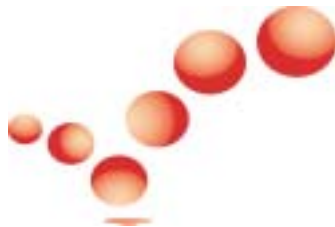


**How to Confidently Choose the Right Vendor So You'll Never
Be Taken Advantage of Again!**

Bidding & Vendor Selection Best Practices



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**How to Use TWO Simple Tools to Accurately
Choose the Best Vendor**

Bidding & Vendor Selection Best Practices

The Challenge

The topic of vendor bidding and vendor selection is a very timely one. It's a subject near and dear to us; however our studies have shown, very few facility management organizations know how to do this well. The good news is that a proven process does exist and it's easier incorporated into your management function.

Why is vendor bidding & selection such a hot topic? Well a few reasons exist, but perhaps the most important is the fact that the actual act of inviting vendors to bid on a product or service tends to be a very tedious and time consuming one. As a manager, if I can find ways to shorten the time necessary and I can find ways to reduce the pain, I'd be interested! The other reason why this topic is of interest – managers detest spending long hours on bid preparation and vendor selection and all the other associated tasks, and then they award the bid and the promised level of service never materializes. This is discouraging. This is frustrating. However it is not an insurmountable assignment.

If you look at the services that you provide your customers you'll probably find that you're using less and less of your own employees and more outside vendors. Let's use the example of janitorial. For many organizations, the people actually cleaning your building at night are not employees of the organization. Look out your window and you'll notice landscapers and gardeners. There's a good chance those folks don't work for your organization either. It is perhaps a sign of the times – outsourcing (or out-tasking) is here to stay. It's not just a passing trend. The result – facility managers today can be more aptly described as "contract managers". I say this because when you contract out work – you actually lose the ability to manage the individuals performing the task. They are not your employees. You legally can't (nor do you want) supervise the employees of others. The only recourse you have is to manage the contract – to make sure the contract company performs to the specifications of the contract.

"Look around. Its very likely you're using outside vendors more frequently than in the past. The average facility manager is evolving into a contract manager. . ."

Since we are faced with this changing reality, since we're going to spend so much time managing contracts, we better get good at picking the right vendor in the first place.

The Dysfunctional Model

We have found that all too often managers use a dysfunctional model when performing their bid requests and then how they manage the winning bid. Let me give you the first scenario, the dysfunctional one. Let's use the example of choosing a new landscaper. In a typical scenario you'll start out by sitting down and brainstorming which vendors you'd like to invite to bid. This may be a very difficult proposition as we often do not know which vendors are good and which vendors are not. So figure spending a few hours here doing research. Maybe we issue an RFQ (request for qualifications) so we can select who we want to invite to the bid meeting. Next, we take a look at our landscaping specifications (you do have specifications don't you?) and perhaps we tweak the spec's to achieve a better cost / benefit ratio. About this time, we start receiving the RFQ's back from the potential bidders. We'll spend some time going through these documents, checking references and perhaps visiting some of the sites they currently service and interviewing the facility managers that depend on their service. Depending on how much work we do here, figure a day or two minimum. Next we work on our RFP (request for proposal) or bid package, and that will require an investment of time as well. At some point in the process, it is time to invite the bidders in for a meeting and walk them around the campus so they will have an idea of what the contract entails. This task tends to be very labor intensive, so plan on spending more hours here. Upon receipt of the bids from the contractors, you'll spend considerable time culling through the results with a goal of narrowing the bidders into a "short list". Once the short list is identified, you'll likely invite them back individually to discuss the finer points of their proposal, meet their management and supervisors, review their training procedures and all of the other peripheral issues. You'll probably begin to focus on a preferred vendor at this point and here is where the "serious" negotiations begin. At some point an agreement will be reached, contracts and terms and conditions will be drafted, certificates of insurance will be received, contracts signed, and a phase out plan for the current contract will be developed (don't forget about the keys!). Finally, the contracted is signed and the agreement begins for a pre-determined time, let's say three years.

“Would you rather work hard for one month and take it easy for three years OR would you rather take it easy for one month and work hard for three years?”

