



Evaluation Panels

A guide for evaluation-panel Chairs

Acknowledgement and thanks – development of this Guide

This guide is part of a Government initiative to help suppliers better engage with government and support good procurement practice. It has been developed under the New Zealand Government Procurement Reform Programme after consultation and discussion with the following stakeholders:

- Some content within this guide is based partially or fully on material sourced from *the Procurement Practice Guide*; Government of Western Australia.
- **Business Reference Group:** Input and guidance were received from an advisory group comprising representatives of New Zealand businesses: Fulton Hogan, Westpac, Emendo, Wade Engineering, Gen-i, the Aviation Industry Organisation, Te Arahanga o Nga Iwi, Finewood Furniture, Westlake Consulting, the New Zealand Contractors' Federation and Starfish Consulting.
- **Procurement Development Technical Advisory Group:** Input and guidance were received from an advisory group comprising senior procurement advisers from government agencies: the Ministry of Foreign Affairs and Trade, the Ministry of Social Development, the Auckland District Health Board, the Ministry of Agriculture and Forestry, the Ministry of Justice, Inland Revenue and Public Trust.
- **Specialist adviser:** Specialist advice was provided by **Ron Stuart**.

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This guide is one in a series of guides that has been developed under the New Zealand Government Procurement Reform agenda. It aims to help suppliers better engage with government and support good procurement practice.

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Before you start – some key principles to discuss with your panel

Scoring – it's where the proverbial rubber hits the road... but also where things can go horribly off track!

When evaluation panel's are scoring submissions, our top of mind focus must always be on ensuring our individual and collective behaviours meet appropriate standards of probity.

The guidelines below are a reminder of the principles the Panel must practice during this process. Follow them and you and your team will ensure a process that is fair and achieves the best value for money outcome.

The key principles to apply during the evaluation scoring process:

Only consider relevant aspects of each submission

The panel should consider all relevant considerations related to each supplier's submission. This includes the responses to the criteria-related questions in the Request for Tender (or Proposal) and all other information requested.

Don't be tempted to consider the 'irrelevant'

The evaluation must not be based on irrelevant considerations. This includes hearsay, anecdotes or unsubstantiated views of panel members and information not directly relevant.

Ensure that your scoring is evidence-based (probity)

Evaluation ratings must be made on the basis of the material requested and included in the response, together with information obtained through meetings, presentations, and clarifications.

Maintain full records of your scores and rationale for them

The evaluation panel must fully record their evaluation against the selection requirements and criteria.

Maintain confidentiality

The contents of any response should not be disclosed to any party outside of the formal evaluation process. It should be viewed as commercially confidential information.

Watch your comments during the evaluation process

The panel chairperson is the only person permitted to comment to outside parties about the evaluation process and outcome. The panel should not discuss any element of the process with work colleagues or any other party.



Conflict of Interest / bias: The evaluation process must be free of bias and any perception of bias. Any conflicts of interest (Actual, potential or perceived) and possible issues of bias must be disclosed and discussed with the Evaluation Panel chairperson before commencement of this stage (Refer 'Quick-Guide - Conflicts of Interest').

Planning the panel – things to do prior to the first meeting

Tasks that need to be completed before the first meeting:

Task	Resources	Check-off
Set date/time for the panel to meet Allow extra planning time if you're going to split the evaluation of cost/price	<ul style="list-style-type: none"> Procurement Plan 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Finalise the guidance documents for panel	<ul style="list-style-type: none"> Template - Evaluation Panel Instructions Template - Tender Evaluation Form 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Give panel members copies of key documents	<ul style="list-style-type: none"> Procurement Plan Evaluation Panel Instructions Tender Evaluation Form RFx 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Make sure Conflict of Interest Declarations and Confidentiality Agreements are in place (for all panel members)	<ul style="list-style-type: none"> Conflict of Interest Declarations and Confidentiality Agreements Quick-Guide – Conflicts of interest 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Finalise confidentiality procedures	<ul style="list-style-type: none"> List of procedures 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	<ul style="list-style-type: none"> Probity File Checklist 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Chair's checklist – end to end process



Template instructions

These checklists can be adapted to suit your procurement activity.

