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Birmingham, Alabama, Mayor Larry Langford loves projects; the bigger dollars, the better. He campaigned for mayor of Alabama's largest city with the slogan "Let's Do Something," and he holds no patience for those who stand in the way of buy now, pay later ideas like baseball museums, equestrian centers or a domed stadium. His weakness for all things fancy has landed him in some hot water with the government, and he's now under federal indictment, in part for accepting clothes, designer watches and cash to pay his personal debts from people who might have benefitted from some of his prior public service project ideas.

RIDING IN THE HERO

So it was viewed as a "here comes another Larry idea" when Langford pitched the City Council on his plan to repave all the city streets. He asked for \$12 million in his Birmingham Stimulus Plan and directed purchasing to put out an RFP to see what it would cost to pave 26 miles of downtown streets.

The laughing stopped when the bids were opened: The down economy had made contractors hungry, and the lowest bid came in just under half of what was expected. Langford rode in the hero with enough money left over to expand the paving to the neighborhoods.

The much heralded Request for Proposal (RFP) saved the day — and lots of money — proving once again the value of an RFP when the work you need done is the same in Boise as it is in Birmingham.

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awarding the bid it said best met the specs, the Air Force back-tracked and ordered a “cooling off period” to deal with the fallout. A year later, Congress is still politicking about what to do next, and the best-equipped Air Force in the world waits not-so-patiently to find out what will replace the refueling tankers it has been nursing along for 50+ years.

GOING THE EXTRA MILE

If it was a good business practice for City Hall and Uncle Sam, the owner of a food distribution company figured the RFP would be just the ticket for determining who could best help them upgrade their accounting and business management system.

The 28 year-old company had been a survivor in a marketplace that saw competitors disappear or get bought up by larger companies. Their niche was specialty foods with international connections supported by a strong focus on customer service.

They always went the extra mile for their customers. Bob Jones, the second generation owner, thought nothing of personally delivering a case of Indian rice to a client in need after hours or on Sunday. Lately, however, Bob was concerned that continued growth was straining customer service because their business systems just weren't keeping up. The time had come to see if a new system would better serve their needs and renew their competitive edge.

To get the process rolling, Jones tapped Bret, his assistant operations manager, to take on the project to see what a better solution might require. He felt good that Bret could use his technology knowledge to help design an RFP and identify software vendors who could compete for their business. Bret talked to accounting and production, shipping, inventory and others in his quest to list the “features and functionalities” they wanted in their new system. It was a time-consuming task, gathering it all then designing an Excel

spreadsheet with columns and rows where those competing could checkmark if their

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That night, as Bob Jones slipped into bed and thought about what had taken place that day, sleep did not come so easy. The RFP had succeeded in identifying companies who could meet the request. So wasn't it good news that one vendor could implement a new system for \$10,000 less than the others? Yet their food distribution business was different from their competitors. Was the bid that came in cheapest really best for his business? And what was up with that last company that wanted to charge them before they could provide a quote? They were suggesting a consultant spend a day at the company and follow the workflow process before they could offer a solution.

CHECKING THE RIGHT BOXES

Where the RFP had succeeded was in identifying companies who said they had a good solution. They checked the right boxes for features, but did the RFP really capture Jones' particular business issues, let alone how they were going to be solved? The list was also gathered as stand-alone information from all areas of the business. In the end, it really didn't (or couldn't) take into account the interactions between sales, purchasing, warehousing and delivery that are vital to business success.

As Jones sat down to review the RFPs the next day with his morning coffee, he was concerned that the answers on the RFP may not have hit home on what his company really needed. While the RFP process brought some structure to the procurement decision, how could it work when part of his business was unique? How could a prospective software provider drill into the nuances of what that company needed by just working off a list of features without really understanding what was driving that need?

By the time he got to the RFP at the bottom of the stack, Jones was beginning

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