

# THE ULTIMATE RFP GUIDE: STEPS, GUIDELINES & TEMPLATE FOR REQUESTS FOR PROPOSALS



No matter your industry, the time will come when you must submit a Request for Proposal—known simply as an RFP.

Issuing an RFP is the process that an organization goes through to communicate a need for services. The RFP invites relevant vendors to submit a proposal to meet the desired need. More specifically, the RFP is a document that explains a project's needs and asks for proposed solutions from potential vendors.

Although RFPs are a prevalent standard in the business world, they still lead to a lot of confusion for many. That's why we've put together this guide on RFPs, complete with:

- [Definitions](#)
- [Ways to decide if an RFP is necessary](#)
- [Benefits of RFPs](#)
- [The 4-step RFP process](#)
- [What to include in an RFP](#)
- [A template](#)
- [Best practices for submitting vendors](#)
- [Additional resources](#)

# What is an RFP?

At some point, your company will need to purchase a [product or service](#) from a third-party vendor. The RFP is a solicitation—you're asking vendors whether and how they can solve your problem and support your project.

A request for proposal is the document that your business will put together that outlines the requirements for your specific project or need. A good RFP allows you to:

- **Collect offers from different vendors** so you can compare their skills and rates and choose the vendor that best meets your criteria.
- **Outline your preferred scope and price**, so potential vendors know how and what to bid to win the work.
- **Quickly evaluate strengths and weaknesses of the bidding vendors** without having to spend a lot of time researching each company yourself.

Issuing an RFP is a multi-step process that can be time-consuming and complex. However, because the RFP determines how your organization presents itself to many companies and professionals, it's important that it's well drafted and that the process is conducted professionally, accurately, and fairly—your reputation is on the line.

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## When to issue an RFP

When to issue an RFP is up to you. Most often, you issue an RFP when you have a new need but you do not have the internal resources to meet that need. The RFP can be an effective way to connect with vendors, partners, consultants, or organizations that have the resources, skills, and expertise to meet that need.

However, issuing an RFP takes time and resources. It is crucial to first determine when it's necessary to issue an RFP. Another method—for example, a request for quotation—might be a better course to take.

Here's a rule of thumb for RFPs:

- For simple, straight-forward projects, an RFP might not be necessary (assuming there are no organizational policies or regulations that require it).
- RFPs are often beneficial and necessary for complex, specialized projects.

## Benefits of issuing RFPs

Here are some benefits that RFPs can have, which are helpful to consider in determining whether to issue one.

If your organization does not have policies or regulations requiring an RFP and you're struggling to determine whether one is necessary, consider these factors in your analysis. Further, weigh these

benefits against the time and resources required by the process. Conducting that analysis should help you determine whether it's necessary or wise to issue an RFP. You might determine that an RFP isn't a valuable use of resources.

## **RFPs help meet organizational need**

One of the most basic and common reasons that businesses decide to issue an RFP is simply that they need to find a vendor to meet an organizational need. Sometimes this is done because organizational policies or government regulations require it; other times it's simply because leaders determine an RFP is the best way to find the resources or expertise to meet a pressing need.

An RFP can be incredibly effective in finding the right vendor, as the process generally involves proposals from companies that are familiar to the organization as well as those that are unknown to it. This broad exposure often helps you find the right match, helping to ensure project success.

## **RFPs provide transparency and accountability**

Another reason that organizations decide to issue an RFP is because of the accountability and transparency that the process offers.

When done correctly, an RFP encourages fairness in the process of selecting vendors while providing important transparency about what vendor was selected and why. This can be an effective way to reduce issues associated with favoritism and corruption. Finally, it inherently offers needed accountability to those individuals tasked with selecting vendors while establishing practices of good governance.

## **RFPs help ensure project success**

A less common but equally important reason for issuing an RFP: the process of drafting and issuing the request can help you better understand your own project, including the components to complete it successfully.

Simply the act of drafting an RFP leads to a better understanding of what your specific needs are. This helps to ensure that these needs are met and that the project is successful.

## **Steps in the RFP process**

Once your organization has decided to issue an RFP, it's time to begin the multi-step RFP process. When putting together your own RFP or bidding on another organization's RFP, you'll hear a lot about "the RFP process".

Although every organization has their own method of doing things, you can typically expect that the RFP process will follow these four steps:



Let's look at each step.

## 1. Discovery

Before drafting a request, it's important to do some thorough internal planning to help make the process efficient and effective. The first step of the RFP process is to go through a discovery phase with key stakeholders. You're trying to discover three key things:

- **What would go into creating the RFP.** Establish project boundaries, develop a realistic timeline, and include an estimated budget.
- **Who will manage and execute the RFP process.** These individuals should have both the organizational knowledge and project-specific knowledge needed to draft a detailed RFP and to adequately evaluate submitted proposals.
- **What could be affected by the purchasing decision.** This one is more open-ended, but consider how the decision might affect ongoing projects, your organizational budget, and even your relationships with internal teams and other third-party vendors.

