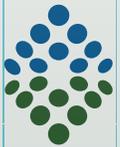


GOING OUT TO BID FOR RELOCATION SERVICES



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Creating and responding to RFPs is a major investment for both the client and the supplier. Establishing a method to manage a cost effective and time sensitive bid process will help lead to a successful outcome.

Designed to be educational, relocationprocurement.com, is an online information source for streamlining RFP development and distribution. The site provides procurement experts with the step-by-step tools needed to efficiently and effectively go out to bid for relocation services. Whether your company is ready to select a new relocation partner or simply testing the marketplace, following a checklist of proven procedures can result in the best use of your internal resources.

Setting up the Process

From the start, setting up a well-defined project plan and timeline will save time and money.

Begin by selecting a cross functional team with all key stakeholders represented. Typically, procurement manages the RFP process; however, ideally the team should also include

staff from Human Resources, Payroll, Legal, and each of the company's subsidiaries.

To stay on track and focused, clearly identify the goals and objectives of your project to make sure that everyone is on the same page. There should be a discussion about why the company is going out to bid. Ask team members for their opinions:

- ✦ **Is the bid process about securing lower pricing and fees?**
 - ✦ **Has the quality of the current vendor become lax?**
 - ✦ **Is it just a bid cycle?**
- There should also be a discussion around what, if anything, team members want to see in the new supplier:
- ✦ **Is the current supplier's culture a good fit?**
 - ✦ **Is the size of the current supplier a concern? Too big or too small?**
 - ✦ **Are there other areas of concern with the current supplier such as technology or account management style?**



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Once the project scope and objectives are clearly defined, the team can move forward with determining who will be responsible for each task and assign definitive deadlines. An effectively managed project should target a six month timeline from initiation to implementation. The worst possible scenario for the bid process is no outcome at all - that the process just withers and dies. At that point, the client has wasted its resources and so have the relocation companies who have spent a considerable amount of time responding to the questions.

Implementing the Supplier Pre-screen

There are more than a dozen relocation companies listed on relocationprocurement.com. However, only a half dozen or so have the ability to provide services for complex global engagements. Performing a pre-screen in the form of a request for information (RFI) is the most efficient way to find out which companies are best suited to handle the scope of the company's objectives. Pricing is not typically requested at this stage. Pre-screening helps to identify the top four or five relocation services

providers who meet the basic objectives and deliver a good cultural fit.

Developing the RFP package

Once the RFI responses are evaluated and you have narrowed the pool of potential suppliers to around 4-5, you are ready to send out a comprehensive request for proposal (RFP). Include a company description so the supplier understands your business. What does the company do? What is its financial position? What are the goals of the relocation program? In a page or two, this description sells your company to the supplier and explains why they should want to do business with your company.

Pricing is based on volume, so accurate volume estimates are imperative. Include all of the global relocation activity because it is required in order to accurately provide pricing, since pricing models are based on a mix of service fees, referral fees and booking commissions. Along with a summary of required services and a timeline, also include your company's relocation policies so they can be evaluated in the process.

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A sample list of questions to include for each service is provided on relocationprocurement.com. Once the questions are compiled, send the RFP to the top 4-5 suppliers from the RFI process that meet your goals and objectives for supporting a global engagement.

Weighting the RFP questions for scoring

When the RFP is returned, committee members can score responses individually and then meet to come to a consensus. Examples of weighting and scoring are as follows:

- ❖ **3-5-10 weighting –Weighting needs to be determined internally. Determine the questions that are most important to your company. For example, the weighting would be 3 – important, 5 – very important, 10 – critical, and that becomes the multiplier.**
- ❖ **1-5 scoring –When the questions are scored, depending on how the supplier answers the questions the scoring is multiplied by the weighting factor. The**

committee meets to score the responses and determine the core and weight. The scoring needs to be a consensus of how the members evaluated the responses.

Selecting the New Supplier or Retaining the Existing Supplier

After evaluating the RFP responses, if the team determines that retaining the current service provider is best – the process is complete. However, if everyone agrees it's time for a change, then the next step is identifying the top two or three suppliers for the best and final presentation. Invite companies to present to the committee while keeping in mind that it is a good idea to schedule a separate webinar/presentation to demonstrate the technology that will support the engagement.

Schedule office visits for the top two suppliers and identify the key personnel that you want to interview, typically: sales person, information technology liaison, client accounting representative, and the proposed account manager and a relocation consultant from the



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team. Structure your agenda to focus your time on the most important areas of consideration for you. Identify the most important topics of discussion for the suppliers in advance so they are well prepared to spend the majority of their time addressing your key areas of interest/concern.

Once the best and final presentations have occurred, the project team should have a clear idea of which supplier is the front-runner. Once the top supplier is identified, negotiations on pricing and contract terms begin. Throughout this process most companies will provide competitive pricing, so the decision really boils down to the terms and conditions of the contract.

Implementing a new supplier

On-boarding a new supplier involves significant time, so plan on a 60-90 day transition timeline depending on the complexity of your program. Managing the transition includes identification of roles on each side and determining specifically who is taking responsibility to complete the

necessary tasks. Problems can be avoided with proper and thorough implementation, so make sure that all of the key stakeholders involved in the implementation are prepared and understand the time commitment required. Effectively working with all key stakeholders and supplier contacts can be challenging, but by utilizing online meeting technologies and webinars, you can efficiently provide training to the entire team.

During implementation, it is critical to establish the key performance indicators (KPIs) that will govern the relationship. Establishing realistic and reasonable performance indicators that are clearly outlined and agreed to in the beginning of the relationship is the best way to avoid surprises down the road. Implementation is also the time to identify your reporting needs.

Suppliers need to know what information is critical to you in managing your global program and what type of reporting schedule you prefer. These requirements should be clearly outlined and agreed to on both sides.

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Throughout the initiative, keeping tabs on transferee satisfaction is a good practice and will provide clear feedback on how the supplier is performing. Ensure that the supplier will distribute a brief customer evaluation survey at 45 days and then a final move survey at completion.

Following the steps outlined here and using relocationprocurement.com as a resource can help your company develop an RFP process that makes going out to bid for relocation services a better experience for everyone involved.



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