

Writing an Effective Request for Proposal (1998)

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What is an RFP?

With the responsibility of running a department comes the responsibility of budgeting and purchasing the best equipment. After an organization identifies specifications required for a system or piece of equipment, the next step is creating a request for proposal (RFP). An RFP is an effective way for the buyer to obtain answers about a vendor's system or piece of equipment, including what it will do and how it will benefit the organization's work. Distributed to potential vendors in order to gather these answers, an RFP also is used as a guide for the vendors who are bidding for the organization's business. It is also useful as an aide in the buyer's decision making. Though the format of an RFP can differ from organization to organization, it usually consists of the same content. Whether the RFP is in outline, table, or report form, these are some of the sections that should be included in any RFP:

Cover letter: This letter should include -- at a minimum -- a statement that the organization is intending to purchase a system or piece of equipment. (Note that since the RFP is a tool ultimately used to choose a vendor's product, the statement should not say that the organization is intending to purchase any particular vendor's product.) The letter may also contain any organizational information, such as type of facility, size, annual revenues, growth pattern, expected future growth, mission, purpose, etc. In addition, instructions to the vendor may also be included in the letter.

Response date: The organization issuing the RFP needs to communicate a deadline for vendor response. It is also common to include a statement informing the vendor that their company will no longer be considered after a given date.

Number of copies: Since an organization typically has a team of people working on the project for which the RFP is required, specify how many copies of the vendor's response are needed. Multiple copies will simply make the review process easier for the organization.

Deadlines: Keep the deadlines for the project realistic. Offer the vendor timelines that are flexible, but will enable the organization to meet its goals for project implementation and completion. Informing the vendor of the organization's desired timelines will better enable them to offer the most accurate feedback and pricing information. This section should also notify the vendors as to the organization's deadline for its evaluation of all the RFPs.

Organization contacts: During the proposal development period, several questions or issues may arise that need clarification prior to proposal submission. The vendor should be given a contact name. This will allow the bidding process to move more smoothly. The contact should be the same on all RFPs that go out on a particular project, and he or she will ensure that vendors receive consistent answers. Offering an initial line of communication also acknowledges the organization's willingness to act as a partner throughout the project.

Formal vendor presentations: The RFP should include a section informing the vendor that the organization may require a formal presentation or demonstration of the vendor's product(s). This section may be worded in a way that allows the organization to receive presentations prior to any internal evaluation process or only after RFP evaluation, when the list of potential vendors has been narrowed. The presentation or demonstration section should state exactly what the organization expects to view or hear. A statement notifying the vendors of their responsibilities for any expenses associated with the presentation or demonstration also should be included.

Software specifications: This section is one of the most important to the RFP. Its purpose is to let the vendor know what the

organization will actually require of the system or equipment. This requires the organization to identify its list of "must haves" and "would like to haves." It should also specify any and all uses it wants from the product. The following are sample questions that should be included in this section. They are important as they enable the vendor to communicate the following information to the organization:

- Are all the necessary applications included?
- Are all the applications products of the vendor?
- Can the applications be integrated with the organization's current software?
- Are the applications updated? How often? Is application support available?

Hardware specifications: This section is also important to the RFP. Its purpose is to offer the vendor a guide that shows the organization exactly what hardware will be required to run the system or equipment. The following are sample questions that should be included in this section. They enable the vendor to communicate the following information to the organization:

- Is the organization's current hardware adequate?
- Does the vendor include hardware in their pricing?
- Does all hardware need to be replaced?
- Can the hardware share applications with those applications already used within the organization?
- Will the vendor survey the organization's location and plan the site?
- Are there any space requirements the organization needs to accommodate?
- Will the vendor install hardware and test it on site?
- Will the vendor assist in converting from the present method?
- Can the vendor provide programming support if required?

Warranties: The RFP should outline the organization's expectations of warranties. The organization may outline the exact terms it requires, or simply state a request and negotiate later.

Product maintenance: The RFP should outline the organization's maintenance expectations. The vendor should use this section to outline maintenance plans and options that are available to the organization. Both sides may also wish to negotiate this section once further evaluation of the RFP is completed.

Training and support: The organization should require the vendor to outline training and support policies and procedures. The vendor may have specific training and support plans that apply to the products. All training and support that is included should be mapped out by the vendor, as well as any additional training and support that may need to be purchased separately. The organization should also request that the vendor outline any time frames regarding the training and support. All additional expenses incurred due to travel should be outlined and the responsible party should be identified.

References: The RFP should request a list of references from the potential vendor. The references should list similar clients and projects. Reference checking can be conducted before, in conjunction with, or after the evaluation process. The list should include:

- client organization
- location
- facility size
- phone number
- contact person
- project completion date

Quote/cost: This section should be as specific as possible. The organization may request the format in which it would like to see the pricing information. The RFP may specify that the organization wants to see the costs outlined in more than one format with different components. For example, one format may include a software and hardware cost quote versus a software-only cost quote. This section may require input from other departments in your organization, such as purchasing or the business office. The RFP also should request information on additional costs and an estimate of these costs.

Evaluation of proposals: This section of the RFP should explain to potential vendors the criteria that will be used in the organization's evaluation process. Typical criteria that should be included:

- Vendor's previous experience with similar projects
- Firm understanding of purpose, expectations, and complexities of the project
- Professional staff expertise
- Total estimated project costs
- Compliance with the RFP requirements
- Quality and completeness of work and plan

Writing an RFP does not need to be a difficult process. However, the process does need to be completed in a manner that will benefit the organization. Since the RFP will be the most effective tool for the organization to base its decisions upon, the time spent creating the RFP should be considered valuable to the project.

References

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