In this meeting, talk about broad business goals that could be met with this project and what your estimated budget would be. You will also need to decide on how you will evaluate different bidders and what categories are a top priority for your needs, such as [security](#), speed to implementation, project functionality, etc.

## 2. Draft and issue RFP

Next up is the actual drafting of the RFP. Drafting the RFP is the most important part of the process, as a well-drafted RFP is necessary to accurately describe the issues that need to be addressed. The more thorough the document is, the better, as this will enable prospective vendors to understand the problem more comprehensively while more effectively offering solutions.

Look at a variety of RFP samples to ensure everyone understands what the finished product will look like. Then, search out template ideas that can help you start drafting. The easiest way to start a strong draft? Choose a template foundation that includes most or all of the categories you want to cover in your document.

[Experts](#) assert that a well-drafted RFP should include:

- The purpose of the RFP
- A clear description of project goals and results
- A rubric or criteria that will be used to evaluate submitted proposals
- A “wish list.” Some experts argue that in addition to including the non-negotiable aspects of a project, it's helpful to include a list of things that your organization would like to see included in a proposal or throughout the project.
- A timeline for the project including a proposal deadline, an evaluation window, a selection date, a date to notify vendors that were not selected, and a completion date for the entire project.

To help guide your organization through the process, ensuring that all essential components are included, it can be helpful to start with an [RFP template](#). Further, there are a number of resources available to help make this process as easy as possible, including tips and advice on [how to write](#) an effective RFP and ways to more [effectively prepare](#) an RFP.

With the template and draft decided, develop the scoring criteria, which could be a rubric or scoring matrix. An easy way to do this is using a weighted number range between 1 and 10 that helps you quantify categories based on importance. For instance, this matrix could be as simple as three columns:

1. Requirements listed
2. Scores
3. Weight of the requirement

Using your chosen template, fill in the factual information first—like business or project history, budget, etc. Then add in the other more complex sections as you decide them. Have multiple team members working on and editing the draft together, ensuring that the wording makes sense and it is stated in the clearest way possible.

Set clear timelines and submission instructions, and then issue the RFP publicly. Be thoughtful and strategic about where to share the RFP based on the vendors with whom you want to connect. After determining what type of vendors you want to reach—based on industry, location, organization type, and other relevant factors—there are a number of resources, that can help to ensure that you share your RFP in such a way that you connect with the right vendors. (Most industries have one or several standard venues for posting an RFP.)

### 3. Score and shortlist proposals

As you receive responses, use your scoring matrix to begin evaluating vendors, eliminating those that don't meet your non-negotiables. Begin to identify strong points among vendors, and shortlist those that have the highest scores.

Be sure to clarify any questions that might come up from vendors during the submission window. Once the submission window closes, however, you do not need to respond to vendors until you've made your decision.

### 4. Select the winner and send the contract

Once the response window closes, compare your shortlisted vendors in order to make a decision. Check all their [contact references and reviews](#), ensuring that you see consistency between what they shared and what their other clients say. Reach out to vendors if you think additional meetings or materials will help in choosing.

Once you narrow it down to two or more leading bidders, negotiate between them, locking in a price and contract with your final choice.

In the end, take time to notify the non-winners and let them know why you decided not to go with their product or service.

## What should you include in an RFP?

Most RFP templates include similar categories of information, but some of these might change depending on the goals of a project or the needs of your company. [Some typical categories](#) to include in an RFP are:

1. Background information
2. Detailed description of the project
3. Specific requirements about preferred systems, tools, materials, or products
4. Project deadline along with explicit dates and milestones
5. Any questions you would like the potential vendors to answer or materials to submit
6. Evaluation criteria
7. Possible roadblocks
8. Guidelines for submitting the proposal

## 1. Background

In your introduction, include any background information regarding your company and its history that you feel might be important for potential contractors to understand, including:

- When the organization was founded and by whom
- Locations
- What types of services or products you offer
- What makes you different from your competitors

It's best to keep it short and sweet with the intention of giving vendors a general idea of who your company is and who you serve.

## 2. Project overview and goals

One of the most important parts of writing an RFP is the actual description of the project itself. Make this section highly detailed so vendors know exactly what you are looking for and if they can meet those needs. Remember—the more specific you can be, the better quality of your received bids.

You should include:

- All the business goals you expect to accomplish from the project
- An outline of any individual criteria or tasks that could be necessary

Be upfront with your budget so contractors can get an idea of what you are looking for, and outline what you would consider to be contract-winning services.

## 3. Scope of work

If you are looking for extremely specific systems, tools, materials, or products, you must include some type of checklist, so vendors know what you are hoping and expecting to receive.

The RFP is **your** document, so you can put in it exactly what you need.

