



Creating a Security Request for Proposal

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What is a Request for Proposal (RFP), how can it enhance the competitive bid process and how does a Security Services company identify the types of information needed to write an effective RFP?

A framework based on five basic steps to build, review and publish an RFP and subsequently evaluate proposals for working with RFPs on security services in the outsourcing industry is presented in this paper.



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Executive Summary

For a variety of reasons, organisations consider bidding or rebidding for their existing contracts for uniformed security services, or decide to replace their own proprietary guard services with those of a contractor. Though the reasons do vary by organisation, they are often rooted in such issues as: poor performance levels, high cost, liability exposures, lack of staffing flexibility, poor scalability, compliance issues, etc. Yet, whatever the reason, management has concluded that a replacement by a new security service contractor will offer better value to the organisation. Subsequently, management directs both the development of an RFP (Request for Proposal) and the subsequent implementation of a competitive bid process to find and select an appropriate security service contractor.

This paper briefly explains what an RFP is, and how it can operate to enhance the competitive bid process; identifies the types of information one needs to write an effective RFP; and suggests four basic steps to build, review and publish an RFP and subsequently evaluate proposals. It also includes some basic examples of items commonly appearing in an RFP for security services and an RFP outline.



Introduction

Organisations seeking to replace their existing security services typically want to align themselves with an experienced and well-qualified contractor; one that will provide them with the most manageable, cost-effective and reliable security services. The key reason why organisations prepare an RFP is to improve upon their chances of acquiring that “best of service firm” at the best price; i.e. to get the “best deal”. We believe that a well-constructed RFP enables a wider range of competitors to be invited to bid on the work, giving organisations a better opportunity to find that best



firm and perhaps other choices as well. In addition, because an RFP clearly describes the work, the contractor’s ability to correctly anticipate costs is improved. This leads to greater accuracy in costing contract proposals, and can often result in more favourable contract terms to the organisation.

Creation of an RFP, and the solicitation and evaluation of bids, is important and does demand some extra time and work to get it right. Done well, however, RFPs are not that difficult to prepare, and subsequently contractor bids become easier to solicit and evaluate. Yet, in the end, an RFP can save an organisation money and time, and avoid potential dissatisfaction with its new contractor.

Who manages the RFP Process?

Clearly a single individual knowledgeable about the organisation and its needs should be the key person to assemble the RFP document, solicit bids and manage the process. The person most likely to have the knowledge and skills to bring together the RFP is typically the organisation’s Security Director/CSO or manager. Others most likely to successfully accomplish this task are the Facility Manager, Operations Manager, Head of Human Resources, Risk Management or perhaps the Controller. As the complexity, dispersion and size of the organisation expand it may be beneficial to include other persons with specific knowledge into a small temporary working group.

The Request for Proposal Process

In its simplest form, an RFP is a document that requests others to propose how, and under what terms, they would do a specific type of work for another. On a more detailed level, an RFP and its companion competitive bidding process can be broken down into four stages:

1. Stage one is simply a step-by-step process to identify and document the security services and conditions under which those services are to be delivered to the buyer.
2. In stage two, the buyer solicits alternative contractors to meet their security needs and requests that proposals be made based upon the buyer’s RFP document.
3. In stage three, responding contractors propose how they would do the job. The buyer then reviews the alternative proposals, evaluates the choices, and finally selects a proposal to get the job done



4. In the final stage, the buyer negotiates with the contractor to deliver the services proposed and signs a contract.

The five stages of an RFP

Stage 1
Contractor identifies and documents service delivery

- a. Acquire information
- b. Preparing to write an RFP, 1
- c. Preparing to write an RFP, 2
- d. Preparing to write an RFP, 3
- e. Writing the RFP

Stage 2
Buyer solicits alternative contractors

- a. Publishing the Bid

Stage 3
Buyer reviews, evaluates and selects proposal

- a. The Bid Process
- b. Evaluation of bids

Stage 4
Contractor is selected

- a. Making the decision

Contract signed

Stage 5
Process evaluation

Time

In order to make an RFP attractive and motivate certain vendors to participate, the RFP should be well constructed, clearly define and describe the work and allow the vendor the ability to correctly anticipate costs and possible cost savings. This will lead to greater accuracy in pricing and give a level of comfort to the bidder. Vendors can be further motivated when they perceive a “value added benefit” gained in servicing an organisation. In some cases winning a bid allows them entry into a new segment of work or new geographic area. Further, having an association with a well-known and respected organization adds to their own reputation and credibility. A new client also presents them with the opportunity to leverage their presence into other areas and functions within the organisation. Finally, if the bidder has similar existing clients in the same segment it can provide them with some economics of scale and greater flexibility in staffing and supervision.

