

## White Paper

# Evaluation scoring: Deliver better outcomes using the Moderation process

Commerce Decisions Limited



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## Introduction

The importance of a robust, transparent and defensible evaluation process has never been so critical. Getting this process right is now widely acknowledged to be vital, particularly in the public sector where procurement spend is so highly regulated and scrutinised. Procuring authorities must establish and use practices that ensure there's an even playing field for all bidders, and bidders must be scored accurately and fairly, based on the rules of the specific procurement.

It's generally understood that the high-level purpose for having a Moderation process is to ensure that the Evaluators have considered the question that was asked, carefully reviewed the evidence provided, and then given an accurate rationale or reason for their scores. This then ensures that the final score and rationale is as robust as possible and can stand up to an audit, or even a legal challenge down the line. Whilst this is easy to say, here at Commerce Decisions we encounter Moderation processes that range from 'best practice' to nothing but a 'box-ticking exercise', and everything in between. This white paper looks to explore what we really mean by 'best practice' and why it's important.

## The real value of Moderation

In its simplest form, Moderation is the final consensus score being defined by a procuring authority which will determine the outcome of the bid. But in its truest form, Moderation is a critical stage in the procurement process and all too often some of its real value gets overlooked. When done correctly, Moderation can add value to your project by:

- Driving confidence internally in the final authority decision
  - Having more opinions, as part of a controlled process, will enable stakeholders to really buy into the final outcome rather than feel like the result was either random, out of their hands or predictable.
  - When done correctly, the Moderation process can offer assurance that the correct decisions have been made throughout the process so that ultimately the right contract is being awarded and the decision is defensible. That in itself is of immense value.
- Highlighting fundamental disagreements
  - Effective Moderation will highlight differences of opinion (based on the evidence provided) to drive debate and encourage robust conversations.
  - With the sheer volume of document-based evidence for evaluators to read and sort through (across different file formats), there will inevitably be differences of opinion and things will be overlooked. Moderation encourages healthy debate whilst ensuring key information is always brought to the surface, driving more accurate final scores and decisions.
- Delivering tangible savings (time, money, resource)
  - The actual cost of being challenged, as well as the cost of a delayed procurement, starts to rapidly add up. In truth, even the threat of a challenge can become such a massive distraction that having a 'best-in-class' Moderation process really should be mandatory: it provides a safeguard against the various costs of challenge by demonstrating the process was robust and fair which ultimately makes it defensible. Without this type of rigor and transparency, the door is left open to the negative outcomes mentioned above.
  - Many organisations are now starting to embrace Moderation, not just as 'another step in the process', but as a key milestone in the procurement that truly does help shape and deliver the right outcome.

## Building the foundations for a successful Moderation

Before your Moderation process begins, there are a few best practice steps to follow to ensure you're prepped for success. These steps will help lay the groundwork for guiding Evaluators on the important role they have in ensuring the Moderation process helps drive the right outcome.

### Master the basics

For most people, taking part in an evaluation process is a step away from their day job. Whilst it's common for Evaluators to be subject matter experts in their respective field, without some basic training to instil the core principles of how to apply that knowledge and be an effective Evaluator, you are potentially setting your procurement up to fail. To help with this challenge, we offer a short but comprehensive Assessor Best Practice training course that covers everything from the basics and how to write strong rationale, all the way through to a final checklist to help ensure the best possible outcome.

### Appoint an independent chair

Ideally speaking, the Moderator should act as an independent chair to help ensure there's no bias when listening to different points of view. The Moderator certainly doesn't need to be a subject matter expert - the purpose of their role is not intended to directly influence the outcome. A successful Moderator will be able to make sure the process is run fairly to enable objective decision making, regardless of how heated some of the evaluation scoring discussions may become. In addition to having a Moderator/independent chair, it's also important to have an independent point of escalation should any differences prove insurmountable... In practice, a Moderator/independent chair and point of escalation are likely to be individuals within the organisation who sit outside of the primary department/function that is driving the procurement. This goes a significant way to ensuring the individual(s) selected have no vested interest in the outcome of the procurement and can't unduly influence the result. It is also entirely possible to have a third party fulfil this role should that be a viable and practical option.