## 4. Deadlines and milestones

By including a detailed timeframe in your RFP, you can automatically eliminate any vendor that can't meet those deadlines, saving you (and them) some major headaches along the way. Should you have some flexibility with your project, you can mention that in the proposal, stating that you are open for negotiation with the right candidate.

Having a mapped-out schedule of the project deadline and any necessary milestones ensures that the project moves along at the pace you are intending. It also reduces the chance of work not being completed. Vendors need to quickly know your requirements—so they can determine if they have the bandwidth and resources to get the project completed on time.

## 5. Questions or materials

This is a great section to include. Create a list of materials that you would like the potential vendor to supply, including things like:

- Their proposed cost of services
- Samples of past work
- Proof of technical skills to complete your project
- Proven success with other similar companies or projects.

You can also use this section to ask specific questions that you'd expect vendors to answer in their submitted RFP documents.

## 6. Evaluation criteria

In your discovery phase team meeting, you decided what criteria mattered most to your goals and project. By sharing this with your bidders, they will be able to understand exactly how they are being scored—and know ahead of time how they might fare.

If you decided to utilize weighted scoring, it will also be crucial to include this. For example, your weighted scoring might be:

- 30% of your decision is based on cost estimate
- 35% on technical requirements
- 10% on approach
- 15% on management
- 10% on [innovation](#)

## 7. Possible roadblocks

Just like you expect contractors to be upfront with you about their prices and abilities, you must also give them a heads-up should there be any roadblocks that could potentially delay things or even prevent certain vendors from being able to complete the project. This allows you to eliminate bidders that couldn't work and helps you determine what vendors have the necessary expertise to tackle potential challenges.

Although these roadblocks will vary greatly depending on industry and company, things like outdated plan forms, custom coding, and limited resources are just a few examples of what you—and your contracted vendor—might have to deal with.

## 8. Guidelines for submitting the proposal

This final section will tell candidates a lot of important details, like:

- Where they can access the RFP
- When the RFP can be accessed or downloaded it can be accessed
- How many copies they should include
- Who they should submit it to
- How it should be marked
- The final deadline for receiving RFPs

## Template for RFPs

Sourcing a template for your RFP doesn't have to be complicated—and neither does your actual RFP. This will certainly depend on what type of product or services you need.

This is a good basis for a general RFP template:



A Simple Request for Proposal (RFP) Template		
<b>RFP Name:</b> [Project name]	<b>Proposal due date:</b> [date]	[Company/Org. name]
<b>Project Overview</b> [This is short. Outline the key ask in 1-5 sentences.]		
<b>Project Goals</b> [Keep this simple and high-level.] <ul style="list-style-type: none"><li>• [Goal 1]</li><li>• [Goal 2]</li><li>• [Goal 3]</li><li>• ...</li></ul>		
<b>Scope of Work</b> [This expands the project overview and goal(s) with details.]		
<b>Possible Roadblocks</b> <ul style="list-style-type: none"><li>• [Roadblock 1]</li><li>• [Roadblock 2]</li><li>• [Roadblock 3]</li><li>• ...</li></ul>		
<b>Evaluation Criteria</b> <ul style="list-style-type: none"><li>• [Criteria 1]</li><li>• [Criteria 2]</li><li>• [Criteria 3]</li><li>• ...</li></ul>		
<b>Submission Requirements</b> <ul style="list-style-type: none"><li>• [Requirement 1]</li><li>• [Requirement 2]</li><li>• [Requirement 3]</li><li>• ...</li></ul>		
<b>Project due date:</b> [date entire project must be completed by]	<b>Estimated Budget:</b> [Amount]	
<b>RFP Contact information:</b> [RFP team lead name and contact details]		

## Vendors submitting RFPs

Best practices for vendors who submit RFPs include:

- Identify a team lead to own the RFP submission process
- Follow the directions as closely as possible

- Use your lessons learned from past RFP submissions—both those that were successful and those that didn't win
- Include examples of your previous work, like a resume or CV for your company
- Put your competitive knowledge to work, predicting what other vendors might bid in terms of cost, timeline, potential challenges, and more
- Highlight your past successes through stories and customer testimonials
- Develop an in-house RFP standard, especially if you answer RFPs frequently
- Don't wait till the last minute, as submitting RFPs has a way of becoming more complicated as you work on them

## RFPs for enterprises

While issuing an RFP can feel like an overwhelming process, the good news is that there are a [multitude of resources](#) to help guide you through it. Utilize those resources to help make the process as seamless as possible, ensuring project success.

## Additional resources

For more on business best practices, explore the [BMC Business of IT Blog](#) and check out these articles:

- [What is an IT Vendor Management Office \(VMO\)?](#)
- [How To Build Your ITSM Business Case \(Free Template Included\)](#)
- [The State of ITSM in 2020](#)
- [Cost Management Guide](#)