As you can see, the actual SOE (sequence of events) takes a tremendous amount of time and effort. Also consider that most facility professionals already have full time jobs (managing the building) and this full time job often entails reactive emergency type tasks – the sad reality is most managers will remove some of the vital steps in the above referenced sequence of events. Does this sound familiar?

Look at it this way: When it comes to bidding and vendor selection, you have two choices; both require an investment of time and energy.

Option 1: perform the entire bid related SOE, dedicating a ton of time for an entire month and then award the contract and let it manage itself for the term of the contract (three years), or

Option 2: don't spend too much time on due diligence performance during that one month bid period (because you don't have the time), and then over manage (read: hand hold) the contractor for the term of the contract (three years).

Which choice makes sense to you? Well obviously option number one is the right choice. Lets be honest though - in reality no contract will “manage itself”.; however a contract well managed up front (one month investment) will require less management during the three year term of the contract.

3 Keys to a Successful Vendor Relationship

If this investment pays off so well, why don't more managers implement it? There are plenty of reasons, both it really comes back to two distinct reasons: lack of time (perceived) or lack of understanding the sequence of events. The perceived lack of time, is an area that we will discuss at another time (it truly warrants its own forum). To easily understand the SOE, we find it easy to break in down into three distinct areas:

1. Write good specifications
2. Invite only prequalified vendors to bid
3. Make an educated decision on which vendor to select.

Let's talk about the first key – specifications. What we have found is some organizations have perfected the art of writing specification while other organizations have not done so. Specifications are key to a successful contract and they must be included in the bid documentations. They must be linked to the inspection forms and other metrics that you'll use to measure vendor performance. As important as specifications are to successful vendor management, they do have their limitations and we'll discuss that later in this paper. Because of the importance of having well written specifications, we need to devote more time to this topic and we will in a future conference. For this paper we will focus on the next two keys.

Before you even invite a vendor to bid you must have prequalified them. Look at it this way, suppose you invited five vendors to bid on a product or service. You must be confident that whomever wins the bid, will be a good choice. You should never be afraid of a certain vendor winning the bid. To have serious reservations would show a lack of prequalification. What common steps are taken during the prequalification stage? Well, let me ask you – “When you decide to invite bidders to the table, how do you know who to invite?” Did you just open the yellow pages and choose a dozen vendors? I would hope not! You may elect to open the phone book and select a dozen vendors to send a Request for Information (RFI) to. After the RFI's are received, you'll start to have an idea which vendors will meet your needs and you'll whittle that list down to a more manageable list of vendors to invite to the bid table. This is an important point – never invite more than six vendors to bid on a product or service. It becomes too cumbersome and time consuming to do this. When I see managers that invite a room full of vendors, and I question their intent, inevitably they tell me that they want to make sure they don't miss out on a good vendor. O.K. that's fine, but that's why we prequalify and the prequalification process is a much more effective and less time consuming option.

To copy a best practice, instead of choosing vendors to invite to bid by taking a copy of the yellow pages and simply throwing darts at it, you can uncover good vendors by networking with other facility managers. Think about it, who will give you the best and most unbiased feedback about the vendor and their service? Is it the vendor? No – they are self-biased and their marketing people are susceptible to the “over-promise, under-perform” disease. Vendors will provide you with references and you could check these too – is that a perfect solution? Well, it's slightly better than listening to the vendor, but it has limitations as well. Put yourself in the vendor's shoes. You're going to provide me with a list of five references

that I can contact and ask questions. Are you not going to put the “best of the best” references in there? Are you going to reference the newest buildings, you know - the one’s that still have the new building smell? Are you going to give me references that you have an excellent working relationship with? Absolutely, I expect you to do that, however, I want to hear from the other portfolios that you service. I want to talk to facility managers at these organizations. I’d like to hear from them. What are your weaknesses? What are your strengths? How quickly do you respond to a complaint? What do the monthly inspection reports look like? What condition is the janitorial closet in, the flooring equipment, etc?

Where does a manager find other managers who can provide this valuable feedback? Let’s assume I don’t have an established network of facility managers that I can lean on? What then? Perhaps the best way to stay current on FM trends, receive vendor feedback and other related issues is through your local chapter of the International Facility Managers Association (IFMA) or Building Owners and Managers Association (BOMA). These groups meet on a monthly basis and provide tremendous value to the seasoned and rookie manager alike.

