Te Kura ā-Tuhi
The Correspondence School

Systems Replacement Project
Stage 2 Processes: Evaluation Guidelines

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1   Introduction

1.1   Purpose

This document aims to provide practical guidelines to the staff involved in evaluating proposals submitted to TCS in response to its call for tenders to supply and install new business systems.

1.2   Project Background

The Systems Replacement Project (SRP) aims to replace several of The Correspondence School's existing business applications, including Xtend and ākona, with new systems, and to provide additional content management functionality for managing both learning materials and general corporate documents.

The approach which has been adopted to securing new applications is to identify commercial off-the-shelf products from the market, rather than to entertain the development of bespoke software.

The programme is progressing in three stages, with approval gates between them:

Stage 1: Preparation of the tender documents (complete)

Stage 2: Tendering, evaluation, product selection, contract negotiations (described herein)

Stage 3: Implementation

Three systems fall within the scope of this procurement plan, namely:

- Student Management System (SMS)
- Online Teaching and Learning Environment (OTLE), in turn comprising:
  - Learning Management System (LMS)
  - Learning Content Management System (LCMS)
  - and possibly some additional collaboration components
- Electronic Document and Record Management System (EDRMS)

Complete descriptions of the new system requirements are included within the Request for Proposal (RFP) documents prepared during project Stage 1.

Abbreviations and common terms used in this Evaluation Guide are defined in Appendix A.

1.3   Scope

The scope of the supply and implementation services requested in the tender documents is outlined below:

- Analysis and definition of detailed functional requirements
- Detailed specification and design of the solution; deciding exactly how it will operate
- Application configuration/customisation design
- Establish a working host environment – maybe new equipment at TCS, or maybe outsourced
- Implementation, including installation, configuration, and any customising required
- Integration with other applications, either within TCS or external (e.g. the MOE ENROL system)
- Migrating our historic data from Xtend, ākona, etc., to the new systems
- Testing
- System documentation
- Training for both end-users and support people
- Post-implementation support services

2   Process Overview

The tender process is fully documented in the Systems Replacement Project Procurement Plan. Reference copies will be provided to all evaluation team members; further copies are available from ████████ or ███████ at any time during the evaluation.

In broad detail, the tender process is constructed as follows:

- RFP documents, including detailed requirements and a model contract, have been widely advertised, including on the NZ Government Electronic Tender Service website, which is monitored by most vendors with an interest in the New Zealand market.

- Various formal avenues for intending respondents to ask and have answers provided to their questions are defined.

- Proposals are logged and stored securely, but left unopened until the tender closes.

- All proposals will be opened together after the tender closes, and a précis prepared.

- The précis and copies to the proposals will be provided to evaluation teams, who will use a common evaluation template to score responses individually. Then the evaluation teams will each meet as a group to compile aggregate scores and rankings.

- One team, the Business Evaluation Team, which is common to all three tenders, will prepare a short list of vendors with whom to proceed to presentations.

- As soon as the short lists are known, work will commence on updating the business cases.

- Short listed vendors will present their proposals, provide generic[1] demonstrations of their offerings, and answer questions from TCS selection staff.

- A Selection Panel will choose the preferred vendor(s), and commence due diligence, a primary component of which is careful reference checking.

- The Selection Panel will make final recommendations to the Board of Trustees for approval.

- The contract(s) will be completed in two steps, because completing all of the schedules to the full contracts will require considerable investigative work (actually, the beginning of the implementation project) and take a few weeks. However, the principles of the agreement can be settled relatively quickly, and documented in a heads of agreement ahead of the full contracts.

- Unsuccessful vendors will be notified and thanked for their participation. At TCS's discretion, debriefing meetings may also be provided.

The timetable for the process aims at completion of the contracts in November or December 2008.

3   Team Composition and Responsibilities

3.1   Responsibilities

The Evaluation Teams will be responsible for:

- maintaining probity;

- validation of the evaluation criteria and weightings;

- evaluating the responses in accordance with the criteria and methodology;

- documenting the evaluation process;

- preparing an Evaluation Report;

- assisting the Programme Board, as may be requested, with final selection and reference checking;

- debriefing the unsuccessful respondents.

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[1] There will be insufficient time for vendors to perform any customisation of their products; what we expect to see will be their "out of the box" product.

