

Request for Proposals (RFP)... the Good, the Bad, and the Ugly

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Why is it that the RFP process (from both an airport and aviation business perspective) can be like hunkering down on the dirty side of an extremely dangerous category four hurricane?

Is it the “unpredictability” of it all – like dealing cards, rolling dice, or going to court? Could it be the “hornet’s nest” of politics, the administrative “can of worms”, or the “boondoggle” of due diligence that can surround, characterize, or plague the RFP process? Or, is it just the uncertainty of it all?

In the end, after all is said and done, is it really worth it? Well, it can be... very much so. In other cases, it may not be worth it. One thing is for sure, when it comes to RFPs, the end does not justify the means. To be successful, the means (i.e. the process) must justify the end (i.e. the final outcome).

By adhering to a structured process, “good” RFPs can produce great results. With this in mind, the following scenarios (real world compilations) illustrate the differences between good, bad, and ugly RFPs.

The Good...

After conducting a thorough situational analysis and carefully considering all of the various alternatives (to issuing an RFP) that exist, airport management determines that it would be in the “best interest” of the airport sponsor and the public to issue an RFP. After ensuring that the airport’s governing body agrees with this determination, airport management then proceeds to develop a comprehensive RFP specifically tailored for the airport (and appropriate for the situation) that clearly and concisely identifies and discusses the opportunity and delineates the RFP process step-by-step.

After advertising the opportunity (well in advance) in appropriate industry publications, airport management then distributes the RFP to all interested parties and promptly responds to requests from prospective respondents.

A mandatory pre-proposal meeting is conducted. During the meeting, any changes, additions, deletions, or clarifications to the RFP and/or the process are communicated to all prospective respondents. In addition, the questions asked by prospective respondents are answered in a forthright and professional manner.

After the meeting and throughout the process, airport management distributes addendums providing written responses to the questions, inquiries, and/or requests for additional information from prospective respondents.

Most importantly, prospective respondents are given ample time to develop a response to the RFP. As a result, multiple (well thought out) proposals are submitted by qualified

and experienced operators who have successful (proven) track records and reputations to match and the financial wherewithal to properly initiate and sustain the proposed operation. After a thorough and unbiased evaluation and ranking process, the top candidates are identified and interviewed. Shortly thereafter, a finalist is selected and announced.

An agreement, which provides the foundation for the operator's success while simultaneously protecting the interests of the airport sponsor and the public, is negotiated (in a prompt manner) with the selected operator who, in turn, fulfills all of its promises (as articulated in its proposal) and throughout the term of the agreement, consistently delivers the range, level, and quality of products, services, and facilities desired by the airport and the aviation consumers in a safe, efficient, secure, prompt, courteous, and proper (professional) manner for a fair and reasonable price. In the end, everybody (i.e., the airport sponsor, airport management, and aviation consumers) is happy and the operator is successful beyond its wildest imagination.

Sound like a fairy tale? Well, based upon years of experience dealing with RFPs from both an airport and aviation business perspective, it probably is. As a matter of fact, I can count the number of times on one hand where RFPs have gone or had outcomes like this. Instead, RFPs are often messy with more than a fair share of "bad" or "ugly" elements which can create conflict (become a point of contention or consternation) at an inopportune time in the process and may even evolve over time, much like a hurricane, into a serious, or potentially even fatal (process-stopping), issue.

The Bad...

A situational analysis is not conducted, alternatives are not considered or explored, and airport management makes a recommendation to the governing body to issue an RFP because somebody at the FAA "says" that's what should happen. Airport management moves ahead with the RFP without consulting the Airport Assurances and other FAA guiding documents to ensure that they are being interpreted properly given the circumstances that exist at the airport (or in the market).

With a nod from the governing body to move forward with the process, but no real resources or budget, airport management begins a frantic search for RFP documents that can be plagiarized (cut up and pasted together). Airport management ends up obtaining a document from another airport (that, unfortunately, is not comparable to the subject airport) that has issued an RFP at some point (most likely, under much different circumstances) and proceeds to change the names to protect the guilty, fit the pieces together (as best as possible... like a broken statue), and issues the RFP without really thinking the whole process through.

The opportunity is not advertised much (if at all), the RFP is only distributed to those parties (if any) who request it, and there is little (if any) follow up or follow through. A pre-proposal meeting is not held (or if it is held, it is not mandatory). Communication between the parties is limited. Answers to the questions posed by prospective respondents are not provided in a prompt manner. Addendums are not issued in a prompt manner. Prospective respondents are not given enough time to develop a response. No proposals are submitted or the proposals submitted aren't consistent with

the expectations of the airport sponsor. In the end, everybody wonders what went wrong and nobody is happy.

The Ugly...

While, in the beginning, the RFP could be “good” or “bad” or even be a combination of both, under the “ugly” scenario, in the end, multiple proposals are submitted by qualified and experienced operators and then rejected outright by the governing body (i.e., an operator is not selected). Given the time, effort, and resources expended by both parties, this is certainly one of the most frustrating outcomes of all. However, just when you thought it couldn’t get any uglier, after rejecting the proposals submitted, the governing body decides to pursue the opportunity itself. From an operator’s perspective, this is the ultimate slap in the face.

The Bottom Line...

We’re all in this together. Perhaps one of the best things we can do in preparation for being involved in an RFP is to walk a mile in the shoes of our counterparts. That means airports need to view RFPs through the eyes of prospective aviation businesses and vice versa.

Based upon the illustrations in this article, it is clear that a “good” RFP process includes, at a minimum, the following five components: (1) a thorough analysis of the options, the market, and the desired outcome, (2) development of a “good” RFP document, (3) development of a “good” process, (4) strict adherence to the steps outlined in the process, and (5) effective communication. Ultimately, these elements, in combination, should lead to great outcomes.

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Over the past year, Paul has been a featured speaker at AAAE/SWAAAE’s Non-Hub/General Aviation Airports Conference and AAAE/NATA’s FBO Symposium where he has made presentations on this topic. Paul was also a featured speaker at the 26TH SCAA Annual Conference in 2004 where he led sessions on “Advanced Airport Management”.

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