

## **CHAPTER 2**

### **Needs Identification**

#### **True/False**

1. Needs resolution is the initial phase of the project life cycle.

ANSWER: F

2. Needs identification starts with the recognition of an opportunity and ends with the issuance of a request for proposal.

ANSWER: T

3. Project selection involves evaluating various needs or opportunities, and then deciding which of these should be moved forward as a project.

ANSWER: T

4. During project selection, only quantitative factors should be evaluated.

ANSWER: F

5. The purpose of preparing a request for proposal is to state, comprehensively and in detail, what is required from the contractor's point of view to address the identified need.

ANSWER: F

6. Once the magnitude of the benefit or improvement has been estimated, the customer can determine the budget for a project to implement the improvement.

ANSWER: T

7. Instead of a formal RFP, sometimes needs are communicated orally instead of in writing.

ANSWER: T

8. A statement of work (SOW) is an optional part of an RFP.

ANSWER: F

9. An RFP includes the customer requirements, which define specifications and attributes.

ANSWER: T

10. In the RFP, deliverables usually refer to intangible benefits the customer receives at the completion of a project.

ANSWER: F

11. Periodic progress reports and final reports that the customer requires the contractor to provide are seldom part of deliverables in an RFP.

ANSWER: F

12. Customer-supplied items should be listed in an RFP.

ANSWER: T

13. Progress payments, based on a percentage of the total price, are made as certain milestones are accomplished.

ANSWER: T

14. An RFP should not include detailed schedules since this may conflict with the actual completion of the project.

ANSWER: F

15. Instructions in an RFP might state the maximum number of pages, the number of details the customer wants the contractor to show regarding the costs, and other specifications.

ANSWER: T

16. The RFP should indicate the due date by which the customer expects potential contractors to submit proposals.

ANSWER: T

17. Every RFP should indicate the funds the customer has available to spend on the project.

ANSWER: F

18. Business customers and contractors consider the RFP/proposal process to be a competitive situation.

ANSWER: T

19. All project life cycles include the preparation of a written request for proposal and subsequent proposals from contractors.

ANSWER: F

### **Multiple Choice**

20. \_\_\_\_\_ is the initial phase of the project life cycle.

- a. Needs resolution
- b. Needs identification
- c. Problem generation
- d. Brainstorming

ANSWER: B

21. Before a \_\_\_\_\_ is prepared, the customer must clearly define the problem or need.

- a. a set of evaluation criteria
- b. request for procedures
- c. list of assumptions
- d. request for proposal

ANSWER: D

22. Evaluating various needs or opportunities, and then deciding which should be moved forward as a project is called:

- a. project decision-making.
- b. project selection.
- c. project projections.
- d. project sorting and classification.

ANSWER: B

23. The purpose of preparing a request for proposal is to state, comprehensively and in detail, what is required, from the customer's point of view, to address the \_\_\_\_\_.
- a. cost issues
  - b. identified need
  - c. technical ideas
  - d. work breakdown goals

ANSWER: B

24. A \_\_\_\_\_ deals with the scope of the project, outlining the tasks or work elements the customer wants the contractor or project team to perform.
- a. statement of objectives
  - b. statement of goals
  - c. statement of work
  - d. statement of constraints

ANSWER: C

25. The RFP must include the customer requirements, which define \_\_\_\_\_ and attributes.
- a. specifications
  - b. challenges
  - c. scope of work
  - d. competitor's products

ANSWER: A

26. \_\_\_\_\_ refers to tangible items that the contractor is to supply.
- a. Deliverables
  - b. Customer-supplied items
  - c. Statement of work
  - d. Baseline plan

ANSWER: A

27. In a \_\_\_\_\_ contract, the customer will pay the contractor a set amount regardless of how much the work actually costs the contractor.
- a. materials-based
  - b. time-based
  - c. fixed price
  - d. time and materials

ANSWER: C

28. \_\_\_\_\_, based on a percentage of the total price, are those made as certain milestones are accomplished.
- a. Pattern payments
  - b. Direct fees
  - c. Progress statements
  - d. Progress payments

ANSWER: D

29. \_\_\_\_\_ will be used by the customer to evaluate proposals from competing contractors in order to select the one to perform the project.
- a. Evaluation criteria
  - b. Format instructions
  - c. Due date timelines
  - d. Progress payments

ANSWER: A

30. Business or government customers may hold a bidders' meeting to explain the RFP and answer questions from interested contractors because:
- a. business contractors view the RFP/proposal process to be a competitive situation.
  - b. business customers usually choose the customer that bids the highest at these meetings.
  - c. business contractors judge their market position in the industry based solely on these meetings.
  - d. business customers and contractors use these meetings as a branding strategy for the general public.

ANSWER: A

31. The first step in the project selection process is to:
- a. evaluate each opportunity against a criteria.
  - b. list assumptions for the opportunity.
  - c. study legal barriers.
  - d. develop a set of criteria to evaluate each opportunity.

ANSWER: D

### **Short Answer**

32. What must be done before a request for proposal is prepared?

ANSWER:

Before a request for proposal is prepared, the customer must clearly define the problem or need. This may mean gathering data about the magnitude of the problem.

33. What is the purpose of preparing a request for proposal?

ANSWER:

The purpose of preparing a request for proposal is to state, comprehensively and in detail, what is required from the customer's point of view, to address the identified need.

34. List twelve guidelines for drafting a formal request for proposal to external contractors.

ANSWER:

- a. An RFP must provide a statement of work (SOW).
- b. The RFP must include the customer requirements, which define specifications and attributes.
- c. The RFP should state what deliverables the customer expects the contractor or project team to provide.
- d. The RFP should list any customer-supplied items.
- e. The RFP might state the approvals required by the customer.
- f. Some RFPs mention the type of contract the customer intends to use.
- g. An RFP might state the payment terms the customer intends to use.
- h. The RFP should state the required schedule for completion of the project.
- i. The RFP should provide instructions for the format and content of the contractor proposals.
- j. The RFP should indicate the due date by which the customer expects potential contractors to submit proposals.
- k. An RFP may include the evaluation criteria.
- l. In rare cases an RFP will indicate the funds the customer has available to spend on the project.

35. What does SOW mean?

ANSWER:

A statement of work (SOW) is part of an RFP and deals with the scope of the project, outlining the tasks or work elements the customer wants the contractor or project team to perform.

36. Give examples of evaluation criteria that might be included in an RFP.

ANSWER:

- a. The contractor's experience with similar projects.
- b. The technical approach proposed by the contractor.
- c. The schedule.
- d. The costs.

37. List the four steps of project selection.

ANSWER:

- a. Develop a set of criteria against which each opportunity will be evaluated.
- b. List the assumptions for each opportunity.
- c. Gather data and information for each opportunity.
- d. Evaluate each opportunity against the criteria.