1. Ensure everyone understands the practices to ensure probity

Probity File Checklist and Key Principles	<ul style="list-style-type: none"> • Become familiar with the Probity File Checklist. Discuss any conflict of interest issues. • Talk through the Key Principles (see page 1 of the 'Evaluation Panel Instructions')
Confidentiality and security of information	<ul style="list-style-type: none"> • Discuss the procedures for keeping tender information secure. • If your Procurement Plan will be considering cost/price separately, discuss procedures to make sure there is a 'firewall' between the two parts of the evaluation.
Quality of record-keeping	<ul style="list-style-type: none"> • Talk through the Tender Evaluation Form and Evaluation Plan Minutes/Report. Agree how much detail will be required from panel members to complete these. • <u>Note: there is always the potential for Probity Audits and Official Information Act requests related to your evaluation and records.</u> Make sure panel members know that <u>all</u> documents and records will be kept and can be scrutinised.

2. Overview the suppliers to be evaluated

Discuss the list of suppliers	<ul style="list-style-type: none"> • Briefly review the suppliers up for evaluation.
Are there any new conflicts of interest?	<ul style="list-style-type: none"> • Does anyone feel there is, or could be, a conflict of interest (actual or perceived)?

3. Make sure everyone understands the evaluation process

The evaluation process and next steps	<ul style="list-style-type: none"> • Discuss the end-to-end process. • Discuss the roles of panel members.
How to evaluate each tender	<ul style="list-style-type: none"> • Review the scoring methodology, criteria and weightings – refer to the 'Evaluation Panel Instructions' and Tender Evaluation Criteria.
How to make comparisons	<ul style="list-style-type: none"> • Review how each evaluation will be consolidated and compared.
Set rules about discussions between panel members	<ul style="list-style-type: none"> • Make sure panel members understand any restrictions on discussions during the first stage of evaluation. For example, panel members often score each tender independently and may compare notes only when the individual scores have been consolidated.

4. Evaluate and shortlist (if required)

Evaluate individual tenders (non-budgetary)	<ul style="list-style-type: none"> Using the 'Evaluation Panel Instructions' and 'Tender Evaluation Form' panel members will independently score each submission.
Evaluate individual tenders (budgetary)	<ul style="list-style-type: none"> If a closed-envelope price was requested: compare the budgetary information from each supplier.
Check for consistency (Chair)	<ul style="list-style-type: none"> The Chair should check early on for consistency – make sure all members use the same scoring criteria and keep good notes.
Come to a consensus	<ul style="list-style-type: none"> Once panel members have finished their independent evaluations, hold a Moderation Meeting. Consolidate, compare and debate scores and come to a consensus score for each tender. Either a consensus will be arrived at or panel members will be asked to carry out a 'second pass' of their evaluations, taking into account the panel discussions.
Check for tender collusion	<ul style="list-style-type: none"> Look for signs of collusion – are any suppliers also listed as sub-contractors under competing tenders? How do prices compare between their proposal and competing proposals?
Draw up shortlist (if two-stage selection)	<ul style="list-style-type: none"> Rank the tenders and identify which suppliers will be invited to present to the panel.
Complete any due diligence and check references	<p>Refer to:</p> <ul style="list-style-type: none"> Quick-Guide - Due Diligence Checklist: - Due Diligence.
Update evaluation and recommended preferred supplier/s	

5. Recommendations

Chair review panel probity	<ul style="list-style-type: none"> Chair must check that the panel has complied with the Procurement Plan. Complete the Probity File Checklist.
Complete and endorse Panel Minutes	<ul style="list-style-type: none"> Complete the Panel Minutes, including recommendations, for all panel members to endorse.
Manage communication with suppliers	<ul style="list-style-type: none"> Agree to the sequence of contacting successful and unsuccessful suppliers. See 'Quick-Guide: Communicating the Award of Contract'.