“Your best source of unbiased vendor feedback is not from the vendor, but rather from other customers (facility managers). . .”

Once I’ve identified qualified vendors (and only then), I’m ready to move on to the third key – make an educated vendor selection decision based on unquantifiable facts

Too many times we make a vendor decision based on just a couple of factors and often price at the top of that list. This usually results in a low price but inferior service. This inferior service affects both you (the manager) and the building occupants (your customer). The end result – your customer loses confidence in your ability to provide a comfortable building where they can be productive and in an effort to “right the ship”, you’ll spend an inordinate amount of time managing (read: babysitting) the vendor.

It may seem like we’re picking on janitorial vendors here (and we’re not), but the fact is for most of our clients, janitorial represents their greatest challenge. Because of that, we use this service as our case study, but rest

assured, the tactics and tools we'll share in this paper are applicable regardless of the product or service being delivered.

I think first it important to discuss why janitorial represents such a great management challenge. Until we understand why the challenge exists, we cannot take positive steps to improve the dilemma. The first thing with have to understand is the janitorial services business is usually a relatively low paying profession and the people that come in and clean your buildings at night aren't getting paid a whole lot to provide that service

A second reason for low service levels is many of these folks that clean your building work a full time day job and then because they're trying to pay some bills or other put a kid through college they have a second job and it's to clean your building. So they've worked all day. They're tired and now they're going to come in to your building at night and clean it. The third and I believe most important factor is lack of supervision. Think about it – I'm tired because I've worked all day, now I'm coming to your building to clean it. I'm not getting paid a tremendous amount of money to do this, and guess what? Nobody is here to supervise me! In this scenario, I just might empty the trash, maybe check the restrooms for paper goods and then I'm done! Without proper supervision, proper cleaning doesn't happen and this is often the root cause of our problems. As a facility manager, you want to make sure that supervision is addressed during the bidding process and that it is delivered as promised during the term of the contract. Easily said, difficult to do? Not so.

Is Help Available?

So how can you capture quantifiable data that directly pertains to your choice of vendor? We'd like to introduce two tools that have been instrumental in doing this for our clients.

The first tool is a spreadsheet that we call a "Weighted Vendor Matrix". The purpose of this tool is to evaluate multiple bidders against multiple criteria in an unbiased fashion. We use this tool because it keeps us focused on the big picture, not just on specific issues such as price. The weighted vendor scale assigns scores to multiple criteria; however since some issues are more important than others, this tools assigns weighted scores depending on the importance of the particular issue.

A word about the bidding process – I suggest that you go into the bid process with a healthy dose of skepticism. Don't be negative and don't discount everything the vendor says, but certainly don't take everything that is said as gospel truth. Being an optimist, this may be difficult to do,

but here is why this wise: the vendor representatives that show up at the bid meetings are usually marketing (sales) representatives. It's unlikely they will actually directly oversee your portfolio. Here is the reality (experienced at various degrees based on the actual bidder) you'll experience:

The marketing or sales people that show up at bid meetings will often over promise, making guarantee that will be hard to fulfill in the field.

and

Salespeople are taught to develop a relationship with the client, because it's easier to convince a "friend" to buy a product or service.

The second issue is often the root cause for poor vendor selection. A vendor's sales team invites to show you around some of the properties they provide their service to. You figure that's a good idea, so you agree to make the site visits. Of course, about noon time, the vendor suggests a quick break for lunch and they even offer to pick up the tab. Not a major problem, but perhaps they are softening you up. Next, you visit their office and they introduce you to the company president (a privilege usually reserves for VIP's). Next you go back to your office to walk through the facility with your vendor. He notices pictures of your family on your desk and compliments them. He takes out pictures of his family. As the meeting concludes, the vendor makes a quick remark about having a few extra tickets to the ball game next week. The tickets are offered, you accept and a pseudo-friendship has been hatched. When time to award the contract comes, you'll reflect favorably on your new friend/vendor and you'll be favorably biased toward them. This is not a healthy way to choose your vendors!

