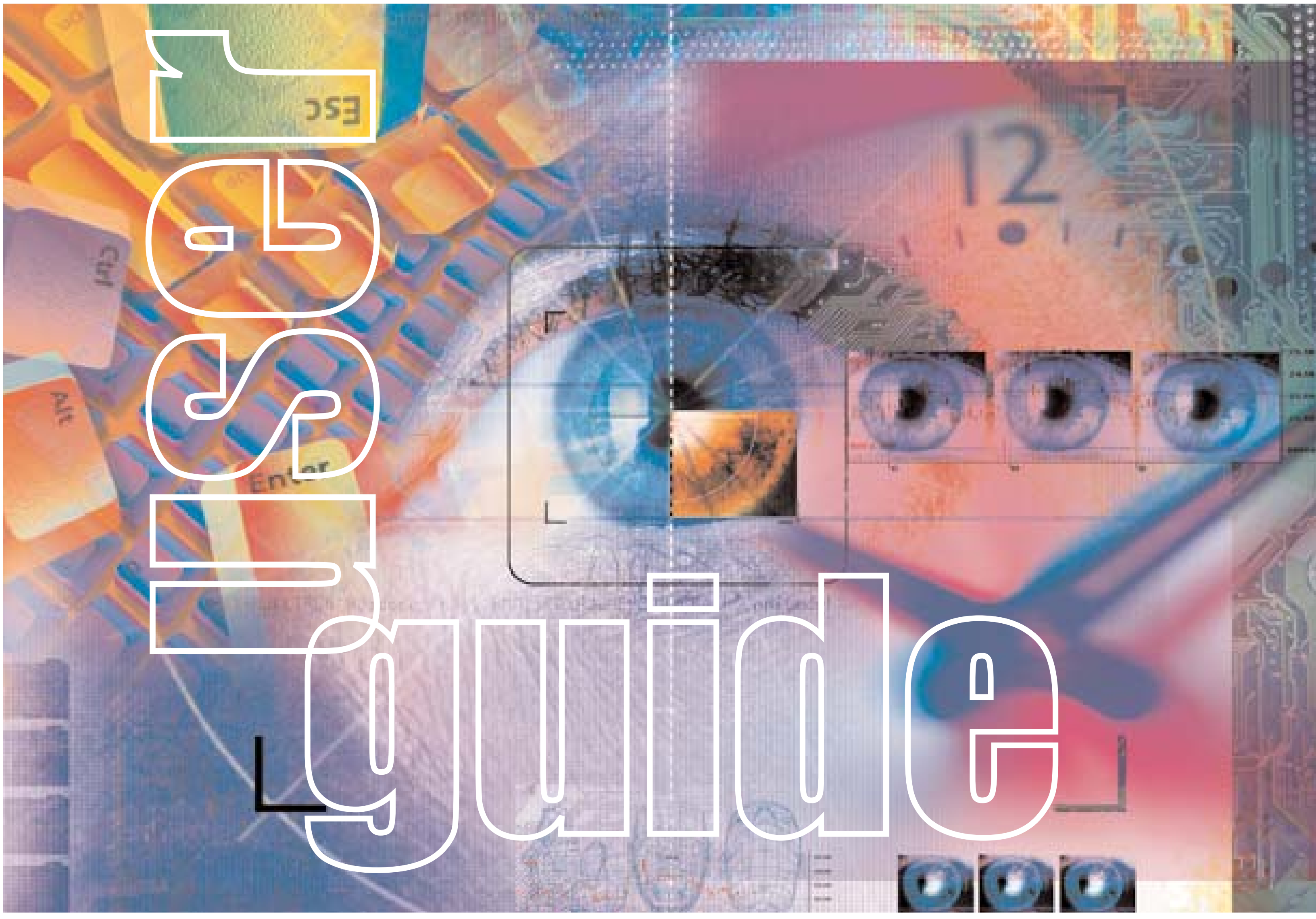
AIIM *User Guide*

RFP Guidelines for an Enterprise Content Management System



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for aiim

The Enterprise Content Management Association

RFP Guidelines for an Enterprise Content Management System

An AIIM User Guide
By Bud Porter-Roth

This is one in a series of User Guides from AIIM International. They are intended to educate and inform readers on a variety of enterprise content management topics.

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RFP Guidelines for an Enterprise Content Management System

Enterprise content management systems can range from simple scan, store, and retrieve systems to complex highly integrated systems that manage documents, records, and other data types throughout the corporation. AIIM defines enterprise content management (ECM) as "…the technologies used to capture, manage, store, preserve, and deliver content across the enterprise in support of business processes." ECM systems are used around the world and across commercial industry, federal and state governments, and county and city governments.

Driving the ECM industry is the overwhelming need to control, manage, collect, consolidate, and maintain business records—be they paper, word processor files, data elements in a database, email, or the ephemeral content of a catalogue Web page. Not only is the world's usage of records and information growing, but our need to control and make these records available is also growing. Instant and accurate data is the lingua franca among buyers/vendors, buyers/customers, and governments/citizens.

Pushing this industry along, as if adding an explanation point to the whole industry, is legislation that requires companies to be able to maintain corporate records according to government policies and requirements. Legislation is driving many companies to adopt their initial records management policies and ECM systems. Legislation is also driving companies with existing systems and solid record keeping policies to re-examine everything from the ground up: re-emphasizing the need for records management at all levels of the corporation.

This user guide is about how the buyer assembles the requirements for an ECM system into a formal request for proposal (RFP). An RFP is a document that defines a business problem or need and provides enough information to allow potential vendors to propose a solution. Sent to potential vendors, the RFP seeks to establish a competitive environment that allows the buyer to select the best solution at the best price. The winning proposal becomes the foundation for the contract, which defines project tasks and performance goals.

The RFP and proposal form a contractual bond between the buyer and vendor. The contract provides both buyer and vendor a common agreed-upon vehicle from which the project can move forward. The contract provides both parties with an understanding of the performance measurements, key project milestones, payment options, and a means for settling contract disputes should they arise.

RFPs are used to purchase ECM systems when:

- Multiple vendors can provide a solution
- Not all requirements and specifications are available
- The project requires different skills, expertise, and technical capabilities from vendors
- Pricing is negotiated with the vendor based on final schedules, products, implementation, training, etc.
- System functionality is more important than price

When a buyer writes an RFP, the buyer may be purchasing technology for which he or she is not familiar and may not understand all of the requirements and implementation issues associated with the technology. The vendor, on the other hand, may be aware that not all requirements are correctly stated and that additional work may be needed in order to adequately define the intended application. The RFP provides a common ground for both parties to understand the project needs, agree on a solution, and form a partnership to complete the project.

To this end, the RFP may be considered a "starting place" for the project. Vendors may ask questions about any of the RFP requirements and may challenge some of the requirements as not possible with currently available technologies. These questions may cause you to change the RFP requirements or to adjust the project timeline to be in line with vendor feedback. On the other hand, during evaluation of proposals, you may question statements in vendors' proposals and request they reevaluate their position. The final RFP and final winning proposal will typically be different from the original documents.