Stage One: Contractor identifies and documents service delivery

a. Acquire information on what is needed

A key factor in getting the “best deal” is for the buying organisation to clearly define its needs, and the conditions under which those needs are to be satisfied, and then write them into the RFP. Organisations must also agree internally on the evaluation criteria and the methods that will be used to compare, contrast, evaluate and rate those proposals. The steps in defining how a bid process is to be organised, and the writing of the list of required services into the RFP, are important. They will vary greatly in their depth and detail according to the sophistication, size, industry and critical resources available within the organisation. Preparing to write the RFP and agree upon a bidding procedure can seem difficult; akin to herding a family of cats. Be persistent, listen well, and the bits and pieces of information and ideas will surface from many unanticipated sources. They all need to be evaluated, brought into line and agreed upon so that they can become part of the RFP requirements. Extra efforts to gather input from varied internal areas are vital to the ultimate success of the security programme itself. This is because contracted security services can have a highly negative impact should they fail to perform in areas that are highly sensitive and expensive for the organisation. This also means that evaluations of how well competing offers meet the needs of the organisation need to be done very carefully.



b. Preparing to write an RFP, First Step

It is the responsibility of the organisation to identify and define in writing what its security objectives and service needs are, and under what conditions those security initiatives must be delivered. This is perhaps the most critical part of the RFP: it defines and communicates to the contractor the nature of the security services that are to be provided, and ultimately defines its cost. For examples, see attached list A—Objective, Service and Guidelines. It is essential that the RFP be as clear as possible in explaining what is wanted. Additionally, the organisation must define a set of “guidelines for service” which establish the organisation’s expectations of the security provider’s interactions with the organisation. For example, it covers subjects such as appearance, uniforms and equipment, training for staff, continuity of service, levels of supervision, report writing, hours of business operations, and the nature of its policies in place regarding Access Control, etc. Though these items inform the contractors what services they need to perform, the organisation should take care not to tell them how they should do it. It is the responsibility of the contractor to propose how they plan to meet the guidelines, achieve the objective and provide the requested services.



c. Preparing to write an RFP, Second Step

It is important for the organisation to understand the qualifications and capabilities of its contractors. The fitness of the contractor’s management and staff capabilities needs to be clearly examined, along with the facts of their operational, financial and legal status and history, and reputation. In the RFP, contractors should be required to answer specific questions about their company, provide selective documentation to validate their claims, and submit résumés of the support personnel responsible for the contract. Specific references should be required to be submitted with the bid, including contact names with addresses and phone numbers. For examples, see attached list B—Contractor Capabilities, Licences, Insurance.

d. Preparing to write an RFP, Third Step

The RFP needs to communicate, to the contractors, information related to the bidding processes itself, i.e. how bid proposals should be delivered and when they are due. The RFP should provide basic information about the organisation offering the RFP, the targeted contract start and end dates, location of work, etc.: for example, names, addresses, phone numbers, email addresses, web sites etc. of contact points within the organisation with which contractors can communicate regarding questions and clarification on the bid. In addition, information as to the specific media, format, number of copies, due date and structure of bid response submissions should be provided. If there is a possibility of the contractor, or a member of the contractor’s organisation, being in a conflict of interest position, then the need to disclose that information must be stated in the RFP for self-disclosure by the contractor.