In the next section, I'll quickly take you through the concepts of the weighted vendor matrix, but for a more detailed explanation of its inner-working, I would advise you review the online video tutorial provided on the webpage where you received this paper. If you do not have access to the videos, please contact our helpful staff at:

admin@carlyleconsultants.com

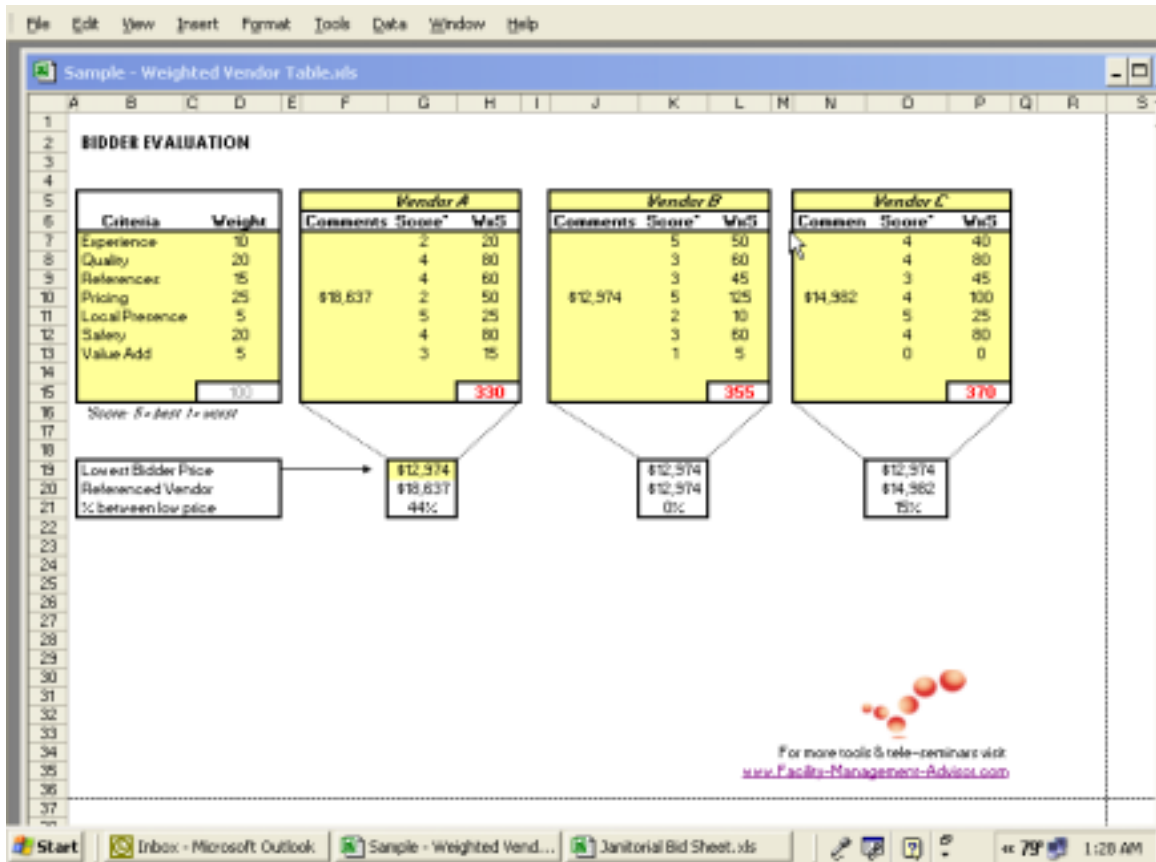


Figure 1.1

If you take a look at the weighted vendor matrix (Figure 1.1) you'll see a series of boxes and if we start at the far left of there's a box with two headings – "criteria" and "weight". You'll also notice that certain cells on this spreadsheet are shaded yellow. When you see these shaded cells, that's your indication to enter information. Let's start with the first column in the first box. That heading is "Criteria". Listed below are the various criteria that play a role in your decision making process.

OK, so you say, "really it's about price, just give me your best price". Is that a true statement? Is it just about price? Rarely. Let me give an example. Suppose you were going to bid on a product and you estimated it is going to cost \$10,000, plus or minus 5% (\$500). The product is readily available from a number of vendors and quality is exactly the same regardless of the supplier. You need this product delivered within 30 days after the bid is awarded.