The RFP process can be time consuming, costly, and may not always produce the required results even after extensive vendor evaluations, demonstrations, reference checks, and modification to both the RFP and proposal. The reasons for a failed project are many and varied, but having the original RFP and the original proposal allows both buyer and vendor to review the documentation trail and determine where the project went astray. Without this type of documentation as an audit trail, it would be nearly impossible to understand what happened and why. *Because ECM systems can be complex projects, it is suggested that an RFP always be used when contemplating the purchase of a system.*

RFP Planning and Development

An ECM RFP can be a significant undertaking that may require resources from different departments. As the purpose of an ECM system is to manage content across the enterprise, the data may originate in one department but be used by many departments, including the corporate intranet and Internet. Writing an ECM RFP requires the participation of departments that are responsible for the original data or work, support departments such as IT, and key stakeholders that have corporate budget responsibility.

An RFP will typically begin when a need is identified within a department or the corporation (or a government agency). For example, the Information Management (IM) department may determine that information presented on the corporate website is often out-of-date, which could make the corporation liable for the misinformation. In addition, the IM department may determine that corporate website pages are not being archived according to the records retention schedule. Based on the initial need identification, the IM department would begin to further study and identify where the problem originates, what departments share responsibility, and what the risks involved with outdated documents and potential solutions might be. The following steps outline the basic tasks that lead to writing an RFP.

Initial Need Identification

When a problem or need is identified, the first step is to do a preliminary analysis and determine whether this need is sufficiently credible to warrant further examination. The initial study may be done by the department that originally discovered the need, such as the IM department in the above example. The study may be a high-level review of the need that lists the basic issues, what risks are involved by not taking further action, what benefits may be gained as a result of solving the need, and what resources will be needed to move forward. The result of this task is to more formally identify the need and provide enough information to either proceed with the next steps, suggest alternate means of solving the problem, or to recommend that the team stop any additional work.

If the project is approved, the next step is to identify resources and form an RFP project team. The team is responsible for further detailed analysis, identification of vendors, writing the RFP, and evaluating proposals.

Formalize the RFP Team

If the initial analysis determines that a real need exists, the next step is to gather a team of subject matter experts and technical resources. RFPs are a group effort. While each RFP team will be different, according to the need being reviewed, the basic team consists of the following:

- **Business Operations.** Operations is the department that conducts the business for which a technology will apply and may be the sponsoring department for the RFP. (Operations may be HR, loan servicing, accounting, or corporate communications, for example.) Operations staff understands the basic day-to-day work of the department, knows how they use information, and what the current problems are in a business process. In planning for a new technology or system, operations is the group that determines what work steps the new system should provide, how the information will be presented, and how a new system would improve upon old work methods. Business operations typically provide the following information:
  - Define the current work process
  - Develop the product's functional requirements
  - Show data flows into and out of the department
  - Operational problems that limit the current department functions
  - Operational processes that may not be changed (usually guided by state or federal laws)
  - Operational processes that can be changed or eliminated
  - Analysis of work volume and throughput requirements
  - Description of internal resources required (mainframe access)
  - Description of external resources required (regular outsourcing of work to a specialized company)
- **Information Technology (IT).** IT may be responsible for a variety of functions, and may also be the originating department for the need. IT is generally responsible for providing project management support for the RFP project and may provide consulting resources for the technical analysis of the issue being studied. In terms of contributing to the RFP, IT is responsible for such areas as:
  - Development of RFP technical requirements (based on the functional work description supplied by the operations staff)

- A complete description of the current technical environment
- Description of any technologies with which the new system must co-exist or communicate
- Gathering standards for the RFP, such as the communication's network, the GUI/workstation interface, programming and development standards
- Identification of potential technologies for the project
- Technical qualification of potential vendors
- Development of RFP project requirements

- **Purchasing/Procurement.** The third group in the planning process is the purchasing department. Purchasing is normally associated with post-RFP work such as negotiating contracts and developing payment schedules. However, purchasing can and should provide a valuable service during the planning of the system.
  - Developing and maintaining a list of potential vendors
  - Developing and maintaining an estimated pricing list for budget development and providing financial analysis of vendors and their pricing
  - Participating with IT and business operations in the project cost justification by providing financial data and support
  - Developing basic purchase agreements and additional amendments for the project
  - Formalizing the RFP for vendors (the requirements and responsibilities) with IT and business operations
  - Participating in contract negotiations with selected vendors
  - Managing the on-going contract after award

  There may be other business units that participate, depending on the project. For example, the Information Management (IM) department may be asked to consult on the records retention guidelines and policies for a project, Legal may be asked to review and provide an opinion on some aspect of the project, and HR may be asked to provide input on the potential issues with layoffs, outsourcing, or reassignments.

- **Product/Systems Education.** If the decision is to move forward with writing an RFP, the "team" may need to become educated on the various types of technologies that can potentially resolve the problem. As a first step, the team identifies potential vendors and begins inviting them to give presentations and demonstrations. The team may also attend industry conferences, participate in user groups, hire consultants to give presentations, and visit other companies using the technology.

  As part of the education process, the team may also decide to benchmark the issue in question with other companies. A benchmark study helps the team decide what other companies have implemented, what problems they experienced, and whether the application of a technology solution was successful. Benchmarking is a very useful tool when contemplating an ECM system and helps the team establish guidelines and boundaries for the project in addition to gaining further insight into the vendor community.

  Education is imperative to understanding the problem and how technology can or cannot resolve it. Without adequate education, the team may consider technologies that are not adequate, which results in eventual project failure.

  Educating the team is also necessary to properly identify which vendors receive the RFP.

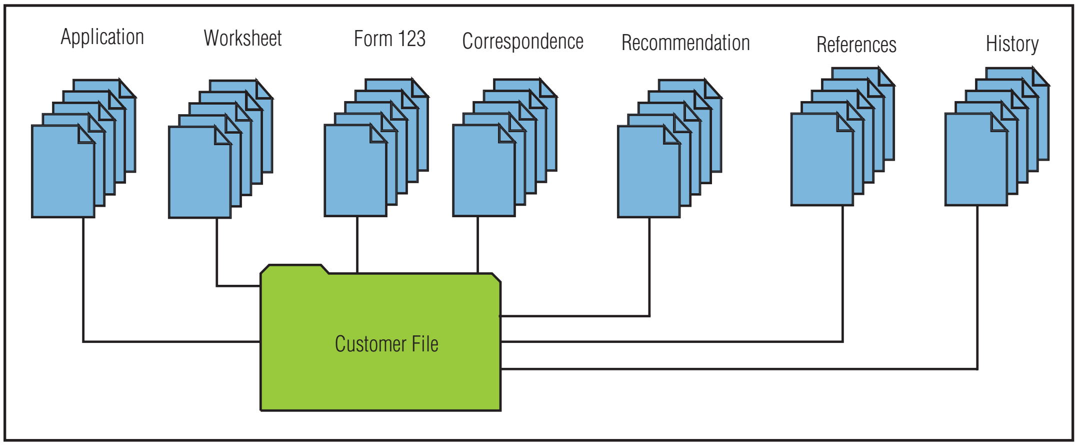
- **Business Process Analysis.** The first step in identifying the business problem/need is to perform an analysis of the business process. This analysis can take many different forms depending on the project, but generally the analysis will be focused on the documents or business content (electronic, paper, data, etc.) and how they are used to perform the needed business operation. If we revisit the original example of outdated corporate Web content causing customers to view potentially obsolete material, the business process analysis begins with understanding how and where the original data was created, how it is updated, and how the updated data is distributed. For example, new data may be pushed to the content manager, or pulled, or it may automatically update a Web page.

