



The RFP Process: An Overview

Crucial steps to take when choosing a technology vendor

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Whether your organization is using an outside vendor or consultant to help overhaul its Web site, revamp its network, or rebuild its databases, a request for proposal (RFP) can be a valuable tool.

An RFP is a document containing a detailed list of technology and business requirements for a given project. This document is typically sent to a targeted group of vendors to solicit their proposals to work on your project.

Writing an RFP requires a great deal of time and effort, but these proposals aren't essential for every technology project that your organization plans to outsource. Relatively simple projects costing less than \$10,000 can often be addressed with a request for information (RFI) document or simply by reaching out to "best of breed" vendors. If you decide to embark on the RFP process but have never written one, consider hiring a consultant to help you draft the document. To see an example of an RFP, download TechSoup's [Sample RFP](#).

To get you started, we've outlined some basic considerations for each phase of the RFP process. The length and contents of each RFP -- as well as how long the process takes -- will vary from organization to organization and is determined by a variety factors, including the project's budget and scope. For advice on how long to spend on each step of the RFP process, take a look at NPower's [Sample RFP Timeline](#).

Is There a Difference Between an RFP, an RFI, and an RFQ?

Yes. Although you may have heard these three different terms used interchangeably, they are, in fact, significantly different documents.

RFI (Request for Information): This document, used for planning, is akin to a fact sheet. In the case of very small projects, this document will be used for decision making as well.

RFQ (Request for Quote): This document is most appropriate if you need to get the pricing on a fairly commodified product, such as email or Web hosting. Use an RFQ if you've already prepared your requirements and you will be making your decision based on a quantitative analysis of the bidder's pricing proposal.

RFP (Request for Proposal): This document is more complex to prepare than either an RFI or an RFQ. It often involves a much more complex set of evaluation criteria, based not only on price, but on the total cost of ownership and the fit of the solution to the organization's goals and objectives.

When Does My Organization Need an RFP?

An RFP is usually drafted at the end of the requirements-gathering phase of a project. RFPs are typically most valuable in large, complex, or high-impact projects. Small projects with budgets under \$10,000 usually do not need to go through a formal RFP process unless the projected impact is anticipated to be substantial. If you have a much smaller or simpler project, you may wish to consider an informal process instead of a formal RFP process.

	Formal RFP	Informal Process
Projected budget	Greater than \$10,000	Less than \$10,000
Projected timeframe	Several months	Several weeks

	Formal RFP	Informal Process
Impact on organization	Moderate/high	Low/moderate
Variations in solution space	Broad range of solutions/options	Narrow range of solutions/options
Approximate document length	20-plus pages	10 or fewer pages
Approximate level of detail	Highly detailed	Overview/summary

Why Do I Need an RFP?

RFPs are an extremely valuable tool to ensure that vendors deliver the exact solutions that you need. An RFP provides value in the following ways:

- **Internal alignment:** forces your agency to lay out your perceived needs before involving a vendor.
- **More accurate proposals:** allows vendors to clearly understand your needs so they can provide you with more accurate estimates of costs and time frames.
- **Comparable solutions:** ensures that each vendor receives the same set of requirements and thus yields a similar and comparable set of proposed solutions.

Prerequisites for a Successful RFP Process

The RFP process can be fairly complex, involving multiple stakeholders both inside and outside of your organization. Since it also involves a significant investment, both in "human" and financial terms, it can also be a very high-profile activity. Therefore, it is highly recommended that you complete the following prerequisites before embarking on this process:

- Identify organizational goals and objectives.
- Identify stakeholders.
- Identify project objectives.

Additional Guidelines

Other points to consider when preparing an RFP:

- **An RFP is not an agreement.** An RFP represents a list of requirements only; it should not be confused with a job offer. For this, you will need a written contract, which details the terms and conditions the involved parties have agreed to follow.
- **Vendors should bear the costs of the proposal.** Any expenses incurred in preparing a proposal should be borne solely by the contractor responding to the RFP, not the RFP originator ("Owner").
- **Submitted proposals should become the property of the Owner.** It should be documented in the RFP that the Owner reserves the right to accept or reject any or all responses to an RFP, even if all of the stated requirements are met. Owners should also reserve the right to use concepts or ideas contained in any submitted proposal without incurring liability .

Should I Get Help?

Depending on the complexity of your technology project and your budget, you may decide to solicit the help of a technology assistance provider or consultant. Before you decide, carefully consider whether you have the in-house expertise, staff time, and internal buy-in to develop the RFP yourself. If you are dealing with a large or complex RFP, it may be well worth expending a small amount up front to hire a seasoned professional to help streamline the process for you and potentially save your organization money down the road.

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