My bid comes back and you're excited! I bid \$5,000! Half of what you expected to pay. Do you award the bid to me? After all, it's all about price, right? A wise manager would be curious as to why the bid was so

low, after all there's always a catch. He is the catch - you need the product within 30 days, and the quickest I can deliver it is 120 days. Do you award the bid to me? No you don't because price is not the only factor. In this scenario, delivery time is just as important, if not more so, than price. So the point being made is price is just one factor, albeit an important one. Your bid evaluations need to encompass all of the important criteria. Since not all criteria is of equal importance, these items must be weighted based on their importance. This again brings us to the weighted Vendor Matrix.

"Price is an important criteria, but it is not the only criteria, in fact, it's probably not even the most important criteria when choosing a vendor"

In the left most box, you will enter the criteria that you feel play a role in your vendor selection. Price will be there, so will quality and experience. Other criteria such as delivery time, local office or safety record may be included as well. Remember, this is the criteria that you feel is critical for your portfolio and the bid being awarded.

The next column is a percentile ranking given to the importance of each criterion. The sum of all the criteria must equal 100%. For instance, if price is important to me, I may elect to give it a weight of 25%. This means 25% of my evaluation will be based on price. Other issues such as "value added" might weigh in a little bit less, in this example 5%.

Next you are going to evaluate each vendor on each criterion using a numerical grading scale. The scale is one through five, five being excellent and one being poor. Upon entering these criteria and their associated scores, you'll notice the "weighted score" changes. Basically, the weighted score is the sum of score x weight. The effect is one where the more important a criteria, the more that score will be weighted. After each of the vendors is evaluated against each criterion, you will look for the highest score. That vendor, although perhaps not the low bidder, will effectively become the "lowest evaluated bidder." That distinction is critical and should be used in determining the winning bid.

*For a more detailed explanation of how these tools can be used to maximize their impact, please listen to our Bidding & vendor Selection tele-seminar and watch the video tutorials. The link is:
http://facility-management-advisor.com/Audio/Bidandvendor/BV_Teleconference_download.html*

Cheating the System

Before we move on I must provide a word of warning. The purpose of the Weighted Vendor Matrix is to remove bias during the bid evaluations; however it is quite easy to “work” the system and elevate the vendor of your choice to a winning status. This practice must be avoided, or why even bother with perform the bid evaluation in the first place.

If I wanted a certain vendor to win, all I would do is grade them a little higher on the 1 to 5 scale and grade the other vendors a little lower. Again, don’t fall into this trap. There are basically two ways to keep this from happening. The first way is to add “logic” to the scored evaluations. For instance, on pricing the logic schedule would look like this:

Criteria: Price

Score

1	>\$49,999
2	\$45,000 - \$49,999
3	\$40,000 - \$44,999
4	\$35,000 - \$39,999
5	<\$35,000

Based on the above logic schedule, the vendor that submits a bid of \$43,738 would achieve a score of “3”. Where applicable, a logic schedule would be developed for each criterion. This removes the guesswork and the potential for bias.

The second way to avoid bias is to use a team approach. For instance, you would invite 3 or more employees in a room during the evaluation process. Each employee would evaluate each vendor privately. The results are not shared. When the weighted evaluations have been completed, the manager would compile the scores and use an average of the scores to determine the winning bidder.

“Understand the difference between “Low Bidder” and “Lowest Evaluated Bidder”. Failure to do so will negatively bias your vendor selection process.”

If you’ve noticed, we’ve used the term “Lowest Evaluated Bidder” in place of “Lowest Bidder”. The lowest bidder tag, refers exclusively to the lowest price, whereas the lowest evaluated bidder refers to the bidder takes into consideration all criteria.

Having agreed that all criteria must be evaluated, the fact remains that price will likely play a large role in your vendor selection. Since that is often the case, we have developed a quick way for you to understand the difference in each vendors pricing. If you notice in the Weighted Vendor Matrix (Figure 1.2), you’ll see what appear to be funnels for each vendor that empty in a box. This box identifies the correlation between vendors based on price. In keeping with our structure for shaded yellow cells (require user input), you would insert the low bid (in this scenario, \$12,974) into that shaded cell.