  The analysis then proceeds in documenting what other departments use the data and how staff receive and distribute it to still other areas of the company. Included in the analysis are the functional needs for the data, such as converting Microsoft Word files to Adobe's portable document format (PDF) or converting data files to XML and assigning metatags or indexing information to the data.

  Once the "current work process" is documented, a baseline of information is created that can be used to develop the functional requirements for the RFP. *In other words, we have to completely document the current process(es) before we begin to reengineer them using new technology and processes.* The results of this study are then included in a written report documenting the process that may include tables of document types and volumes, workflow diagrams, and a collection of physical documents that are used in support of the work.

The illustration below is an example of a diagram used to illustrate how a customer folder is organized. This would be used in the RFP.

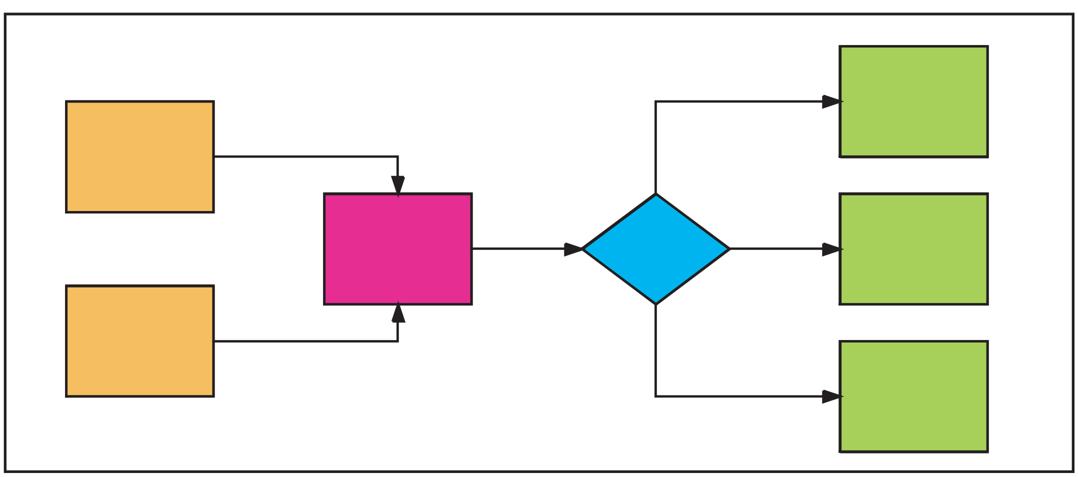
The table below is an example of the type of data needed to quantify the volume of work processed in a business operation and used in the RFP to provide the total number of documents used in an application. This is only an example as there could also be columns for indexing requirements, processing time limits, etc.



The workflow diagram below is an example of a process flow that can be developed to show vendors the details of a work process. Vendors use this process flow to evaluate how they are able to reengineer the process using their application software.

Item	Document Name	Type	Quantity	No. of Pages	Condition
1	Application form	Paper	500,000	1,500,000	Well worn
2	Contract	Paper	500,000	2,500,000	Excellent
3	Application Notes	Word	500,000	500,000	Electronic
4	Credit check	Fax	250,000	400,000	Good

- **Requirements Development.** Once a baseline is created, the next step is to review what changes can be made to automate a manual process or what changes can make a process more efficient through reengineering. Requirements define how a system or product operates to fulfill expectations. For example, an ECM system requirement may “allow for the manual addition of indexing data” or “automatically convert on-line MS Word documents to PDF format for viewing by a user.”



Requirements development is the listing of system attributes based on functional work requirements. In the PDF example above, the current system may require a person to manually convert all MS Word files to PDF, manually index or assign metatags, and manually upload it to the corporate Intranet. The RFP team understands that technology exists that can do this work automatically and makes this automatic conversion and indexing work a requirement in the RFP.

As a general rule, requirements should remain, as much as possible, functionally stated and should not “mandate” a solution to the vendor. For example, the functional need is to present website information to the viewer in a form other than Microsoft Word. The RFP should not dictate that PDF be used but allow the vendors to select the best technology to fit the need. One vendor may propose PDF while another proposes conversion to HTML. Either format may be acceptable for this particular project. By specifying the solution in the RFP (for example, PDF format), you will lose vendors that may have other acceptable solutions.

Managing the RFP

As with any project, an RFP needs to managed. The RFP is a project by itself and should have a project manager, plan, and schedule. The RFP manager will also need to acquire the facilities, resources, and people needed to successfully complete the RFP. An ECM RFP team would typically be comprised of the following:

- **Users (departmental).** Users are the people that work with the data in a business application. Users can be customer service representatives (CSRs) that process claims or respond to customer requests, HR personnel who are responsible for posting corporate policies, or accounting personnel who process invoices. These are the people that use the needed data for their daily work and who understand how their individual business process works. Users may be responsible for initiating the project—i.e., Accounts Payable may want to automate the AP process by capturing shipment data at the warehouse door, posting that data to a vendor accessible area on an extranet, and allowing vendors to link to a payment system.
- **Information Technology (IT).** IT will typically support a user-initiated RFP process and may initiate an RFP within their own department. When IT supports a user RFP, such as the AP automation process mentioned above, IT may provide the project management expertise, help map the current process by serving as in-house workflow consultants, and provide parts of the RFP requirements that a user may not have the technical capability to provide, such as the development and testing program requirements.
- **Purchasing.** Purchasing plays a direct role in any RFP that is being written. Purchasing may be able to identify the appropriate vendors for the project, may be able to provide financial reviews (such as a D&B report) of the vendors that are on the short list (the final two or three vendors), and would either handle or help in the negotiations and contract signing when a vendor has been selected.

The RFP project manager may also enlist the services of Legal to review a vendor's purchasing agreement, Human Resources to determine the impact of a workforce reduction as part of the project, or request the services of an outside consulting firm to provide technical support for evaluating responses.

The typical ECM RFP requires additional project resources and more extensive planning because it involves different business units and approvals from many different corporate stakeholders. It is the responsibility of the RFP project manager to secure the necessary resources and people to complete the RFP. It should be remembered that an RFP can take as many as six calendar months (or more) to complete, and the team is required to participate at varying levels over that time period.