Additionally, the business Evaluation Team will be charged with the further responsibility of collating the scores and comments of all three teams, to develop an overall ranking.

All team members have the additional responsibility to maintain the integrity of the procurement process, to ensure fairness for all participants, as outlined next.

3.2 Conduct

3.2.1 General Requirements

The procurement process we'll be using has been constructed to ensure:

- that the tendering processes is conducted with honesty, fairness and in good faith;

- any conflict of interest or potential conflict of interest will be managed as soon as possible after it has been declared or discovered;

- participants in the procurement and evaluation process do not engage in any practice, including an improper inducement, which gives anyone an unfair advantage over another;

- vendors submitting responses and proposals must be prepared to attest to their probity, and not engage in any form of collusive practice;

- each potential vendor must be subject to the same terms and conditions of tendering as every other potential vendor;

- all requirements must be clearly specified in the tender documents and criteria for evaluation must be clearly indicated;

- evaluation of proposals must be based on the conditions and selection criteria defined in the tender documents and evaluation plans;

- to protect the integrity of the procurement, appropriate standards of confidentiality must be maintained by all Evaluation Team members and key individuals, and

- all participants meet their legal obligations.

In support of these aims, participants in the process are asked to read and understand the guidelines set out in this document, and to adhere to the process closely.

3.2.2 No Canvassing/Undisclosed Benefits

Evaluation team members may not accept any gifts from any of the Respondents, during or soon after the evaluation.

The RFP rules forbid Respondents' representatives from directly or indirectly canvassing or offering any form of inducement or reward to any TCS representative in respect of this RFP, and advises that the likely consequence of any such behaviour is the immediate rejection of the Respondent's proposal.

Any evaluation team member, believing themselves to have been improperly contacted, should immediately inform the Programme Manager who will record the details in the audit log and immediately escalate the matter to the Programme Board.

3.2.3 Communication with Respondents

However, it may be that some aspects of Respondents' proposals are unclear to the Evaluation Teams, and clarification may be sought from individual Respondents.

Informal communication between the Evaluation Team and Respondents, however, could prejudice the integrity of the procurement evaluation. Thus, all communication with external parties is to be conducted as follows:

- The text of the communication will be reviewed and approved by the Chairperson of the particular Evaluation Team.

- A copy will be provided to the Programme Manager, who will record it and file the copy in the audit log which will be included as an appendix to the Tender Evaluation Report.

Such communications shall not be revealed to any other party, except in accordance with the Procurement Plan which defines the process used during this procurement.

3.2.4   Conflicts of Interest

As noted by the Auditor General (*Managing conflicts of interest: Guidance for public entities*), in a "small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully."

Evaluation Team members are required to disclose any actual or apparent conflict of interest and take steps to avoid that conflict. The responsibility lies with each Evaluation Team member to promptly identify and disclose to the chairperson any actual, perceived or potential conflicts of interest involving themselves, their immediate family or any other relevant relationship.

All disclosures of conflicts will be fully documented in the Tender Completion Report.

3.2.5   Confidentiality of Information

Maintaining the highest levels of confidentiality is essential to ensuring the probity and fair dealing within the procurement process. The disclosure of information contained in responses may prejudice the commercial interests of the companies concerned and the bargaining position of the TCS during subsequent contract negotiations.

Confidentiality is essential at all stages of the process and information should only be provided to people outside the Evaluation Team only on a 'need to know' basis. The number of persons given access or having access to the information should be kept to an absolute minimum.

All documents and proceedings of the procurement process should be regarded as confidential, and be secured when not in use.

3.3   Business Evaluation Team

The Business Evaluation Team comprises the CEO and three DCEs, and the same team will assess proposals for all applications: SMS, OTLE and EDRMS.

The focus of the business evaluation is two-fold:

- Suitability of the vendor as a business partner for TCS, including consideration of the vendor's acceptance, or proposed changes, of the pro forma contract included in the RFP
- Risk assessment of the vendor, the product, the contract, and the implementation plan (informed by appropriate input from Financial and Functional Teams)

3.4   Financial Evaluation Team

The Financial Evaluation Team comprises the DCE Capability Services and CFO.

The same team will assess proposals for all applications: SMS, OTLE and EDRMS.

