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Interesting Examples of Evaluation Criteria and Scoring

Introduction

These examples were pulled from both public sector and K-12 organizations, and they represent a variety of operations in type, size and complexity. Regardless of how the bid documents were titled—as a request for proposal (RFP) or a request for qualifications (RFQ)—the services requested were for a combination of insurance placements and risk management consulting services. Some were narrow in scope; others were quite broad, and included expanded services such as contract review, advice on self-insurance allocations and risk management advice in addition to insurance placements. The specific details about services should be described in the body of the RFP or RFQ; the scoring will reference back to that detailed description.

These excerpts were taken directly from RFP and RFQ documents; the author's notes highlight unique features and key elements for consideration. As you review each example, consider how the evaluation criteria illuminate what is most important to each buyer.

Key Takeaways and Highlights

- » **Evaluation criteria demonstrate your priorities.** The descriptions of criteria and the weights of percentages or points articulate what is most important to your organization. Examples #1 and #5 demonstrate the prioritization of qualifications, experience and technical expertise.
- » **The clearer you state what you want, the more likely you will receive responsive bids.** Example #4 does the best job of describing expectations for each category of criteria.
- » **One key consideration is how to handle the evaluation of cost.** Example #3 outlines a scoring matrix, Example #2 relies upon negotiations after the bid has been awarded, and Example #1 excludes the consideration of pricing from the bid evaluation process. Full and transparent disclosure of all fees and commissions is a best practice regardless of the evaluation method chosen.
- » **If you anticipate conducting oral interviews, how will you incorporate that into the evaluation process?** Example #2 outlines a two-phase process to qualify respondents for oral interviews, and Example #6 describes scoring criteria for oral interviews.
- » **Evaluation criteria can articulate specific organizational goals and priorities.** Example #3 awards 15% of the score for participation in the organization's supplier diversity outreach program, and Example #6 awards 5% if the respondent's business is local.

Evaluation criteria
illustrate your
organization's priorities.

Example #1

An RFQ for Broker Services

In this example, taken from an RFQ for property and casualty insurance brokerage services for a city, pricing is not included in the bid review process. The RFQ states the expectation that brokerage fees and commissions will be borne by the insurance provider, and any additional brokerage fees or fee-supported services must be outlined through an addendum. The emphasis on qualifications in this RFQ is evident through the scoring mechanism; 90% of the score is derived from service ability, experience and qualifications.

All proposals that meet the minimum requirements will undergo an evaluation process conducted by a selection committee and will be evaluated according but not limited to the following criteria.

50%

The brokerage firm's ability to provide a level of service sufficient to meet the city's needs, as stated in the RFQ response to the scope of work and the broker proposal questionnaire. .

20%

Extent and success of previous work your firm has provided to organizations similar in nature and size to entity.

20%

Qualifications/experience of key personnel to be assigned to the project.

10%

Adherence to the RFQ requirements, including completion of all required forms, provisions of all requested information and adequacy of responses. The proposal itself is an example of your firm's work product.

Author's note: Be sure to require full disclosure of all fees and commissions earned on your insurance placements. Commission payments are not standard across the industry, and additional commissions may be collected from wholesale placements or supplemental commissions.

Example #2

An RFP for Risk Management Consulting Services That Includes Brokerage

This example is from a large county with a sophisticated purchasing department; the RFP contained 32 pages of terms, conditions and requirements. The bid document outlines an expectation of pricing within a certain range, to be negotiated upon contract approval, with options for increases in accordance with changes in the consumer price index.

Proposals are reviewed in two phases. The first phase will identify a shortlist of qualified contractors based on the following prioritized criteria.

- » Experience and technical competence of the firm in performing similar services
- » Qualifications and technical competence of the personnel assigned to provide services under this contract based on individual resumes, which shall list only relevant experience
- » Depth and breadth of experience of the firm, and the assigned personnel in providing similar services to government clients
- » Demonstrated understanding of public entity insurance based on examples or descriptions of projects completed for similar size and type of clients
- » A statement detailing the contractor's ability to respond to the requested services and how these services will be delivered
- » Price

The second phase includes presentations and oral interviews.

Author's note: Many (if not most) bid processes for broker services include an oral interview component. Often, the final score (or evaluation of competitive bids) incorporates oral interview performance. This example illustrates how to qualify a shortlist (usually two or three respondents) for those interviews. No criteria were listed for interview evaluations.

Stating a potential range of pricing is a tool used by the purchasing department to manage respondents' revenue expectations. That makes it extremely important to clarify the services needed so respondents can judge the amount of time and effort expected, and set an appropriate fee. Underpaying for brokerage services may reduce one budget line item but result in increasing other costs if needed services are not provided.