RFP Organization

Instituting a logical organizational process that vendors can easily follow is one of the keys to success when planning an RFP. Below is a suggested outline that covers the basic sections of an RFP. This suggested outline may be modified to fit your particular project. For example, you may add a section called "Contractual Information and Response" if your contractual requirements are particularly complex, and you want to ensure that vendors respond directly to your contractual needs. If your company is particularly security-conscious, you may separate the security section from the technical requirements and make it a separate section that vendors need to address in their proposals.

While an RFP can be assembled in many different ways, the following is a suggested outline for the major RFP sections:

1. **Cover Letter**
2. **Administrative Section**
3. **Technical Section (system requirements)**
4. **Management Section (project management requirements)**
5. **Pricing Section**
6. **Contracts Section**
7. **Appendices**

These sections are reviewed below.

Cover Letter

The cover letter is an important first page to your RFP. The cover letter introduces the RFP project and provides some of the most vital dates. The cover letter may also include anything special about the RFP that should be noted by the vendors.

Special dates often include:

- Proposal due date and time
- Bidder's Conference
- Bidder's Intent to Respond form due date

Special notices and comments include such items as:

- Brief introduction and description of the project
- Bidder's conference is mandatory
- Information in the RFP is highly confidential and bidders may not share the RFP
- Who to contact about the RFP

- Warning that vendors may not contact other people on the RFP team

The cover letter reinforces information that is found in the administrative requirements or other places in the RFP. Information in the cover letter can help vendors determine quickly what the RFP is about, who should receive the RFP and be responsible for the proposal, and which are important dates. Below is an example of a cover letter.

> Vendors:
>
> The ACME Corporation is seeking a vendor who will provide a comprehensive packaged solution for our ECM needs. ACME requires a system or systems to manage electronic data in a variety of formats at a variety of locations. The system must be flexible in regards to ease of use for authorized users, system administration, integration with existing systems, changes in business rules, and routing of information to people inside and outside the department.
>
> The attached RFP contains all instructions, requirements, and relevant dates for submitting your proposal. After your initial review, please sign and return your intent to bid form. If not returned, you may be disqualified from further participation. This RFP also requires that finalists will be required to provide a demonstration of their system. Failure to participate in the demonstration will eliminate you from further participation.
>
> Key RFP dates are:
>
> July 30, 200X – Proposals are due by 4:00 P.M.
> July 15, 200X – Final questions are due
> June 15, 200X – Bidder's Conference
> June 10, 200X – Return Intent to Bid form
>
> Please review the Administrative Section of this RFP for full details concerning all submission requirements for this RFP. All contact with ACME must be through:
>
> Mike Smith
> RFP Team Leader
> msmith@acme.com
> 415-555-1212

Example Cover Letter

The cover letter may also contain instructions to the vendors that they must return the "Intent to Bid" form or a Non-disclosure Agreement (NDA) prior to receiving the RFP itself. In some cases, the RFP may contain highly confidential and proprietary data, and you do not want to release it to the general vendor community.

Administrative Section

The administrative requirements section allows you to establish the rules and set the requirements for responding to the RFP. The administrative section is an important section for the RFP because it allows you to establish how vendors will contact you, how they will format their proposals, what rules must be adhered to during the RFP competition, and other important items that you want to specify. Some typical items in the administrative section include:

- Introduction (basic overview of the RFP)
- Schedule of events
- Contact names and addresses
- How questions will be handled
- Information about the bidder's conference
- Information about oral presentation and demonstrations
- How proposals will be evaluated
- The required format for vendor proposals
- General proposal submission information, such as number of copies, printed or electronic, etc.
- How alternate proposals will be handled
- How to include subcontractors in the proposal

While each of the instructions is important, there are three key instructions that will make your life easier when you are reading and evaluating vendor proposals. The first is direct all vendors to a single contact for any questions they may have. Furthermore, ensure that all questions are written and sent to the designated person. Do not accept any telephone questions, and do not allow vendors to contact anyone other than the designated person. The designated person can then review and distribute questions to the appropriate resources. With everything in writing, there is no opportunity for a misunderstanding.

The second key instruction is to explain how a vendor can identify a requirement in the RFP. Quite often, RFPs are written by a team of people who have different writing styles and different ways of specifying requirements. This results in a confusing RFP for the vendors, and they may not be sure of what is or is not a requirement.

In order to ensure that vendors can spot your requirements, there should be a consistent phase that tells the vendor what follows is a requirement. For example, in Federal Government RFPs, the word "shall" indicates a requirement—"The vendor shall provide a detailed project plan by phase," or "Vendors shall describe what training is provided with the software." If you are using the word "shall" to denote a requirement, ensure that team members do not lapse into other methods of denoting a requirement such as the most common one, "Vendors are required to provide annual reports for three years," or "Vendors should provide annual reports…" Without some standardization, vendors will miss requirements, and an otherwise capable vendor may receive poor marks due to an unclearly written RFP.

The third is to specify how vendors must organize their proposals. One example of a proposal format may be:

- Cover letter
- Executive Summary
- Technical Response

- Management Response
- Pricing
- Appendices

This outline requires the vendors to provide proposals in a consistent format, which will facilitate your evaluation process.

The administrative information and requirements can be very helpful to both you and vendor. If this section is weak, vendors will ask more questions, and their proposals may not be as consistently formatted, which causes evaluation problems. The administrative section is also the first "test" of the vendor's reading and compliance skills.

Introduction

The introduction provides the vendors with a very high level overview of the issues that are driving the RFP. Think of the introduction as an executive summary for the RFP. This summary will give the vendors a brief overview of the company and then move into a synopsis of the problems or issues that are the driving force behind the RFP. The introduction will help the vendor to better understand your company and the project. Below is an example of an introduction.

> ACME Bank is a federally chartered, publicly traded bank that ranks among the nation's top five banks and internationally among the top ten banks. Our main financial products range from private and personal banking to multi-national loans for large construction projects. ACME leads the field for large construction loans in North America and is among the top banks in Europe participating in multi-national and multi-bank construction loans.
>
> ACME Bank is releasing this request for proposal (RFP) for the implementation of an enterprise content management (ECM) system for loan servicing and processing. ACME is seeking to implement a global solution with a potential user base of approximately 20,000 users worldwide and expects a solution of an appropriate scale.
>
> Currently, loan documents and portfolios are managed in their paper document form, kept in secure vaults, and copies are faxed or couriered nationally and internationally when needed for review or signatures. Electronic document management technologies will eliminate the need for faxing and courier services while providing secure transfer, secure storage, faster access, and disaster recovery capabilities.

Example RFP Introduction

The above is an example of the type of information that can be found in an introduction. The introduction for your RFP will be longer, providing more detail about the company and the issues behind the RFP. The RFP may direct readers to an appendix (or a website) for additional detailed information about the company, locations, and products.

Technical Requirements

The technical requirements section is the heart of the RFP, and it is where vendors should spend the most time initially. This section provides the details for the amount and type of work that has to be accomplished by a product, a service, or a person. The requirements are the foundation for a vendor's technical proposal, but also drive other sections such as project management and pricing.

