

conferences help ensure that everyone has a clear, common understanding of the buyer's desired products or services. In some cases, the bidders' conference might be held online via a Webcast or using other communications technology. Buyers will also post procurement information on a Web site and post answers to frequently asked questions. Before, during, or after the bidders' conference, the buyer may incorporate responses to questions into the procurement documents as amendments.

Once buyers receive proposals or bids, they can select a supplier or decide to cancel the procurement. Selecting suppliers or sellers, often called *source selection*, involves evaluating proposals or bids from sellers, choosing the best one, negotiating the contract, and awarding the contract. It can be a long, tedious process, especially for large procurements. Several stakeholders in the procurement process should be involved in selecting the best supplier for the project. Often teams of people are responsible for evaluating various sections of the proposals. There might be a technical team, a management team, and a cost team to focus on each of those major areas. Buyers typically develop a short list of the top three to five suppliers to reduce the work involved in selecting a source.

Experts in source selection highly recommend that buyers use formal proposal evaluation sheets during source selection. Figure 12-5 provides a sample proposal evaluation sheet that the project team might use to help create a short list of the best three to five proposals. Notice that this example is a form of a weighted scoring model as described in Chapter 4, Project Integration Management. The score for a criterion would be calculated by multiplying the weight of that criterion by the rating for that proposal. Adding up the scores would provide the total weighted score for each proposal. The proposals with the highest weighted scores should be included in the short list of possible sellers. Experts also recommend that technical criteria should not be given more weight than management or cost criteria. Many organizations have suffered the consequences of paying too much attention to the technical aspects of proposals. For example, the project might cost much more than expected or take longer to complete because the source selection team focused only on technical aspects of proposals. Paying too much attention to technical aspects of proposals is especially likely to occur on information technology projects. However, it is often the supplier's management team—not the technical team—that makes procurement successful.

|                     |        | Proposal 1 |       | Proposal 2 |       | Proposal 3, etc. |       |
|---------------------|--------|------------|-------|------------|-------|------------------|-------|
| Criteria            | Weight | Rating     | Score | Rating     | Score | Rating           | Score |
| Technical approach  | 30%    |            |       |            |       |                  |       |
| Management approach | 30%    |            |       |            |       |                  |       |
| Past performance    | 20%    |            |       |            |       |                  |       |
| Price               | 20%    |            |       |            |       |                  |       |
| Total score         | 100%   |            |       |            |       |                  |       |

FIGURE 12-5 Sample proposal evaluation sheet