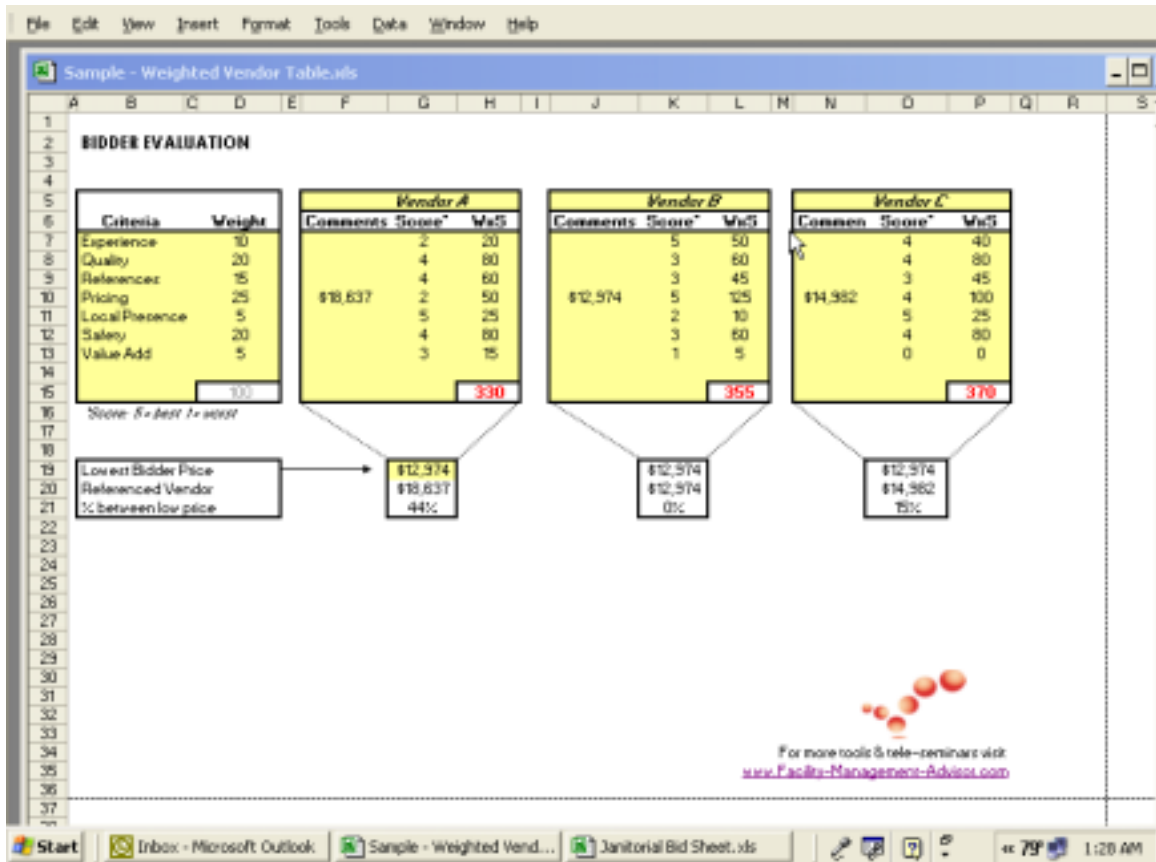


Figure 1.2

Upon entering that number, the remaining cells will populate. Each box will identify that vendor's price and the deviation above the low bidder's price, identified in percentage above low bid.

The Janitorial Bid Sheet

The next tool we'd like to share is the Janitorial Bid Sheet. This tool was developed as a means to collect as much data from the bidder, in a consistent format, as possible. You'll notice the Janitorial Bid Sheet (Figure 2.1) utilizes the same shaded yellow cell format as the Weighted Vendor matrix. In these cells the bidder will fill in the appropriate information. In fact, I recommend that you provide your vendors with an electronic copy of this document and make that part of the bid package and required deliverable. Those cells not shaded are locked so as to protect the formulas and avoid confusion.