The technical section can be somewhat difficult to write because it is a balance between describing what the current needs are versus describing what solution you expect vendors to provide. In some respects you have already described the solution with your choice of vendors and the technologies that they represent—for example, by selecting companies that specialize in scanned documents, electronic documents, workflow, etc., instead of companies that specialize in managing Web content or databases, you have chosen the type of technology you believe is correct for your application. It is appropriate to provide information on how you expect the future system to operate (in a benefits-oriented fashion) but not specify features that are unique to one vendor that other vendors cannot satisfy.

In some cases, it is acceptable to provide minimal requirements in an RFP in order to receive the most comprehensive and wide-ranging proposals. The down side to casting such a wide net is that you may receive a bewildering number of proposals with solutions that are only marginally acceptable, making it almost impossible to evaluate them. Thus, instead of spending quality time on the vendors with good solutions, you will find yourself spending hours upon hours weeding out the non-compliant vendors.

For example, if your project is to scan and store paper documents and make them available electronically for workflow processing, the requirements and solutions are fairly straightforward and the vendor community is manageable. Thus, you may have a tightly structured set of requirements, a limited number of vendors, and a good idea as to the final solution. On the other hand, if your project is to implement an enterprise-wide intranet that contains a variety of information from all departments, the solution may not be as clear-cut, and you may want to formulate requirements that are broader in nature to attract a more diverse set of vendors.

One last consideration is that by providing requirements that are so tightly focused that only one or two vendors can respond, you limit your choices in terms of products, prices, and vendors (Remember that an RFP promotes competition among vendors.). *Tightly focused and overly restrictive requirements may be a signal to other vendors that a solution has already been chosen and that the RFP is merely an exercise to justify that solution.*

If possible, the requirements should reflect a reasonable understanding of the products and services that are being requested in the RFP. Requirements should include the following three characteristics:

- A requirement identifies a capability, characteristic, or quality factor of a system in order for it to have value and utility to a user.
- A requirement must be measurable in some manner.
- A product or service must exist in order to satisfy the requirement.

Requirements are the key components of an RFP. It does you and the vendor no good to have requirements that are difficult to spot or understand. If a requirement is in an RFP, it must represent something that is needed within the project.
Requirements can range from the project specifications to the product specifications. In order to write an effective technical requirements section, the RFP team must have the following knowledge:

- The team must know in detail how the current system operates (if there is one) and must be able to communicate that knowledge to the vendors.
- If there is not a current system and this is a new application, the team must be able to "design the system from scratch" since there is no existing system to use as a basis for the new system. This means that the RFP team may have to do considerable requirements analysis with the users in addition to researching and comparing requirements to potential vendor solutions.
- The team must know what is expected of the new system and provide vendors with direction.
- The team must know what constitutes acceptable solutions, given that they have several valid solutions from which to choose.
- The team must be able to intelligently evaluate the differences between the acceptable solutions.

The technical requirements section may contain the following information:

Introduction to the basic issues that are driving the RFP
Description and overview of the current work processes or business environment (This can be done in overview fashion with detailed workflow processes in an appendix.)

- Description of the current technical environment (This can also be completed in overview fashion with technical detail such as network diagrams in an appendix.)
- Description of the proposed work environment
- System technical requirements
  - Description of the work application
  - Description of communications/network needs
  - Description of security requirements
  - List of constraints (i.e., Windows xx environment)
  - Table or matrix of documents by numbers, sizes, condition, etc.
  - Table or matrix of number and levels of users

Requirements can be written in a variety of ways depending on what information you are trying to obtain from the vendor. A requirement may ask for information; it may be a question; or it may be a specification. Below are some example requirements.

- Vendors shall describe how your system supports and facilitates metatagging of documents.
- Vendors shall describe how you import existing websites and data into your software application.
- The software application shall support a variety of viewable formats including PDF, HTML, and Microsoft Office viewers.
- The software application shall allow users to personalize their Web page.
- The application shall provide individual user security options for personal Web pages.

The above examples are direct and show an understanding of the intended application and application software. The requirements also request specific information to which a vendor can directly respond. Try to avoid "requirements" in which a vendor will "dump" a complete data sheet in the proposal as a response to your requirements. This happens when a requirement is too broadly stated such as, "Does your application provide for website security?" This question invites vendors to either respond with a "Yes" or to dump several pages that give general information about the vendor's security offering.

A second common problem with writing requirements is subjective and/or ambiguous language, as is the case with the following phrases:

- But not limited to
- Shall support at least 10
- System shall be flexible
- Shall have sufficient disk space
- Training shall be appropriate for at least
- Instructions shall be easy to read and user friendly

- System shall be intuitive to use by the user

These types of requirements beg for either the vendor to purposely misunderstand them or to supply a response that is not supportable. For example, "System shall be intuitive to use by the user." A vendor could simply respond, "Our system is intuitive to use," and the response would be valid since there is no definition or discussion of what "intuitive" means in this system context.

Since the technical requirements define the need in an RFP, they should be as clearly stated as possible while requiring as short an answer as possible. A quote from George Bernard Shaw says it all, "I'm sorry this letter is so long, I didn't have time to write a short one."

Management Requirements

The management section provides information on how the project will be organized and who will be responsible for certain tasks. This section may request the following items be proposed by the vendors based on unique project and requirements:

- Project management and implementation plan
- Project schedule (in a software application that both customer and vendor share)
- Site preparation requirements
- Application development plan
- Testing
- User testing
- Acceptance testing
- System acceptance test plan
- Maintenance description and schedules
- References
- Training (description of class and schedule)
- Documentation (paper manuals, CDs, online)
- Staffing requirements (do you need to add additional personnel?)

Testing, for example, is not a popular topic with vendors because it slows the overall project down and introduces an element of risk—"I've never seen that error message before!" Testing requires much work on both sides as you, the buyer, must fully support the testing plan by providing input, testing data, a testing environment, and people who can physically exercise the application(s).

An enterprise content management system can be a complex undertaking that potentially changes how you operate a department or a corporate infrastructure application like your intranet. For example, the implementation of a corporate-wide electronic document management system to manage all electronic documents such as MS Word files can have a profound change on the company and all personnel. The addition of this type of technology can require significant development and testing activities with the vendor, require extensive training development (and training of the users), require major business operations changes for the users, and may significantly change the IT department to accommodate the new system. These types of changes to a corporation cannot be successfully implemented without a detailed project management plan.

The project management plan specified in the RFP and written by the vendor will be a starting point for the project. The initial project plan in the proposal will be the vendor's "best guess" at the project based on the requirements in the RFP. Once the contract has been awarded, both the buyer and vendor will work together to produce a final project plan and schedule.

Pricing Requirements

Pricing for an ECM system can be a complex matrix of products and services. How do you compare apples to apples when you may have oranges and bananas in the mix? The key is to give the vendors clear guidelines for developing their pricing section. This means that vendors are instructed to break down their pricing into component areas such as application development, system software, project management, maintenance, etc. For a complex ECM system, the software may encompass several products from the same vendor or products from several vendors. For example, ACME ECM Systems, Inc. may provide the basic application EDMS software but team with other vendors for forms management, OCR, and input capture software.

