Identifying Cost Thieves

- Caveat Emptor: "Let the buyer beware"; business is based on this principle
- Evergreen or outdated contracts
- Low price doesn’t mean best value
- Are you allowing suppliers to dictate the business relationship?

Strategic Expense Management

- Reduce Cost
- Improve Service Levels
- Change the Way You Do Business
- Identify New Sources & Leverage the Market
Know the Difference

- Vendor – Little or no value to the relationship
- Supplier – Strategically sourced provider who you develop a relationship with

Strategic Sourcing

- For new acquisitions where quality really matters or totally new product/service
- When current solution is no longer working and there has been a market change
- To test the market to see if you can get more value for spend
- When your current contract is expiring

What is the Purpose of a RFQ/RFP?

- Expand potential supplier options
- Set expectations – identify your needs
- Set cost structure
- Understand the market
- Allows you to manage relationships
RFQ or RFP? Which to use

RFQ – Request for Quote
- Informal RFQ’s are quotes from your suppliers or resellers
- Formal RFQ’s are used for moderate value acquisitions and will require specifications on a smaller scale

RFP – Request for Proposal
- Used for high dollar or strategic acquisitions and are very detailed in specifications
  - Strategic acquisitions
  - Potential to change the way you do business

Where Do I Begin?
- Use market research to find the best sources
- Identify goals
- Structured approach allows comparison of ALL information equally to eliminate/select suppliers fairly

What Do I Put in a RFQ/RFP?
- Give suppliers information on firm
- Identify what you are trying to accomplish
- Limit supplier contact inside your firm – identify a primary contact. Write a disqualification clause into the RFQ/RFP as a means to ensure this.
## RFQ/RFP Process
- When able, allow a time within the response period for questions. Compile all questions and answers and send to all participants.
- Once responses are received:
  - Review responses and compile feedback from business group or team (if included)
  - Create cost analysis
  - Meet with business group or management

## Next Steps
- Schedule demo of product with top source(s) to confirm product/service is a good fit
- Ensure you selected the right source by confirming review team can come to a consensus
- Start negotiations

## Negotiations 101
- Be prepared
- Know your leverage
- Relationship is important
- Control the time/place
- Be willing to walk away
What to Negotiate

- Initial purchase
- Any extra cost that may arise as a result of the demo or POC
- Multi-year rate lock
- Future increases
- Termination of agreement

Contract Review Best Practices

- The RFQ/RFP and response are the basis for your contract guidelines
- It's OK to make redlines
- Is it mutual?
- Order of precedence

Key Factors for ALL Contracts

- Opening Paragraph
- Term & Termination
- Indemnification
- Warranty
- Confidentiality
- Limitation of Liability
- Force Majeure
- Notices
- Insurance Coverage
Always Remember This

- Try to use as much original language as possible
- Always get signatures from both parties. If a signature block isn’t included, add it.
- Never accept renewal cost for face value
- EVERYTHING is negotiable
- Knowledge is power & power is leverage

What’s Next?

- Review your invoices
- Ensure annual increases match contract
- Know the Consumer Product Index, All Clerical Workers
REQUEST FOR QUOTATION

Sample RFQ Cover Sheet

January 14, 2016
1. INTRODUCTION

XXXXXX (the Firm) is a xxx law firm …………….  

The Firm is issuing this Request for Quotation (“RFQ”) from suppliers ("Supplier/s") for the purpose of ……..

2.0 SPECIFICATIONS

2.1 Statement of Purpose

This initiative is an outcome of discussions regarding the need for the selected Supplier to provide the following:

1. Provide ……………

2. Establish …………………

3. Develop …………………

2.2 Product Information

Suppliers responding to this RFQ should answer each of the following questions to the best of their abilities. ………………….

a. Supplier must confirm …………………
   i. …
   ii. …
   iii. …
   iv. …
   v. …

In the event that the …………………

Supplier may also provide a listing of any additional …………………

b. Supplier must identify ………………………

c. Supplier must explain the ability …………………

2.2.1 Maintenance, Training, & Implementation

a. Supplier must factor maintenance …………………

b. Supplier must explain distribution …………………

c. Supplier must factor training ………………………
d. Supplier must explain the implementation process

2.2.2 Technical

a. Supplier must describe

b. Supplier must explain

c. Supplier must provide a brief explanation as to how

3.0 AWARD & CONFIDENTIALITY

Discussions and Negotiations

Confidentiality

4.0 INSTRUCTIONS FOR RESPONSE SUBMISSION

4.1 Inquiries and Clarifications

Inquiries regarding this RFQ may be addressed to ……., or via email at ……. no later than (give date).