How to consolidate and compare the scoring – decision making

Moderating multiple scores into a single score for each supplier (if required)

Depending on your evaluation plan, the panel will need to distil a number of individual scores, for the same supplier, into a consolidated score for the panel.

There are two basic ways to achieve this: through **consensus** discussion and debate or by statistical **averaging** of the score.

Suggested approach:

Step 1 – panel members should independently review and score each proposal

Step 2 – the panel then reconvenes and discusses (and debates) their collective scores and rationale for each supplier's submission.

Step 3 – depending on the nature of the procurement initiative the next step will vary:

- Option A: a moderated discussion takes place where the panel arrive at a consolidated score through either consensus (following discussion and debate) or the averaging of their scores
- Option B: a moderated discussion takes place regarding the scores – areas in common and areas where the scoring varies considerably. The meeting adjourns and panel members independently reflect on the discussion and review their individual scoring.

The panel is then reconvened and the scores (some may have been revised) are again discussed and debated. The panel should then arrive at a consolidated score through either consensus (following discussion and debate) or the averaging of the scores that the panel brought to the meeting. Where the panel is still at odds, consideration may need to be given to further 'rounds' of this process.

- Option C: Average the panel's individual scores for each proposal



Consensus versus Averaging

The decision as to whether the panel will apply a consensus or an averaging approach should be decided at the time the evaluation criteria is finalised and documented within your procurement plan.

Putting together a consolidated Evaluation Matrix (Qualitative Score & Price Summary)

At some point, determined by your evaluation plan, you will need to consolidate your analysis to assist the panel's decision making. Typically this involves an evaluation matrix, displaying a summarised or detailed comparison of the various supplier proposals.

An example of an Evaluation Matrix – to consolidate an individual supplier's scores

Supplier:	XYZ Corporation								
Section	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Consensus or Average	Scale	Weight	Weighted Score	Comments
Expertise						0-10	70%		
Understanding of requirements						0-10	10%		
Proposed approach						0-10	15%		
Ability to meet timeframe						Pass/Fail			
Quality of proposal						0-10	5%		
Conflicts of interest						Pass/Fail			
Price									
Total Weighted Score							100%		

* Note: the comments column would naturally be wider than it appears above

An example of an Evaluation Matrix – to compare all supplier scores

Criteria	Scoring Scale	Weighting	CDE Corp		MNO Ltd		XYZ Partners		Comments
			Raw	Weighted	Raw	Weighted	Raw	Weighted	
Expertise	0-10	70%							
Understanding of requirements	0-10	10%							
Proposed approach		15%							
Ability to meet timeframe	P/F								
Quality of proposal	0-10	5%							
Conflicts of interest	P/F								
Price									
Total			0.00		0.00		0.00		
Non-Price Ranking			1		1		1		

* Note: the comments column would naturally be wider than it appears above



Tips

- You will need to adapt the table to meet your needs
- Depending on the number of suppliers, consider landscape and/or A3 presentation
- If short listing has occurred, a separate table (all submissions) should be produced

Scoring price – converting \$\$\$ into a score (optional)

If your approach requires the price/cost to be scored in line with the qualitative criteria, you can 'normalise' the price into a score out of - for example - 10.

Use this formula - 'Normalised price' score = $\text{Lowest Tender Price} \times 10 \div \text{each tender price}$. The lowest tender will always score the highest; in this case 10. Everything else is compared to this price)

Tenderer	Tenders (in ascending order)	Normalised Price (Score)
ABC Ltd	\$1,282,000	10
FGH Ltd	\$1,333,000	9.62 (or 9.5)
XYZ Ltd	\$1,925,000	6.66 (or 6.5)

Complete the Evaluation Panel Minutes/Report



See template – 'Evaluation Panel Minutes/Report'

For more information



For more information about procurement, visit www.procurement.govt.nz