Depending on your RFP and its application, you may develop a pricing spreadsheet and require vendors to use your spreadsheet to enter their pricing data. On the next page is a brief example of a pricing table that you would ask vendors to use.

Contracts Section

While not mandatory, it is advisable to include a draft contract or purchase agreement with your RFP. This allows vendors to review the draft and to determine whether they can comply or not. If vendors have a problem with the contract, they can review the issue in their proposal and perhaps suggest what is acceptable. This will alert and prepare both sides for potential issues, which is much better than awarding the contract to a

Item	Description	Unit Price	Extended Price
1	Application Development	$150/hr	$500,000
2	Application Software	$225,000	$225,000
3	Hardware	$00.00	$00.00
4	Maintenance	19%/year	$137,750/year
5	Training	$500/class	$1,500
6	Documentation	Included	Included
Totals			

Sample pricing guide

vendor only to find that you cannot reach agreement on contractual issues.

Appendices

As part of an ECM project, you have most likely done extensive work in some or all of the following areas:

- Workflow analysis of the existing business process with 150 Visio workflow diagrams
- Pulled all of your network diagrams for the whole company
- Cataloged all of your current servers, desktops, workstations, etc.
- Completed a 100-page return on investment analysis complete with five Excel charts
- Asked HR for an organizational chart of the department and senior management
- Had the corporate librarian research all about taxonomies and metatags and develop some suggested rules for your project
- Had Legal research all about Sarbanes-Oxley and provide you with information as to how vendor's software must comply
- Information Management supplied you with the corporate records retention schedule and policy
- Information Management supplied you with a list of the corporate records that are stored in various facilities and their status, such as, active, inactive, on hold

You want the vendors to be able to review this information so that their proposals are fine-tuned to your unique needs.

The RFP appendix is where all of this information should reside. An appendix allows you to provide voluminous information that vendors should have in order to understand your applications and needs; however, placing 150 pages of workflow diagrams in the middle of the technical requirements section is neither desirable nor needed. This information can be referred to in the text, "For an example of the Loan Approval process, see Appendix F." Or, "Appendix G contains a copy of our current records retention guidelines including forms for approving destruction of documents."

By placing material in an appendix, you can provide the vendor with a wealth of information and therefore lessen the number of questions received by vendors while increasing the information that they can use to write their proposals.

Evaluation Criteria

As part of the RFP development process, and in concert with writing the requirements and specifications, the RFP team is also responsible for developing the proposal evaluation criteria. Evaluating proposals must be accomplished in a fair and meaningful manner; otherwise, it will appear that the RFP was "already rigged" for a pre-selected vendor.

Evaluation of proposals encompasses many different areas, including but not limited to:

- Basic adherence and compliance with the RFP administrative requirements. For example, was the proposal submitted on time? Was the suggested vendor proposal format followed? Did the vendor acknowledge and incorporate changes to the RFP as requested? Was the proposal readable?
- Overall understanding of the RFP issues. Was it evident that the vendor understood the basic issues driving the RFP? Did the vendor's proposal respond to those issues with a logical and understandable solution?
- Technical requirements. Did the vendor respond to each of the technical requirements and were the responses adequate?
- Management requirements. Was a reasonable and acceptable project and implementation plan submitted with the proposal? Did the plan demonstrate an understanding of the RFP needs?
- Pricing. Was the pricing reasonable compared to the estimated budget and other proposals that were submitted? Was the pricing broken into the component parts as requested, or was pricing presented as a single total?

The basic steps in evaluating proposals are:

- Perform a quick review of all proposals submitted, and eliminate any proposals that do not comply with basic criteria, have obvious holes in the responses to requirements, or are haphazardly and sloppily assembled.

- For the remaining proposals, read them in-depth and score them against the evaluation criteria. The objective of this second evaluation is to reduce the remaining vendors to two or three—called the short list.
- The short-listed vendors have a roughly equal chance to be selected as the contractor. The last step in the evaluation is to evaluate the remaining vendors according to their references, demonstrations, and presentations. At this point, pricing can be the determining factor between two vendors with equal evaluation scores, given that both have good references.

There are several schools of thought on how to score proposals. They range from assigning a simple "meets/does not meet" scoring to a complex scoring system using points and weights for each section. A middle-of-the-road scoring system assigns numerical values to the different RFP sections, and the point values are divided among the requirements within a section. An example is shown below:

			Vendor 1	Vendor 2	Vendor 3	Vendor 4
	Requirement	Point Value				
1	Hardware Solution	200	200	175	190	180
2	Software Solution	200	150	175	200	150
3	System Design	400	350	325	375	300
4	Management Plan	200	180	175	195	140
	Total	**1,000**	**880**	**850**	**960**	**770**
	Vendor Ranking		2	3	1	4

Notice in the example that pricing is not given a point value and is not included in the overall scoring structure. Price, in this case, is used a final determination between the final two vendors, if needed.

Below is an example of the point distribution within a given section for Vendor 1:

RFP Reference	Requirement Description	Point Value	Total Points
	Project Planning	**200**	
3.2	Project Plan	25	20
3.2.1	Project Schedule	25	15
3.2.2	Team Resumes	25	25
3.2.3	Training Plan	25	25
3.2.4	Documentation	25	20
3.3	Site Preparation Plan	75	75
		Total	180

Evaluation may include going on a site visit to the vendor's headquarters, visiting one or two of its reference accounts, and asking the vendor to set up a demonstration system that you can use for a period of time—generally 30 days. If you ask for a demonstration system, there should be specific activities planned that test the system based on criteria developed for the demonstration. For example, you may ask for a basic system to be installed, so you can test the indexing, searching, and retrieval of information in a specially prepared test database. The testing must be fair and tests that would go beyond the normal operation of a test system should be avoided.

As a side note, during the review of each proposal, you may find excellent nuggets of information that can be used by you whether the particular vendor wins or not. Ask each reviewer to keep track of ideas or suggested procedures that may be useful for the project. When all proposals have been reviewed and a winner selected, you may consider reviewing these nuggets of information and determining if they can be incorporated into your project. For example, a losing proposal may have an excellent point about developing and maintaining a corporate taxonomy that you would like to consider once the project starts. There is no reason why this information should not be considered and if valid, incorporated into your project.

The final step in the evaluation process is to recommend a vendor as the winner. The recommendation report reviews why the chosen vendor was selected and why the second place vendor was not selected. This report is given to management and purchasing, which will begin contract negotiations with the vendor.

Evaluation can become quite complex and take a considerable amount of time to complete. Evaluations are completed at the end of a potentially long project when the proposal team members may be getting tired and frustrated because they also have their "real" jobs to do. *It is important to have the evaluation criteria completed in concert with the RFP and certainly before the proposals are returned.* Otherwise, the evaluation will be less than objective, and personal agendas will begin to appear in the absence of a structured plan.