The focus is:

- Financial security of vendor
- Assessment of cost schedule (coherent, comprehensive, total cost over lifetime)

3.5   Functional Evaluation Teams

Owing to the detailed and role-specific nature of the functional and technical evaluations, there will be separate Functional Evaluation teams for each of the three products being considered, as follows:

Person	SMS	OTLE	EDRMS
███████████	✓	✓	
███████████	✓		
████████	✓		✓

Person	SMS	OTLE	EDRMS
███████	✓		
██████████			✓
█████████		✓	
█████		✓	
████████	✓		
█████████	✓	✓	✓
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███████			✓
█████████	✓		
█████████	✓	✓	
████████			✓
█████████	✓		
███████████		✓	

(Note: This list may be subject to minor amendment, to accommodate work demands or other circumstances.)

Additionally, TCS's Procurement Manager and an external Probity Auditor may be present as observers.

The focus of the Functional Evaluation teams is to evaluation the operational and functional capabilities of each product, within the team member's own field of expertise. (Team members are not asked to evaluate aspects of the proposal where they lack confidence or the necessary experience.)

4 Evaluation

4.1 Process

Evaluations will be performed by teams of staff, who will first use common evaluation templates to score responses individually. Outlines of the evaluation templates are provided below. However, individual spreadsheets will be created for each team member once the tenders are unsealed. These spreadsheets will show the range of scores for each item.

Next, the evaluation teams will each meet as a group to compile aggregate scores and rankings.

Probity and procedural advice will be available at all times, from the Systems Replacement Project team members.

4.2   Business Evaluation Criteria

The following table provides scoring guidelines for the Business Evaluation Team.

The various factors presented below are to be evaluated by applying a simple numeric score against each of the 7 score headings in the left column, having paid due attention to each of the considerations in the right column.

Score	Consider
1. Compliance with RFP Rules and pro forma agreement (Advice will be provided by the project team.) Score out of 20.	Does the proposal comply with all of the RFP rules? Was the proposal received on time? If it was late, was it reasonably within the Respondent's control to have ensured it was submitted on time? Is the proposal complete, addressing all material requirements of the RFP? Has the Respondent accepted the pro forma agreement? If the Respondent has recommended changes to the pro forma agreement, how closely they align with the pro forma principles? With the Respondents amendments does the pro forma agreement reflect the full specification of the goods and services? With the Respondents amendments is the pro forma agreement sufficiently comprehensive to meet the objectives of the procurement? With the Respondents amendments does the pro forma agreement define and protect the rights and obligations of all parties? (TCS will obtain legal advice before proceeding to contract negotiations.) Is there a heightened level of risk created by the Respondent's changes (if any) to the draft pro forma agreement with the School.
2. Quality of the Proposal Score out of 30.	Is the proposal a professional presentation on the part of the Respondent? Is the proposal specific and evidence-based? Is the proposal summary concise and appropriate for executive level audiences? Is the presentation of the proposal logical and easy to follow? Does the summary provide an overview of the business, managerial and technical features of the proposal? Is the proposal presentation written in plain English with a minimum of technical jargon? Is the proposal presented in a manner that will be understandable to those not directly related or involved in the project? Has the Respondent provided previous clients as references, and are they comparable, relevant, etc.? Has the Respondent demonstrated a thorough understanding of the purpose and scope of the project? Does the proposal provide a logical approach and reflect a comprehensive understanding of the deliverables listed in the RFP? Are the assumptions presented by the Respondent in the proposal reasonable? Has the Respondent gone beyond the minimum necessary to answer the RFP questions, and included corroborating detail?
3. Business Partnership Score out of 50.	Are there any obvious conflicts of interest that could affect the outcome of the project? Are we aware of any associations which may reflect adversely on the public's perception of TCS?