Example #3

An RFP for Risk Management and Insurance Broker Services

In an RFP example from a large public school district, proposals were scored by an evaluation committee only after the proposals were deemed to meet the eligibility and indemnification requirements. This bid included a matrix for how the cost of services would be scored. The qualified proposals were scored by each person on the committee; the highest average score was deemed the winner.

CATEGORY	MAXIMUM POINTS
Experience and qualifications	30
Scope of services	35
Cost of services (see pricing matrix)	20
Supplier diversity outreach program	15

PRICING MATRIX

Respondents priced their cost of services based on insurance costs given in the RFP. The lowest-priced bid received 20 points. All other bids were scored by deducting the percentage difference in price against 20 points (e.g., if the price were 10% higher, that bid's score would be 10% less than 20 points).

Author's note: The evaluation criteria of this bid make it clear that the engagement of diverse businesses in servicing this district is almost as important as price. This is a requirement that is important to diversity and inclusion efforts across the country; it has increased in recent years and is likely to continue.

Example #4

An RFP for Broker Services

The evaluation criteria in this bid from a public school district include two unusual components: evaluation of the stability of the brokerage firm and reference checks for all respondents

25%	Scope of Services Respondents will be evaluated based upon insurance market knowledge and access to the marketplace, potential strategy and plans regarding the marketing process, ability to service the district's risk management needs, and technical capabilities.
10%	Qualifications of the Brokerage Firm Respondents will be evaluated based on brokerage firm's experience with risk financing for school districts of similar size and complexity, with an emphasis on cost-saving, innovative approaches. The volume of K-12 school placements; experience with large, self-insured retentions; and other alternative risk financing mechanisms will be considered.
20%	Qualifications of the Assigned Service Team The specific team members who will service this account are expected to have experience working with public school districts of similar size and complexity. The number of employees assigned to this account, their workload and technical expertise, and communication and response protocols will also factor into this evaluation.
10%	Stability of the Brokerage Firm The management and financial stability of the firm will be evaluated.
25%	Compensation Amount and Terms The preference for commissions or fees must be stated clearly. Payment terms must be amenable to both parties. Respondents must agree to disclose all fees and commissions (including supplemental and contingent commissions) that may be associated with school district placements.
10%	References Preference will be given to similar sized districts.

Author's note: These evaluation criteria nicely outline the district's desires and expectations, and will help respondents focus on what is most important to the district.

Most bids incorporate reference checks after the bidder with the top score has been determined. In this case, if many bid responses are received, this commits school district staff to lots of reference checking.

Example #5

An RFP for Broker Services

This RFP example is from a public utility district. This entity specifically listed response time and claims control experience as priorities under general qualifications, and is seeking demonstration of independence and lack of conflict of interest in relation to insurers.

General Qualifications: 20%

- » Management plan
- » Capabilities of firm
- » Response time
- » Claims control experience

Technical Qualifications and Experience: 70%

- » Client list and client references
- » Equivalent projects and services
- » Key personnel qualifications and relevant experience
- » Demonstrated independence and lack of potential conflicts of interest relative to insurers

Compensation: 10%

- » Proposed rate schedule and structure
- » Other compensation handling
- » Transparency protocols for compensation disclosure

Author's note: The percentage weights of these criteria favor technical qualifications and experience over all other considerations. This is most likely influenced by the entity's complex, technical coverage needs.

Example #6

An RFP for Broker Services

In this RFP from a water district, an evaluation committee reviewed all written proposals and participated in oral interviews, and the oral interview counts for 50% of the total score. The proposal evaluation criteria include a percentage advantage for local businesses; the oral interview evaluation criteria include a ranking for the quality of presentation, as well as experience, project approach and client references.

PROPOSAL EVALUATION CRITERIA	BASIS OF EVALUATION RATED UP TO 10 POINTS EACH	SCORE
Adheres to RFP requirements	Sections 3.1, 3.2, 3.3, 3.4	2.5%
Company background information	Section 3.2.2	.5%
Firm qualifications, expertise and experience	Section 3.2.3	9%
Project team qualifications and expertise	Section 3.2.4	16%
Technical approach/work plan	Section 3.2.5	12%
Local business enterprise consideration	Section 3.3.5	5%
Cost proposal	Section 3.4	5%
Total		50.00%

ORAL INTERVIEW EVALUATION CRITERIA	BASIS OF EVALUATION	SCORE
Client references	Section 3.2.6	5%
Project understanding, plan and approach	Section 3.6.1	15%
Project team experience	Section 3.6.2	20%
Quality of presentation	Section 3.6.3	10%
Total		50.00%

Author's note: The section references in this chart would be very helpful to respondents, especially since there are so many specific criteria included in the evaluation process. It is also helpful to have specific criteria listed for the oral interview process. However, including so many criteria with such small percentages will make this scoring process cumbersome.



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