Post-RFP Activities

Once evaluations are completed, several steps must be completed prior to notifying the winning vendor. These steps will help you to organize and close the RFP phase of the project.

- **Evaluation Report.** An evaluation report is completed when the team has selected a winning vendor. The report reviews what vendors were considered, how they were evaluated, and why the winning vendor was selected over other vendors on the short list. This report is then delivered to senior management in the business unit, information technology, and purchasing. If needed, or desired, the RFP team may be asked to provide a presentation of the evaluation results.

  The evaluation report is beneficial for a number of reasons:
  - It allows the RFP team to review all events leading up to the selection and demonstrate that a fair and objective decision was made.
  - By having the business unit, IT, and purchasing in agreement with the decision, you ensure their participation in the project when it is started.
  - It provides the business unit with an "audit trail" of the project if there are changes within the company that necessitate a review of the project.
  - If it is needed, you can defend your decision should a losing vendor file a protest.
  - The report finalizes the decision and closes the RFP phase of the project.

  The report should contain, but not be limited to, the following:
  - Summary of why the RFP was initiated and of the project goals and objectives
  - List of participants on the RFP Team and their roles
  - How vendors were selected to participate
  - A list of the vendors that submitted proposals and their scores
  - Review of the evaluation criteria, including which were most important
  - Which vendors made the short list and why they were not selected
  - Review of why the winning vendor was selected

  The next step, if the evaluation report is accepted, is to notify the winning vendor and schedule a meeting to begin the contract negotiations, and get the contract signed so the project can begin. If not previously done, the losing vendors should be notified in writing that you have selected another company. As a cautionary note, it is possible that negotiations can break down and the winning vendor is deselected. Reasons for this can be varied, but they may revolve around contract issues, such as liquidated damages, ownership of custom-developed programming, and payment terms. To mitigate these types of contract issues, ensure that you include your purchasing contract with the RFP and request that vendors review it; and, as part of their proposal, point out specific contractual issues that they may have trouble with should they be selected. This allows you to prepare for these issues prior to making a final selection, but it also prevents a contractual surprise at the most inopportune time.

  While you may think your part is finished and that purchasing will take over the negotiations, it is advisable for you to become part of the purchasing/negotiation team and participate in the final negotiations. As this is a "technology" purchase that is not for common off-the-shelf products, there will be some "fine points" that the purchasing person may not understand or consider during the contract review. You will be able to help and facilitate the contract negotiations and perhaps avoid a stalemate should a potential dispute arise.

  Other closing activities you may consider:
  - At least one copy of each of the vendor's proposals and the evaluation criteria should be filed away. These should be kept at least until the project begins or classified according to your records retention criteria.
  - Offer to "debrief" vendors that were not chosen. *Remember that these vendors, especially the ones on the short list, spent time and resources on this effort and should be given a reasonable explanation as to why they were not selected.*
  - Review the proposals that lost for potential information that can be incorporated into your project.

Distributing Your RFP

Getting your RFP out and into the vendor's hands is a crucial step in the overall process. In today's world, publishing can be a simple hard-copy printing of the RFP or a combination of hard-copy printing, electronic printing to a CD, or placement of the RFP on a website. Hardcopy printing makes the RFP available to vendors in paper form, and the document is typically mailed. Electronic printing provides a variety of benefits and allows the document to be delivered to vendors in a variety of methods.

Electronic printing can originate with the word processor file, such as MS Word, or it can be converted to another file format, such as Adobe's Portable Document Format (PDF). The file is then placed on a CD-ROM and mailed to prospective vendors. All other communication with the vendors, and from the vendors, is generally written and mailed or emailed.

A second option is to place the RFP and all other documentation on a website. Vendors can receive email (or written) notice of the RFP and the URL for the website. If placed on the website, the RFP can be in the original file format (MS Word) or converted to a PDF file or HTML file. The website can also contain other materials such as workflow studies, equipment and facility lists, and department organization charts. Ongoing communication with the vendors can be placed on the website and may include such items as RFP addenda, questions and answers, and general communication.

The advantage of the website as a medium is that it makes it very easy to post changes and information to the RFP on the website. Vendors are responsible for periodically checking to see if there is new material and downloading it. This also eliminates the printing and copying of numerous materials, mailing costs, and delays in receipt due to postal mail.

Each of the physical file formats have advantages and disadvantages. If you use the original file format (i.e., MS Word), vendors will be able to read the file and cut and paste parts of the RFP into their proposals, which saves them time and makes their proposal easier to read. Vendors will also be able to directly use tables or spreadsheets provided in the RFP for such things as pricing or a product compliance matrix. However, having the original file allows the vendor to mistakenly change the file (their problem, not yours, but still a problem) and base their proposal on incorrect information. Original Microsoft Word files may also be problematic because of the many versions that are in use and the potential difference between different operating systems such as PCs using Microsoft or Apple Macintoshes.

A PDF file is an exact electronic copy of the original file and uses a standard reader to view the file, so there should not be any "version" problems. PDF also allows vendors to deconstruct the file and get ASCII or RTF text from the file, so they can still cut and paste parts of your RFP into their proposal.

NOTE: A common practice is for the vendor to retype a requirement and place the requirement before the proposal response. For example:

- **Requirement:** Printers shall be capable of handling a work group of 25 people who print an average of 35 pages per hour per person. No user shall wait more than five minutes to have their job completed.
- **Response:** We are proposing two 17 page per minute printers for redundancy instead of one high-speed printer. Assuming most print requests are not serial but may be multiple simultaneous requests, all print requests should be printed within a three-minute period.

Placing the requirement above the response allows you to read the proposal faster with fewer references to the RFP document.

Once you have decided on the file format, there is a number of ways to deliver the document to the vendors:

- **CD-ROM.** The CD is mailed to vendors with a cover letter but not with a printout of the complete document. If you use this method, make sure the most important dates *are in the cover letter.*
- **Email.** It is possible to email your RFP to all vendors. However, you will have to manage a potentially larger number of email addresses and ensure they have been "tested" prior to sending the RFP. For large RFPs that are over two megabytes, email may not be the most efficient way as some recipients may have trouble with large email attachments. Depending on your RFP, you may have more than one file and may have to use a file compression product (Zip files).
- **RFP website.** Using your website to hold the RFP is becoming a common practice. It has many advantages such as you do not have to print anything; large appendices can be available for downloading; questions and answers can be posted to the site; and any RFP changes can be quickly updated by posting the change to the website. It is also possible to password-protect the site, so that only designated vendors can view your proprietary information.
- **Print and mail.** Ensure that you have a name and address of a person at the vendor's company. If you send your RFP to ACME Software, Sales Department, chances are that your RFP will float for days or weeks before it finds a home.

Typical Pitfalls

Below is a discussion of the most typical problems that befall companies when writing RFPs and selecting vendors.

- **Not enough vendor/technology education.** The ECM vendor community is large and crowded. There are many good solutions to the ECM problem, but each vendor will have a slightly different twist to its product and may have features and functions that other vendors do not have. The RFP team should invest as much time as possible in education as it will save them time when writing requirements and evaluating proposals.