Any constraints on the contractor in contacting members of the organisation, other than those identified as contact points, should be communicated in the document. If a contractor’s information meeting is to be held, the information as to the date, time and place of that meeting should be provided along with any information specifying who is eligible to attend. For examples, see list C—Contractor Bid Process Instructions.

e. Writing the RFP

Once the agreement on what is needed is reached, and the supporting data are gathered, the organisation is now in a position to write the RFP. The best starting point is to review prior RFPs issued by the organisation. They should be considered for potential use as a template, as they have previously been reviewed within the organisation. Organisations should only consider reuse of those templates that have produced a successful contract, and only if they can be adapted to be relevant to current needs. Otherwise, it is suggested that a standard RFP template, published on the web or from a business reference text, be acquired and updated with the organisation’s current information. In all cases, the RFP should be reviewed independently for clarity, accuracy and content. For examples, see list D – Outline of RFP Template.



Eventually, many contractor proposals (which are structured to match the RFP) become a part of the final contract for services, and are in effect the contract itself. It is therefore important that a competent legal review of the RFP document be conducted prior to its being distributed. This is true because there are some very important additional considerations and safeguards that must be added to the RFP which can vary by industry, location and local governing body. In particular, when the offering organisation is from the government sector, or is a servicing agent to a governmental body, there are very specific guidelines on the posting of notifications, time frames, security, challenges and appeals to bids, use of minority contractors, EEOC (Equal Employment Opportunity Commission), background checks, etc.



Stage Two: Buyer solicits alternative contractors

a. Publishing the Bid

As appropriate to the organisation's environment, industry, location, timing and the nature of the organisation's business, it should advertise the RFP in targeted media and also make direct contact with those contractors with whom the organisation may be predisposed to do business, due to an excellent reputation, previous experiences, etc. Where the RFP indicates that one or more "contractor information meetings" are to be held prior to submission deadlines, it is wise to allow sufficient lead time for contractors to become familiar with the RFP so that questions are narrowed down to the most relevant points.

Stage Three: Buyer reviews, evaluates and selects proposal

a. The Bid Process

Finally, contractors submit their proposals at the time and date and in the form specified in the RFP. This is their opportunity to propose and explain how they would meet the organisation's needs, under what conditions and at what cost. These proposals must be in the format and follow the structure outlined in the RFP. If not, the contractor should be disqualified, as it would not be possible to compare their offering effectively with others.

A log should be kept of the times and dates when proposals are received, and the proposals should be treated as confidential documents and kept secured and locked away when not in use. Proposals received after the deadline should not be accepted and should be returned unopened to the contractor, along with a note indicating the reason for their rejection.

Once all of the bids have been received, they need to be reviewed and evaluated. This is a critical point. If the RFP is well written and clear as to how the contractors are to respond, an "apples to apples" comparison and evaluation of the contractors' offerings against one another can be used. It is much easier to compare alternative bids when each alternative being compared covers the same topical area in the same or a closely similar manner.

b. Evaluation of bids

As cost alone is rarely the sole criterion for selection of a contractor's proposal, there is a need to account for the value contributed by the interaction of the various needs and other items specified in the RFP. The evaluation process is therefore not so straightforward.

Evaluations should therefore be based upon an agreed set of criteria, which are ranked and possibly weighted as to their importance to the overall performance of the services and the contract. Evaluations should be made by persons who are familiar with the content and intent of the RFP and who have a strong interest in assuring the success of the security programme. It is helpful also to involve persons with expertise in security, finance, law, human resource management and contract administration in the evaluation.



Various decision-making techniques are commonly used to evaluate bids. Some assign preset point values to each criterion and assign a multiplier to that value in order to score how well the contractor meets the requirements in the RFP. Others use subjective measures on each criterion or set of related criteria. For example: failed, minimally acceptable, average, above average, exceptional. Those techniques and others can readily be found in use within most organisations, and of course a search on the Internet will yield many different versions and techniques.



As part of the process of evaluation of the bids, it is suggested that, after the first cut of proposals is completed, the remaining bidders' references should be contacted, licences validated with appropriate authorities, and financial and legal data verified with public sources. This activity will be used to further reduce the number of potential contractors.

Stage Four: Contractor is selected

a. Making the Decision

When the evaluation process is down to the final stages (short list), each of the two or three final contending contractors should be asked to make a presentation of their proposal. Afterwards, the key staff members proposed to be handling the contract should be interviewed. At that time, final negotiations about prices and terms within the contract are typically conducted, and a contract is drawn up with the assistance of an attorney competent in business contracts. The final selection of a contractor is then made and the contract awarded.