4.2 Submission of Responses

Responses to this RFQ should be emailed in Word, or pdf, form to: ………and must be received no later than (give date and time). All quotes must remain open as submitted for xx days from the submission deadline.

4.3 Response Format

Responses shall contain at least the following information and should be presented in the order shown here.

   a. Response…..
   b. Pricing ……
   c. Contact Information …..
   d. Exceptions and Specific Additions ……
## Exhibit A

**Cost Matrix**

<table>
<thead>
<tr>
<th>Software Description</th>
<th>Quantity</th>
<th>Amount</th>
<th>Extended</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Product Information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 a Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 b Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 c Implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please include additional lines for features and costing not included above.
Direct Placement Agreement

THIS DIRECT PLACEMENT AGREEMENT ("Agreement") is being entered into on this 24th
day of September, 2015, by and between [Company] and [Company]
(“Company”).

1. For the services rendered herein, [Company] shall charge a fee of 20% of the candidate’s first year
annual salary in accordance with the fee schedule attached hereto as Exhibit “A.” Payment will be due within
ten (10) days of the new employee’s start date. Company agrees to treat as confidential all information
received about a candidate, including the identity of a candidate, and will not disclose such information. If a
candidate is hired pursuant to our referral for any position in your Company or any of its subsidiaries or any
other entity as a result of subsequent referrals by you within one year from the date of referral, you agree to pay
[Company] a fee equal to the amount stated on Exhibit "A." Our referrals are defined as an emailed or
verbal presentation of a candidate from an employee of [Company] to an authorized agent of your Company.

2. We guarantee replacement of the candidate at no additional cost, assuming the position’s salary
remains the same, if the candidate is terminated within 90 calendar days of start date, for any reason other
than elimination of the position. This and any other written or implied guarantee or discount is contingent
upon payment of all invoices. If payment is not received within 10 days of candidate’s start date, then the
guarantee with be null and void. The free replacement is valid to be used for up to 1 year from the initial hire
date.

3. The parties agree that the relationship between them is that of independent contractor and that
neither party shall have any authority to represent or bind the other and that neither party shall hold itself out
or have any authority as an agent of the other for any purpose whatsoever. Nothing herein shall be
constructed as creating a principal and agent, joint venture, or any other type of relationship besides
independent contractor between [Company] and Company.

4. No Warranties; Limits of Liability.
    (a) [Company] EXCLUDES AND DISCLAIMS ALL WARRANTIES
        WHATSOEVER, INCLUDING ANY WARRANTY OF NONINFRINGEMENT, MERCHANTABILITY
        OR FITNESS FOR PARTICULAR PURPOSE.

    (b) NEITHER PARTY SHALL BE LIABLE TO THE OTHER WHATSOEVER FOR
        ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING ANY
        DAMAGES ON ACCOUNT OF LOST PROFITS OR LOST OPPORTUNITY, WHETHER OR NOT
        PLACED ON NOTICE OF ANY SUCH ALLEGED DAMAGES AND REGARDLESS OF THE FORM OF
        ACTION IN WHICH SUCH DAMAGES MAY BE Sought.

    (c) [Company] DISCLAIMS RESPONSIBILITY OR LIABILITY FOR ANY FRAUD
        OR MISREPRESENTATION BY CANDIDATES AND DOES NOT WARRANT THE TRUTH OF ANY
        INFORMATION PROVIDED BY A CANDIDATE IN A RESUME OR OTHERWISE.

5. [Company] will represent Company as an equal opportunity employer. [Company] will consider
applicants for all positions without discrimination on the basis of race, color, religion, sex, national origin,
age, disability, marital status, or veteran status, or any other legally protected status. Candidate and client
confidential information will not be disclosed unless the parties agree in writing.

6. This Agreement represents the entire agreement between the parties and supersedes any prior
understandings or agreements whether written or oral between the parties respecting the subject matter herein.

7. Company understands and agrees that these terms and conditions set forth above and on Exhibit
"A" shall govern the provision of services by [Company] to Company.

[Company]

By: ____________________________ By: ____________________________
Title: ___________________________ Title: ___________________________