	A	B	C	D	E	F	G	H
1								
2	Janitorial Bid Sheet							
3								
4	Property Address: _____							
5	Bidder: _____							
6	Date: _____							
7								
8	All costs submitted shall be considered all inclusive. In other words, rates shall include overhead,							
9	profit, travel time, benefits, equipment, travel time, benefits, taxes etc.							
10								
11	Evenings Serviced:		5					
12	Annual Weeks Serviced:		51					
13	Personnel		LHBE*	Pay Rate	Cost Per Evening	Per Week	Per Year	
14	Area Manager		0.25	\$ 17.00	\$ 4.25	\$ 21.25	\$ 1,083.75	
15	Project Manager		0	\$ 14.50	\$ -	\$ -	\$ -	
16	Night Supervisor		1	\$ 11.00	\$ 11.00	\$ 55.00	\$ 2,805.00	
17	Janitor		6	\$ 6.00	\$ 36.00	\$ 180.00	\$ 9,180.00	
18	Floor Crew		0.25	\$ 9.00	\$ 2.25	\$ 11.25	\$ 573.75	
19	Detail		0	\$ 7.00	\$ -	\$ -	\$ -	
20	Other		0	\$ -	\$ -	\$ -	\$ -	
21								
22	Totals:		7.5		\$53.50	\$ 267.50	\$ 13,642.50	
23	*LHBE = Labor Hours per Building per Evening							
24								
25	Classification		Annual cost	% of total cost				
26	Direct Labor		\$ 12,558.75	96.97%				
27	Project & Area Manager		\$ 1,083.75	4.92%				
28	Burden (tax/insurance/benef)		\$ 2,864.93	13.00%				
29	Burden @		21%	of labor & management				
30								
31	Classification		annual cost	% of total cost				
32	Supplies*		\$ 2,768.36	12.51%				
33	Equipment*		\$ 187.95	0.85%				
34	Overhead		\$ 1,227.83	5.57%				
35	Overhead @		9%	of labor & management				
36	*Supplies & Equipment not considered Overhead							
37	Classification		annual cost	% of total cost				
38	Profit		\$ 1,364.25	6.19%				
39	Profit @		10%	of labor & management				
40								
41								
42	TOTAL ALL COSTS		\$ 22,045.81	100%				
43								
44	State Sales Tax		\$ 1,322.75					
45	Grand Total (w/ tax)		\$ 23,368.56					
46								
47								
48	Rentable Square Ft		26,356					
49	Cost Per Sq. Ft		\$ 0.89					
50								
51	Note: Bidder to fill in shaded cells only.							
52								
53								
54								
55								

Figure 2.1

I'll quickly take you through the concepts of the vendor bid sheet, but for a more detailed explanation of how it works, I would advise you review the online video tutorial & the audio MP3 file provided on the webpage where you received this paper. If you do not have access to the videos or the audio file, please contact our helpful staff at: admin@carlyleconsultants.com

This example is of a janitorial bid process, but you can use this bid sheet for any product or service.

The first yellow shaded area is self explanatory. Simply enter the property address, bidder and date. The next shaded yellow area is the "evenings serviced" and "annual weeks serviced" cells. The information entered here will manipulate the "cost per week" and "cost per year" cells located in the next box down.

This next box down includes various personnel that have time attributed to this project. For instance, in addition to the actual janitor cleaning your building, you'll have an area manager, night supervisor and floor crew that will support this account. The shaded yellow cells ask for "Labor Hours per Building per Evening" (LHBE) and "pay rate". The pay rate is self explanatory. The LHBE is critical because you want to know exactly how many hours of labor and supervision you are purchasing.

This brings us to one of the areas of contention in service industries such as janitorial. We believe (falsely) that merely having detailed bid specifications will protect us when a vendor fails to provide good service. This is just not true. Here is the reality: During the bid process Vendor "A" will wonder what Vendor "B" is bidding. Vendor "A" will try to guess that number and then beat it. The fact is, most vendors don't bid to your specifications, they bid to the competition. Even if you conduct separate bid meeting with all of your vendors, they will find out how is bidding on what. They always do, it's a small business community out there.

"The fact is, most vendors don't bid to your specifications, they bid to the competition".

O.K., you're not concerned or convinced of the value of LHBE because you have concrete specifications and if a vendor dares to deviate from them you'll simply remind them of their responsibilities and they'll fall back in line. Lets be honest – you knows it's not that easy. The vendor will offer you 101 different reasons why they have not and can not meet the specifications, and many of those reasons will be your fault. For instance, "You provided us with inaccurate floor space measurements" or "You've added square footage" or "That's not in the spec's". What will now

happen is you and the vendor will be in disagreement and neither will find satisfaction. Bottom line – your portfolio will suffer.

O.K., you're still not concerned or convinced of the value of LHBE because if a vendor dares deviate from the agreed upon specifications, you'll simply void the contract based on non-compliance and find a vendor who can do the job as promised! Now hold on, think about this. Do you really want to go back out to bid again? And once you rearward this bid, who's to say that vendor will perform to specifications?

