Contractor the flexibility to determine when to commence activities to produce the deliverable by the required delivery date.

- **Allow Offerors to Propose Solution.** Do not try to second guess the capabilities of the industry. If you have specific requirements for when certain project deliverables must be completed, for example, put them in the SOW. The disclosure of this critical piece of information is important to the Offerors. By knowing this up front, they will be able to better assess available resources and project risk, and develop a more accurate proposal.

- **Service TORFPs require quantifiable deliverables.** TORFPs written to obtain human resources to satisfy project or operational service requirements must also specify quantifiable deliverables. The primary deliverable is satisfactory performance on all tasks assigned. Quantifying performance requirements is no different than defining the minimum performance standards for internal staff. Other considerations:

- If the resource is aligned to a project, then the project description needs to be included in the TORFP's background information, and include such information as specific roles, responsibilities and project duration.
- If the resource is aligned to a specific funding stream (i.e., a grant), then the source of the funding should be stated along with the expected duration of the funding.
- Requirements for human resources are no different than those you would include in a newspaper advertisement for staff: years of experience, technical skills, business environment, minimum qualifications, description of work to be performed, etc.

- **Project management and methodologies, reporting and communications are deliverables.** If certain project management methodologies are to be employed and project progress reports and project team meetings are to take place, they need to be defined as deliverables.

- **Three constraints to consider: Time, Scope, and Cost.** Typically if you require a compressed schedule, the cost of the project can be expected to go up and the scope of the product to constrict . If you require a long list of highly detailed technical requirements , the time required to produce the product may be longer and the cost may be higher. If you are short on resources, the product may take longer to receive and not meet every requirement detail. Understand what is important to the agency; you cannot affect one without influencing the other two.

Performance Metrics

How will you gauge TO Contractor performance? Too many times we obtain the services of a third party and fail to monitor ongoing performance. It is imperative that performance metrics be defined in the TORFP so that the TO Contractor knows the standard by which they will be assessed.

- **Deliverable Acceptance Criteria.** There needs to be a quantifiable metric associated with every deliverable. If not, how will you determine if the deliverable is acceptable and the TO Contractor should or should not be paid for the effort?

- **Verifiable Testing Requirements**. What are the criteria to ensure that the TO Contractor has successfully satisfied the specifications and requirements of the TORFP? Are there operational performance criteria for transaction processing? Availability? Errors? Usability? Testing requirements must align to the SOW and cannot be generic or subjective.

- **Staff Performance**. TO Contractor staff, not unlike your own internal staff, requires management, assessment and feedback. Performance objectives and criteria similar to those developed for your own internal staff must be defined and regular performance reviews must be performed. Defined deliverables must include continued satisfactory performance to these objectives and criteria. You should consider other criteria such as: all assignments are completed on time; complies with applicable State and agency technical and operational policies, guidelines and standards; does not intentionally or through neglect jeopardize the integrity of the agency's business or technical environment. Performance should also be tied to defined project or operational deliverables.

Paying For Services Rendered

One of the challenging questions that must be resolved when writing a TORFP is determining when the TO Contractor will be paid for the services rendered. The answer is based on risk and who bares the expense of project overruns or potential failure. Once again, all payments should be tied to a deliverable.

- **Time and Materials (T&M).** T&M is quite appropriate for level of effort engagements such as those to obtain human resources to support operational service requirements. It may also be appropriate for project activities were there are a number of factors that cannot be quantified or are unknown at the time the TORFP is released. For example, if a TO Contractor must gather information from a number of different sources in order to complete a detailed design document, then the level of effort is difficult for the Offerors

to estimate. In this case, if the TORFP were established as Fixed Price, the Offerors would look to address the risk by increasing the cost of the effort to cover contingencies. If defined as T&M, the agency bears an increased level of the responsibility for ensuring that access to the appropriate repositories of data and personnel are available as scheduled.

- **Fixed Price.** When the level of effort is known and quantifiable, a fixed price TO Agreement is most appropriate. For example, once the detailed design is developed and approved, the level of effort to develop and implement the solution is much more defined. Offerors are then able to develop more accurate cost estimates.

- **Retainage.** One way to further ensure continued TO Contractor performance is to retain a certain percentage of the cost of each deliverable until a time when other criteria and/or deliverables are achieved. As discussed earlier, multiple deliverables should be established to ensure that the TO Contractor is progressing towards an acceptable completion of all deliverables. When multiple deliverables build upon one another and are crucial to the quality of a more significant deliverable, it is appropriate for a certain percentage to be retained. The TORFP must also define all criteria that the TO Contractor is to satisfy in order to receive the retained amount.

Limits of Liability

Establishing a limit of liability for a TO Agreement is a means to protect the State in the event of a catastrophic project or TO Agreement failure. The question that needs to be answered is: What would the cost be to the State in the case of the TO Contractor failing to perform and meet the requirements of the TO Agreement? From a cost perspective, what would be greatest cost should the State need to halt all current activities and begin over? At that point in time, would there be tangible assets that a follow-on TO Contractor or the agency would be able to utilize in order to complete the project? Do not assume that just because a limit of liability has been established and the project fails, that the TO Contractor will automatically pay the State. Consider that a significant legal effort will take place and the agency's performance and culpability in the failure will be thoroughly analyzed.

Proposal Format

While you do not have complete control over how or what is said in the proposal, you can establish certain criteria for what is to be included and how the information is to be presented. Having defined proposal content and format requirements will greatly assist in an apples-to-apples comparison of multiple proposals during evaluation. Secondly, keeping in mind that the proposal of the winning Offeror becomes a part of the TO Agreement by reference, the proposal is the baseline for what the contractor has agreed to do and how it was agreed to be done. Along with the TORFP, the proposal is constantly referenced throughout the engagement. Include proposal format and content requirements that facilitate an equitable and effective evaluation process.

