

An abstract graphic on the left side of the slide featuring a dark blue background with a network of white and light blue nodes connected by thin white lines, creating a complex, interconnected pattern.

TO RFP OR NOT TO RFP

Ohio GFOA

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TO RFP OR NOT TO RFP

The decision to use an RFP procurement process or skip it rests on each entities' unique needs.

Understand how each method works and why each has its own pros and cons.

- Choosing the correct vendor is key to a successful implementation.
- Project leaders and evaluation teams need to chose whether to use an RFP procurement process or skip it for a more flexible selection process.
- Understanding what each involves is the first step of that important decision.

PROS TO RFP PROCESS

Offers a level playing field

- Limits interactions with vendors prior to their submissions.
- Any vendor is allowed to submit a proposal.
- All vendors have access to the same information, including the initial RFP and any subsequent clarifications.
- The entity must use the same criteria to evaluate all vendors.

PROS TO RFP PROCESS

Enables a focus on specific criteria

- The project leader can direct the evaluation committee to focus on what is important.
- Ensures evaluation committee won't be influenced by “fluff” information.

Offers potential to discover new vendors

- The RFP process can potentially identify a new ~ and perhaps better-suited ~ vendor.

CONS TO RFP PROCESS

Can be lengthy and disqualifies
potentially good vendors

- Requirements such as format or how submitted could excluded a qualified vendor.
- Vendors may not respond because they feel they may “miss the mark”
- Vendors may not respond given the time frame allotted.
- Vendors may not submit a proposal because Q&A doesn't quite answer all the questions.

CONS TO RFP PROCESS

Prohibits relationship-building

- Evaluation committee are typically prohibited from speaking to vendors
- Downside is that the evaluation team doesn't learn details that might indicate a good company-vendor fit.

Precludes potentially important vendor benefits

- Vendor may offer beneficial services that aren't included in the RFP.

PROS TO A NON- RFP PROCESS

Allows Handpicking

- Evaluation committee is not required to consider all the vendors.
- They invite only vendors they want to consider.

Allows for more information and vendors

- Bond and network with vendors.
- A vendor may have other options that would be beneficial (Integrations, cost saving processes, reporting)

PROS TO A NON- RFP PROCESS

Simplifies the evaluation process

- Project leader can limit # of vendors and evaluators.
- Less entities to have to communicate with.

Permits flexibility

- Evaluators may discover new requirements.
- Project leader can change the evaluation criteria.
- Could possibly speed up the process and implementation.

CONS TO A NON- RFP PROCESS

Invites nepotism

- Personal relationships may influence the process.

Difficult to defend in lawsuits

- The process is not as stringent.
- Communication to vendors could be careless.
- Could open up evaluators to bias on race, sex, or beliefs.

Overlook good vendors

- Without preset guidelines, there could be a vendor that offers more than what is required that is left out.

CONS TO A NON- RFP PROCESS

Prone to delays or missed requirements

- With no schedule, some vendors may cause delays.
- A less formal process, could leave out important steps.

Could miss out on representative views

- Decisions could be made before ALL departments have a say.
- Decision makers could leave off departments they just don't want any feedback from.

FINAL THOUGHTS AND SUGGESTIONS

Regardless of approach taken

- Get unbiased opinions
- Evaluation committee should include End Users, Finance, IT and an executive sponsor.

Be specific in your requests

- Give detail on your current processes.
 - How many merchant locations.
 - What equipment/software is in use by location.
 - Are the payments integrated into any platforms?
 - What is the \$ volume processed by location
 - Provide sample statements. (many providers have programs to save even Interchange costs)