		Is the proposed engagement model favourable and realistic?
		What importance does TCS represent to the Respondent?
		Is there an appropriate level of clarity over accountability evident in the proposal?
		Has the Respondent provided credible reference sites?
		The School's ability to maintain the collective interest and participation (collaboration) of the Respondent and project stakeholders for the duration of the project. (Can we work with them?)
		Has the Respondent provided any additional value, beyond simply responding to the RFP?
4.	Proposed Implementation Plan Score out of 40.	Is the organisation of the Respondent's project team clear?
		Is accountability completely and clearly defined?
		Does the proposal indicate a consultative approach? Is there provision for active user involvement, oversight, and approval points? Are there indications that the Respondent's staff possess active listening skills or understand appreciative inquiry?
		Assess the suitability of the Respondent's project management approach to keeping TCS informed of any risks and /or issues that may arise.
		Consider the degree to which sub-contractors or other third parties are involved. Does it lead to increased risk or uncertainty?
		Where sub contractors are involved, does the proposal fully define the services being provided, personnel skills, roles and responsibilities, and reporting structures?
		How well has the Respondent identified business issues and risks related to the project?
		Has the Respondent successfully used a similar approach with other clients?
5.	Vendor Capability/Risk Assessment Score out of 50.	Consider the number of years that the Respondent has been in business (with due acknowledgement of name changes, merger/acquisition, etc.)
		Consider the number of installed sites in New Zealand.
		Consider the number of installed sites in total.
		How well has the Respondent demonstrated experience in completing comparable (size, scope, nature) projects, on time and within budget?
		How successful is the general history of the Respondent regarding timely and successful completion of projects? Do they have a high success rate?
6.	Project Resourcing/Capacity to Deliver Score out of 30.	Will these personnel remain available for the full period of the project?
		Does the Respondent have a depth of resources, skills and capability to complete the project? Where are they located? Could they replace a key team member who left for any reason?
		Do the individuals assigned to the project have experience on similar projects?
		Does the proposal include resumes of key personnel? Are they complete, compelling, and current?
7.	Post-Project Support and Maintenance/Future Potential Score out of 30.	The location of the Respondent in providing support to the application after installation.
		How will the post-implementation support model work in practice?
		How much "lock in" to the Respondent is anticipated with this proposal? Would it be easy to find another supplier to support the system in the future?

What is the scope of ongoing support that will be provided for the application after installation?

How attractive are the proposed post-implementation support service levels?

Are there user groups or similar peer-support networks available for the product?

Are there indications that the solution will align with the broader sector?

Does the solution appear to fit well with the School's overall strategic direction?

4.3 Financial Evaluation Criteria

The following table provides scoring guidelines for the Financial Evaluation Team.

The factors presented below are to be evaluated by applying a simple numeric score against each of the two score headings in the left column, having paid due attention to each of the considerations in the right column.

Score	Consider
1. Vendor Viability Score out of 80.	Do the financial statements provided indicate that the organisation is viable, and will be in a position to provide on-going support for the systems? Have copies of audited records been provided?
2. Project Cost Schedule Assessment Score out of 40.	Has the cost schedule been constructed in a logical and transparent fashion? Does the cost schedule appear to be comprehensive? Does it include all items identified by other vendors? Are the assumptions and variables identified and well-constrained? Are the Respondent's proposed costs for the implementation reasonable, compared with those proposed by the other Respondents? Are the Respondent's estimates of on-going operational costs, including license and maintenance fees, reasonable, compared with those proposed by the other Respondents? Are the Respondent's proposed costs for post-implementation support, including development and delivery of training materials, reasonable, compared with those proposed by the other Respondents? Is the proposed cost structure for on-going support appropriate and sustainable?

4.4 Functional Evaluation Criteria

Functional Evaluation Team members should use the following table, *Common Factors*, as well as the table applying to the specific application area (whether SMS, OTLE, or EDRMS) that they are evaluating.

The *Common Factors* are to be evaluated by applying a simple numeric score against each of the 8 score headings in the left column, having paid due attention to each of the considerations in the right column.

The *Specific Factors* are to be evaluated by applying a "confidence assessment" against the vendors' self-rating returned in their proposals: 0 for no confidence in their rating, 1 for some confidence, and 2 where the detail provided in the proposal reasonably supports full confidence in their self-rating.

4.4.1   Common Factors

The following table provides scoring guidelines for the factors which are common to all three applications: SMS, OTLE, and EDRMS.