Evaluation criteria

The proposal evaluation criteria must be specific, objective and repeatable, and must be included in the TORFP. Offerors must know how they will be evaluated and under which criteria the winner will be awarded a TO Agreement. In addition, well-defined criteria will greatly assist the agency in assessing and distinguishing between multiple proposals. Considerations include:

- Criteria written to help distinguish between proposals are even more applicable when the purpose of the TORFP is to procure human resources. If the evaluation criteria do not facilitate distinguishing between proposals, you may need to revisit the deliverables and other requirements in the SOW and refine as required.
- Proposals are to be ranked, not scored.
- Evaluation criteria are clearly defined in the TORFP.
- All criteria are aligned to the SOW.
- Criteria are objective and are not generic or open to interpretation.

- References are requested (and must be verified as part of due diligence in selecting the best value proposal).
- Evaluating and comparing financial proposals resulting from different technical approaches can be difficult. In these situations a pricing model based on certain agency provided assumptions would be appropriate.
- When requesting experience, consider which is more important: Master Contractor experience or Master Contractor personnel experience. More often than not, it is the people who are assigned to the project that are instrumental in its success, not the master contractor for whom they work.

Other Considerations

- **Terms and Conditions.** While you cannot negate nor dilute the terms and conditions of the master contract, you may have specific requirements that are pertinent to your TORFP. For example, the master contract does not require security background checks for contractor personnel (although it does provide for this possibility). If your particular need requires a background check of contractor personnel and maintaining cleared personnel throughout the engagement is a condition of continued work, then this needs to be defined in the TORFP.
- **Small Business Reserve (SBR).** Some TORFPs are appropriate for release to only those Master Contractors who are SBR certified. The scope and complexity of the TORFP, knowledge of the industry, and availability of sufficient SBR master contractors in the Functional Area that you are targeting will help determine when an SBR-only release is appropriate.
- **Establishing the Minority Business Enterprise (MBE) goal.** MBE goals can only be met by subcontracting to certified MBE companies. Where no opportunity for subcontracting exists in a given TORFP, then a 0% MBE goal is appropriate. However, the majority of projects and services include subcontracting opportunities. The Governor's Office of Minority Affairs can assist you in determining an appropriate MBE goal for your TORFP.

Writing the TORFP

Now that we have touched on some of the critical aspects of the TORFP, there are other considerations to take into account as the TORFP is being written.

1. Accept the fact that it takes time to write a quality document. Consider that others will need to be involved and that they will require time to review and provide their input.
2. Do not fall in love with what you have written. Do not be afraid to reconsider details as you finalize the TORFP. It is not uncommon to rewrite sections of the draft TORFP if the practical implementation of what is being requested is not clear.
3. Clear communication is paramount to ensure that those involved in the effort of writing and releasing the TORFP are aware of their roles and can plan accordingly.
4. Go away and come back. When reviewing the draft, it helps to step back from the draft and return. Is your interpretation the same as when you last read it? If not, rewrite and clarify.
5. Be sure to consider the time and effort to coordinate reviewing the draft from different perspectives:
    - Project execution
    - Business unit/end users
    - Procurement
    - Technical
    - Legal
7. The dependency of the project on the success and timeliness of the procurement may dictate that the procurement be treated as a project with a defined schedule complete with deliverables and milestones.
8. Get the project team involved early; after all, they are the ones who will be working with the TO Contractor. Be sure they are in agreement with the SOW, the expected deliverables and anticipated schedule of the deliverables.

Evaluation Process

The evaluation and award processes begin with the writing of the TORFP. The TORFP should facilitate the receipt of responsive proposals, establish objective evaluation criteria, aid in distinguishing between proposals and result in identifying and awarding the TO Agreement to the Master Contractor whose proposal represents the best value for the State. The evaluation process must consider:

- **Objectivity**: Objectivity of the requirements and performance criteria to ensure an adequate number of proposals were received;
- **Evaluator Experience**: An evaluation committee should be comprised of individuals who are experienced in proposal review. These individuals may be technical, business oriented, customers of the services or solution being procured, or employed by another agency. They must be able to objectively assess the degree to which each proposal will satisfy the requirements of the TORFP.
- **Reference Checks**: Carefully check Offeror references.
- **Documentation**: Document the award decision and keep supporting materials.
- **Control**: Carefully control proposals upon receipt to preserve the integrity of the evaluation process.

TO Management

TO management is an essential part of procurement; after all, the procurement is not complete until all requirements are satisfied. TO management requires monitoring to ensure that the TO Contractor is complying with terms and conditions, performance requirements are being met, and any problems are resolved. Without a sound TO management practice, the agency will be unable to effectively determine if it has received what it has contracted for. Without being able to effectively know what has been received, the risk of a failed engagement is significantly increased. Any TO management information or documentation required to be provided by the TO Contractor throughout the performance of the TO Agreement must be defined in the TORFP. These requirements must also include when such information or documentation is to be provided. In addition, in order to properly manage the, the agency should:

- Ensure that the TO Manager possesses adequate skills and has the necessary training to properly manage the TO Agreement;
- Assign a TO Manager with the authority, resources and time to monitor the project;
- Track budgets and compare invoices and charges to TO Agreement and Master Contract terms and conditions;
- Ensure that deliverables are received on time and document the acceptance or rejection of deliverables;
- Withhold payments to vendors until deliverables are received;
- Retain all documentation associated with the TO Agreement including all project reports, invoices, MBE reports, change orders, etc.