Stage Five: Process evaluation

Process evaluation is significant, as it will be used to help the organisation to create standards that support an RFP and to evaluate how effectively that process functions. It will also help assess both short term as well as long-term changes in skills, attitudes and knowledge of the security vendor. Because changes in circumstances may require adjustments in requirements along the way to meet goals and objectives, a team may review or evaluate the process for its successes or failures during the term of the contract.

A process evaluation might be a springboard to developing other material. For instance, it may help generate checklists and time lines, which can be shared with other members of the organisation as well as with the security vendor. Additionally, a process evaluation can simply be utilised to represent that the funds allocated for an RFP were spent for the intended purpose and that the project is running successfully.



List A – Objective, Service and Guidelines

Services – Provide uniformed, unarmed security services

(Partial list: add or select as needed)

- Entry and egress access control
- Roving patrols of interior and exterior building areas, campus, garage, etc.
- Visitor and building employee identification verification
- Incident and daily operation reports
- Monitoring and responding to base building intrusion detection systems
- Alarms and fire detection equipment
- Responding as needed to support other life safety duties
- Concierge duties at main entry door
- Supervision of document and file shredding operations
- Parking area vehicle control
- Fire safety patrol checks
- Mobile patrols of office, hospital, campus, parking garage, parking area, runway, grounds areas

Specify timing

- 24x7x365 or as otherwise indicated per site guideline

Indicate work conditions

- Inside office facility, school, college
- Inside and outside urban/suburban mall/shopping centre, etc.
- Industrial hazardous work site – construction, refinery, steel mill, production line, stevedoring, etc.
- High-density transit terminal, airport, subway, train/bus terminal, etc.
- Sports venue, etc.
- Isolated areas, high crime districts, rural, war zone
- Extreme weather conditions

Inform bidders of work locations

- Main building, campus, garage locations, laboratory, pool, hanger building, parking area, etc.
- City 1, City 2, Office on floor x, y, z etc.
- Main stadium, practice field, stage door, exhibits hall, ticket office, bank service area, newborn nursery, etc.

Specify supervision needed

Provide appropriate and necessary management and supervision for all contractors' employees and be solely responsible for instituting and invoking disciplinary action of employees not in compliance with contractor's rules and regulations, as well as any other policy established by the parties. Develop and provide a comprehensive set of Post Orders documenting both general and site-specific responsibilities and procedures. They shall be prepared prior to start of contract and must be reviewed and approved within xx days. All security officers are to read and verify their understanding of those orders and shall be tested on them.



List B – Contractor Capabilities, Licences, Insurance

Sample list of qualifications which should be addressed by the contractors in their proposal and which should be evaluated during the bid selection process:

1. Company history and organisation
2. Management approach
3. Personnel
 - Selection approach – basic and minimum workforce requirements or education and background, including age requirements
 - Guidelines for handling infractions of a criminal nature
 - Proof of identity
 - Pre-employment drug testing
 - Medical releases from MD indicating fitness for work
 - Security clearances as appropriate to the organisation’s needs
 - Development and retention
 - Recognition programmes
 - Training programmes
 - Licensing
 - Benefits programme
4. Insurance and bonding
5. Transition plan
6. Computer management systems
7. Value added features
8. Contractors must be duly licensed and have the ability to perform work in accordance with all governing local authorities, i.e. comply with all mandates on training and hiring
9. Contractors must be in compliance with applicable laws and regulations at the regional, county and local levels



List C— Contractor Bid Process Instructions

➤ Include:

1. Name, address, phone, fax, email and web site addresses for both the organisation and the contractor bidding for the work
2. Identify key contact persons within the organisation and within the contractor's staff
3. Indicate the required:
 - a. Format, structure, media and time constraints for submitting proposals
 - b. Types of financial data required, including the time spans associated with those data
 - c. Insurance, bonds, etc. and the policy numbers, agent names, insurer name and address and contact data. Indicate basic types of coverage, benefit levels



List D – Outline of RFP Template

Most RFPs follow a common example outline structure, as illustrated below:

- Introduction
- Submission of proposal
- Contract terms
- Scope of services
- Contractor instructions
- Standard of workforce
- Method of selection



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