The real answer to this problem requires that you reevaluate how you view your bidding process. The traditional way of bidding, using specifications as a security blanket, is wrought with weaknesses. Essentially, you are purchasing "a promise to perform", while bidding using the LHBE technique allows you to purchase actual labor & supervision. Why is this important? Well, let's use the example of a vendor bidding six hours of cleaning per night at your building, with one hour of supervision. First point, I may not feel comfortable with that ratio (16%) of supervision. Second point, I now know exactly how much labor I'm purchasing. It could be one person for six hours, two people at three hours each or some other directive, but I'm going to get six hours of work. If I award the contract to a vendor and that vendor's service begins to fall, I don't have to listen to excuses about additional square footage or issues that were not included in the specifications. What you're likely to find is the janitors are in your building for four hours and unsupervised at that. You now have a mechanism to go back to the vendor and require them to fulfill the terms of the bid sheet (which becomes part of the contact / terms and conditions)

*Don't purchase "a promise to perform" –
Instead, purchase "Labor & Supervision"*

I'm not discounting the value of detailed specifications, and I would never suggest to a client that they don't have them; I'm just saying that detailed specifications without LHBE will severely handicap your ability to manage the contract smoothly. Include them both!

One of the questions our clients come back with is "Will a vendor actually tell me how many hours they are dedicating to cleaning my building?"

Yes, they will, but only if you ask for it! When they are putting their bids together, they figure how many labor hours they'll need to complete the task. Since they had to figure that number, why not ask for it? If you're uncomfortable asking about pay rates – don't be! This information may be valuable in gauging the turnover of the bidder. By the way, high turnover is the worst thing a service provided can be plagued with. You need to know about this before you award the bid.

By the way, high turnover is the worst thing a service provided can be plagued with. You need to know about this before you award the bid.

Another reason to capture LHBE is to accurately compare various vendors based on similar offerings. If one bidder comes in at \$12,000 and the other comes in at \$13,800, the first instinct would be to favor the low price bid. What if the \$12,000 bid included six hours of labor per evening and the \$13,800 bid included ten hours of labor? Might that make a difference? You bet! In fact, understand LHBE, makes it easier to go back to the boss and request the bid be awarded to someone other than the lowest price bidder. Again, this is part of the "lowest evaluated bidder" methodology.

This brings us back to the bid sheet. The next three boxes will require the bidder to enter in just a few more bits of information, mostly percentages. The reason you ask for such things as burden rate and profit are just to capture a complete picture of the vendor. A vendor with a high burden rate may be evidence of a high Experience Modification Rate (EMR), based on abnormally high workers compensation claims. This would give you a subtle hint to investigate the safety aspects of the bidder.

*For a more detailed explanation of how to fill out the remaining boxes, please listen to our Bidding & Vendor Selection tele-seminar and watch the video tutorials. The link is:
http://facility-management-advisor.com/Audio/Bidandvendor/BV_Teleconference_download.html*

One final note on the bid sheet - you'll notice at the bottom of the sheet a place to enter your facilities square footage. Although the cell is not shaded, the cell is unlocked and editable. When you do this, the "cost per

square foot” is displayed. This number is helpful for benchmarking purposes.

“An educated consumer is not guaranteed success, but an uneducated consumer is guaranteed failure. . .”

In closing, we encourage you to use these tools freely to improve your vendor bidding and selection process. It is our sincere hope that you’ll find these tools valuable. If you do enjoy these tools and instruction, please let us know by dropping a quick email to admin@carlyleconsultants.com

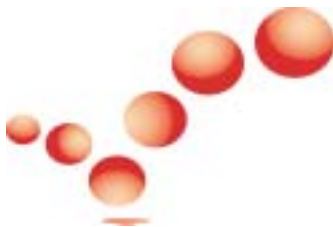
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The goal of the Carlyle Consulting Group and the Facility Management Advisor website is to provide you with tools & techniques that will help you to become a better facility manager. Each month we feature a one hour teleconference on an important topic such as bidding & vendor selection. Many of our monthly tele-conferences feature interviews of industry leaders and top consultants who openly share with you their techniques and tactics.

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Thank you and we look forward to working with you in the future!



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