Score	Consider
1. Quality of the Proposal Score out of 10.	Does the proposal include innovative approaches to the project?
2. Product Capability and Potential Score out of 40.	To what extent will modifications be required in order to meet the minimum required functionality? Does the product offer additional value without modification? Does the product offer potential for future business improvements?
3. Proposed Implementation Plan Score out of 60.	Does the plan include appropriate activities for the implementation stage, such as detailed business process analysis? Does the project plan identify the major tasks to be performed? Does the project plan identify the time frames for task completion? Are each of the deliverables clearly identified? Has the Respondent provided a realistic delivery time schedule for the installation/configuration? How well has the Respondent identified operational/technical issues and risks related to the project? Has any thought been given to possible mitigation strategies in the plan? Does the project plan identify the task dependencies within each of the stages of the plan? Does the project plan identify the resource allocation estimates including contractor and TCS responsibilities? Does the project plan identify project/progress reporting requirements? Does the project plan identify the information/analysis requirements? Does the project plan address data migration requirements? Does the project plan identify the integration requirements? Does the project plan clearly address the hosting/provision approach? Does the proposal provide a clear description of the customisation required to integrate any proprietary components used in the proposed solution? How much customisation is required of the proprietary components used in the proposed solution? Does the plan include consideration for rework during User Acceptance Testing? Does the plan include user and support staff training and documentation? Is the training plan adequate and comprehensive? Are all activities time-bound (at least approximately)? What is the likely impact of the Respondent's approach on "Business as Usual".
4. Product Quality Control Score out of 50.	Has the Respondent provided evidence of mature product management processes (change control, quality assurance, release management)?
5. Proposed Resourcing Score out of 40.	Are there appropriately skilled personnel available to support the needs of the approach?

6.	Proposed Delivery model Score out of 30.	The suitability of the technology that has been chosen by the Respondent?
		If a bureau solution, how attractive are the proposed service levels?
		If not a bureau solution, how easily will the proposed system's hardware and software integrate with the TCS's current and future environment?
7.	Post-Project Support and Maintenance Score out of 40.	Is the post-implementation support model sensibly matched to delivery model?
		Does the product appear to be founded on a standards-based principles and technologies?
		How easy will it be to add or delete components to the system?

4.4.2   Specific Factors – SMS

The following table provides scoring guidelines for factors which are particular to the SMS.

Score	Consider
1. Common Reporting Needs	Refer to RFP Part B2 for detailed factors to consider during evaluation.
2. Course Management	
3. Enrolment - General	
4. Finance	
5. General User Requirements	
6. Import & Export Data for Reports	
7. Information Repository (Database)	
8. Interoperability	
9. Management of Student Resources (Logistics)	
10. Non-functional Requirements	
11. Online Access	
12. Producing Reports	
13. Reporting	
14. Searchable	
15. Security	
16. Specialised Reporting	
17. Student Enrolment	
18. Student Records	
19. Support	
20. Teaching management	
21. Technical Compliance	
22. Technical Requirements	
23. Training	
24. Usability/User Interface	
25. Workflow	

4.4.3   Specific Factors – OTLE

The following table provides scoring guidelines for factors which are particular to the OTLE.

Score		Consider
1.	Content Management functionality	Refer to RFP Part B2 for detailed factors to consider during evaluation.
2.	Individualised education	
3.	Information repository	
4.	Learning Management functionality	
5.	Reliability, performance and scalability	
6.	Security	
7.	Technical requirements – General	
8.	Tracking and reporting	
9.	User Interface	
10.	Working together	

4.4.4   Specific Factors – EDRMS

The following table provides scoring guidelines for factors which are particular to the EDRMS.

Score		Consider
1.	Administration and management	Refer to RFP Part B2 for detailed factors to consider during evaluation.
2.	Audit and security	
3.	Bulk handling	
4.	Document creation	
5.	Email	
6.	General requirements	
7.	Metadata	
8.	Offline working	
9.	Record management	
10.	Search & retrieve	
11.	User interface	
12.	Web management	
13.	Workflow	

5   Short Listing

The aggregate scores and rankings from each of the separate evaluation teams will be considered by the Business Evaluation Team, to inform the selection of a short list for each of the three products.

The numeric scores are an important input into the short list decision, but they do not automatically *make* the decision.

Responses which fail to meet essential minimum requirements need not be considered further. For example, if a product simply does not provide the necessary functionality, then it does not really matter how simple it is to use.

Evaluation Team	Maximum Score
Business	250
Financial	120
Functional – Common	330
Functional – Specific	300
Total	*1000*

6   Final Selection

Final selection following presentations by vendors, and will be documented separately.

Appendix A: Abbreviations & Common Terms

This appendix contains a list of common terms and abbreviations used within this document.

Abbreviation	Description
BOT	Board of Trustees
Business Case	The fundamental document underpinning the justification for the project. It sets out the costs and benefits expected from the new system and provide information on the deliverables and timeframes for the investment.