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Relationship between the Request for Proposals (RFP) competitive solicitation process and the Request for Qualifications (RFQ) competitive solicitation process

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Housing Agency Procurement Assistance

Housing Authority Procurement Assistance

Dear Housing Professional,

Herein I will talk about the relationship between the Request for Proposals (RFP) competitive solicitation process and the Request for Qualifications (RFQ) competitive solicitation process, and when it is appropriate to utilize each process. This notice is motivated by (a) inquiries I receive from folks inquiring as to this issue, and (b) my observation that housing agencies are repeatedly utilizing the RFQ process when they actually, per relevant regulation, need to utilize the RFP process for certain issues.

By definition (this definition language has been formulated by me, primarily based on information detailed within Chapter 7 of the HUD Procurement Handbook 7460.8 REV 2 and 2 CFR §200):

A Request For Proposals is, typically, a formal (advertised) competitive solicitation process wherein the principle award factor is the top-rated proposer who is both responsive and responsible, and proposed cost is one of the evaluation factors.

A Request For Qualifications is, typically, a formal (advertised) competitive solicitation process wherein the principle award factor is the top-rated proposer who is both responsive and responsible, and proposed cost is NOT one of the evaluation factors—rather, cost is negotiated with the top-rated proposer. The RFQ is a/k/a as a Qualifications-based Selection (QBS).

So, both solicitation processes utilize evaluation factors to decide the eventual award; however, with an RFP proposed cost IS one of the evaluation factors and with an RFQ proposed cost IS NOT one of the evaluation factors (with an RFQ the eventual cost is negotiated).

Now, when is it appropriate to utilize an RFQ? Please note the following citation from the aforementioned HUD Procurement Handbook, specifically Section 7.3.C:

"Eligible Uses. The QBS method can only be used for A/E services, or Developer's related contracts, or when specifically authorized by HUD. Further, in accordance with 24 CFR 85.36(d)(3)(v), the QBS method cannot be used to contract for other types of services provided by A/E firms, even though A/E firms are a potential source for performing the proposed effort."

In addition, Section 12.2.E of the HUD Procurement Handbook also states that HUD must give prior approval for "use of the QBS [or RFQ] method of procurement for other than A/E services, joint venture partners or developers, or energy service contracts." It is my understanding that to do an "energy service contract" HUD requires an agency to have such effort approved by a HUD Field Office and that the appropriate competitive solicitation method that HUD has listed within its samples on the HUD.gov website is an RFP.

Pursuant to the foregoing, the RFQ method CAN be utilized for Architectural and Engineering Services (as long as such is allowed by state/local laws), for the retention of a Developer, or for Joint Venture Partners (see Chapter 16 of the HUD Procurement Handbook). The RFQ process is NOT to be utilized for the retention of any other professional services except as may be otherwise provided for within relevant regulation; meaning, the following services are NOT eligible to be retained through the utilization of an RFQ:

**Services NOT eligible to be retained pursuant to an RFQ
(to remain compliant, I strongly recommend you utilize an RFP):**

(NOTE: This listing is only partial, not all inclusive)

answering service;
appraisal services;
auction service;
audit;
background checks;
bad debt collection;
banking and investment;
bio-hazard cleanup;
case management service;
compensation and classification study;
construction;
construction management;
construction manager at risk;
energy audit;
event planning;
environmental assessment;
executive recruitment;
fee accounting;
financial consulting;
financing;
grant writing;
hazardous materials consulting/abatement;
housing inspection;
insurance, including brokers;
IT service;
legal;
payroll service;
physical needs assessment;
portfolio assessment;
professional consulting;
property/asset management;
public relations and marketing;
real estate appraisal;
social programs;
software;
strategic planning;
surveys;
temporary employee services;
tenant screening;
testing;
third-party verification services;
training;
utility allowance survey;
video design services;
website design; etc.

I hope that this helps. Please feel free to contact me by return email as to if you have any questions or concerns

2/7/2019 Gmail - Relationship between the Request for Proposals (RFP) competitive solicitation process and the Request for Qualifications (RFQ) c... with any information herein.

Regards,
Mike Gifford, C.P.M., CPSD
Housing Agency Procurement Assistance (HAPA)

ABOUT MIKE GIFFORD: Please feel free to visit my no-charge procurement and contracts-mentoring web site, www.procurementassistance.org. After you register, you will receive a username and password to access the material and documents on the website.

I have a consulting practice providing procurement- and contracts-related mentoring, training, and technical assistance to housing agencies. I help housing agencies conduct procurement and contracts in a HUD-compliant and "best practice" manner. [Click here](#) to see my full resume. Please do not hesitate to contact me if you have any questions or concerns pertaining to procurement and contracts (initial answering of questions is "no charge"). As I am either on-the-road or on the phone a lot, an initial contact by e-mail is best; please be sure to include your return telephone number (office/cellular) so that I can call you back.

DISCLAIMER: By accepting and reading this email you thereby understand and agree that I have no responsibility for this information, that I am simply distributing this information as an FYI.

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