- **Poorly defined requirements**. This is typically due to two basic reasons. First, see item one above. Second, not enough time is spent understanding and documenting the internal requirements. This results in requirements that are so broadly stated that they are meaningless to a vendor. An RFP requested, for example, that the ECM support output to different formats and devices including any future formats that may be developed within the industry. This type of requirement invites the vendor to either say they can't support unknown formats (most vendors would not say this) or to say they will "…support future formats," which may not be true.
- **Poor coordination among key players.** For example, an RFP described the content developers, the content administrators, and the IT group, but never described the actual users of the system—the people who would use the system to obtain the information they needed. When vendors questioned the RFP team about the "users of the system," the RFP team could not adequately define who a user was, what a user would do on the system, how many users there were, how many hits were expected, what the average length of time spent on the site would be, etc. In their haste to completely define the "solution," the RFP team forgot their audience. One RFP team member even ventured that since there was not a current system in place, she could not determine who would use the system and how.
- **Providing requirements that differ from one section to another.** A common mistake is not checking for consistency within a section or between sections. One requirement in the technical section may state that there are 250 total users for the system, but in the management section, the total number of users is 325. Another example may be that the system must support metatags, and another section says that metatags will not be used. This type of problem will be caught by vendors, and they will ask you to clarify the issues. These types of questions require you to research the problem, write a response, and potentially cause other requirements to be changed—which may delay the overall effort.
- **Insufficient Budget.** Many RFP teams are "surprised" when they see vendors' pricing for their RFP. The RFP team may have estimated a budget based on old or inaccurate data, or they completely misjudged some aspect of the intended system. For example, one of the most costly areas of today's ECM projects is the time needed to develop (i.e., program, code, or customize) the application, and yet, this is the most misunderstood area of the project. How can the RFP team estimate whether the programming will take one man month or six man months? Some RFP projects are undertaken without a budget and when proposal pricing is reviewed, the project is simply cancelled because the project costs are much more than senior management will allow.
- **Not enough time allocated for the RFP.** Many RFPs suffer because there is not enough time provided for the overall RFP writing effort—from initial research and analysis to system implementation. The amount of time typically needed for an RFP is underestimated due to inexperience with the RFP process. The result of having less time than expected is that evaluations are truncated, contract negotiations are sped through, project development is hurried, and the project in general starts to have more than the expected number of problems, which slows things down.

Given ambiguous or unclear information in the RFP, most vendors will simply agree with the RFP, and if an issue surfaces later in the project, they will plead innocent. This is in the spirit of, "Better to beg forgiveness than to ask permission" because once a vendor has been selected, and the project is underway, it is very difficult to change vendors.

These issues also increase the risk of having a problem contract or no contract. If serious enough, these issues lead to vendors not bidding on the project, or proposals that are overly conservative as vendors bump up their pricing to cover any contingencies.

Conclusion

An RFP is a document that defines a business problem or need and provides enough information to allow potential vendors to propose a solution and a price. A well-written RFP promotes competition among vendors and encourages them to provide unique solutions based on their products, services, and interpretation of the RFP requirements. Proposals received allow the buyer to select the best solution at the most competitive price. Together, the RFP and winning proposal become the foundation for the contract, which defines the solution, the project implementation tasks, and establishes performance goals.

RFP requirements should not be too tightly constrained because fewer vendors will be able to bid on the project. Because the ECM vendor community is large and diverse, the RFP team should be open to a variety of solutions (within reason) and teaming arrangements. Writing an RFP helps the buyer to understand their unique need in a level of detail that would not otherwise be available. This level of detail ensures that, as much as possible, the RFP represents a fair and objective assessment of the problem. Writing an RFP also provides the following benefits:

- Gives the "project" definition
- Establishes a real need for the system
- Defines basic and specific technical requirements
- Establishes a budget
- Establishes project timelines and schedules
- Consolidates and scrubs requirements
- Provides early identification of potential problems
- Identifies appropriate vendors
- Identifies the correct technologies
- Establishes project goals, objectives, and critical success factors
- Promotes competition among vendors
- Allows you to choose a solution that provides the best value

The RFP process helps you make the right decision by minimizing the risk of selecting a vendor and solution that is not right for your application.

[1]Note: The Federal Acquisition Regulations (FAR) mandate an RFP format for federal government projects. Federal Government readers of this guide must format their RFPs according to the FAR, but can still use the information contained in this guide for developing the content of each section.

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- Project organization
- Feasibility studies
- Requirements definition and analysis
- RFP and proposal development
- RFP and proposal evaluation
- Vendor selection
- Project implementation, management, and oversight

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He is a frequent speaker and writer for associations and publications on the topics of writing RFPs, procuring technology systems, and writing proposals. He is the author of the following books: Request for Proposal: A Guide to Effective RFP Development, RFP Guidelines (AIIM TR-27), and Proposal Development: How to Respond & Win the Bid.

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For over 60 years, AIIM has been the leading international organization focused on helping users understand the challenges associated with managing documents, content, and business processes. Today, AIIM is the leading international authority on Enterprise Content Management (ECM). ECM is the technologies used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and technologies provide solutions to help users with the four C's of business: CONTINUITY, COLLABORATION, regulatory COMPLIANCE, and reduced COSTS.

AIIM provides:

- **Market Education**—AIIM provides unbiased information through *AIIM E-DOC Magazine* and *mID* (Managing Information and Documents), the leading industry magazines in, respectively, North America and the UK; its 20-city Content Management Solutions Seminar in the U.S. and Canada; the IM Expo event held throughout the UK, and InfoIreland.
- **Professional Development**—This industry education roadmap provides a variety of opportunities. IM University is a multi-faceted program offered in Europe. The Web-based Fundamentals of ECM Certificate Program familiarizes users with the core concepts and technologies related to ECM. The AIIM Webinars round out user education on key issues.
- **Peer Networking**—Through chapters, networking groups, programs, partnerships, and the Web, AIIM creates opportunities that allow, users, suppliers, consultants, and the channel to engage and connect with one another.
- **Industry Advocacy**—AIIM, as an ANSI (American National Standards Institute)-accredited standards development organization, acts as the voice of the ECM industry in key standards organizations, with the media, and with government decision-makers.

RFP Guidelines for an Enterprise Content Management System

This is a guide to writing a request for proposal (RFP) for an enterprise content management (ECM) system. An RFP is a document that expresses your project's goals, requirements, and other information that a supplier needs to write a proposal. Sent to many potential suppliers, the RFP seeks to establish a competitive environment that allows the buyer to select the best solution at the best price. The winning proposal becomes the foundation for the contract, which defines project tasks and performance goals.

This guide provides you with the basic format, guidelines, examples, and suggestions for writing a successful ECM RFP. The advantages of using an RFP far outweigh the potential problems of dealing directly with suppliers and not have a formal set of requirements. An RFP promotes competitive thinking among suppliers and encourages them to provide unique solutions based on their products, services, and knowledge of an industry.

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