### Identify multiple Evaluators

From our experience, three to five Evaluators per question strikes the right balance for capturing input, without the process grinding to a tedious halt. By having a small group of people independently reviewing and scoring each question, it will help ensure scores are more accurate and balanced, which in turn supports a consistent process. Certainly, for any evaluations where there is only one Evaluator, regardless of how much expertise they have, there is a real risk of getting some very skewed scores. This is either because of their own bias or the way they have interpreted the evidence supplied; if there's no one else involved to offer an opinion on their understanding and viewpoint, then there's no challenge/different perspective to that single score.

### Pre-Moderation ahead of time

As a Moderator, having early sight of any major differences in terms of scoring can have a significant effect on the efficacy of the Moderation process. The use of the right technology solution - such as AWARD® which is designed to support this process - will help bring these differences to the fore early on, allowing the Moderator to review and provide guidance back to Evaluators, where needed, ahead of the Moderation session.

More specifically, if there are any differences of opinion in terms of the scores, or if any of the submitted rationale aren't sufficiently robust, then it becomes a lot easier to discuss and actually resolve these issues ahead of time. For example, an Evaluator might give a score of "Excellent" accompanied by a corresponding rationale that doesn't provide enough

detail to justify the score, such as “Provides what’s needed”.

By doing pre-Moderation ahead of time you can get a sense of which areas will need real focus before the Moderation session. Having an understanding early on that Evaluators are coming to different conclusions will help with planning how much time might be needed, and who you might want to explain their score/rationale. Many issues can even potentially be resolved ahead of the formal session - for instance, the removal of any personal remarks in the rationale. Again, the use of a technology solution designed to support this process means that the Moderator can check on progress, scores and rationales throughout the evaluation phase – differences of opinion are easily visualised in catching any issues in advance so they can adjust, rather than fixing everything right at the end.

## Best practice for during the Moderation process

Once you and your team have set yourselves up for success, there are still a few best practice activities that we advise are followed during the Moderation process itself. Certainly, all of the preparation work done so far now needs to be combined with the right activities and process steps on the day.

### Agree your methodology upfront

As the Moderator, it’s more common than not to experience at least a few questions where there are some significant differences of opinion and therefore scores. As such, it’s critical that a robust approach for reviewing, and dealing with, differences is used. When differences do occur, it falls to the Moderator to challenge Evaluators by encouraging them to explain how they arrived at their scores. It’s also important to ask the right follow up questions to ensure no false assumptions have been made or there hasn’t been an oversight in reviewing the submitted evidence.

This approach will help to rapidly narrow down and analyse differences, making the final score more balanced and defensible. Some projects take a different approach, one that we strongly advise against - they add up the scores and then take an average. This approach introduces a mathematical angle to a problem that is more accurately solved by discussing the reasons for the different scores and agreeing on the right one to move forward with. There is a strong chance that a score given by one of the Evaluators is actually the correct one, so using the average approach is merely a quick way to choose the wrong answer.

### Ensure independent scoring

It’s vital that Evaluators review the evidence and score each question independently, in order to demonstrate a robust process. If Evaluators are working as a team or swapping ideas and thoughts during the evaluation phase, it introduces the danger of group thinking, and again results in skewed scores with inherent bias. The importance of independent scoring is a key component of the Evaluator training - it ensures the Moderation process remains fair and defensible; in particular, the course makes it clear that behaviours such as comparing notes and being influenced by previous dealings with a supplier are unacceptable and can put the entire procurement at risk.

### Establish a clear rationale

Even the best and most considered scores need a clear explanation to justify the score given. Certainly, the rationale is a key artifact in the process that will be carefully reviewed in the Moderation session. It’s a crucial area that lawyers focus on when it comes to a potential legal challenge – don’t let your rationale be the reason for a successful challenge. In particular, rationale must be:

- Completed for every answer – irrespective of score
- Specific to the bidder’s response being evaluated
- Suitable for public use
- Defendable during bidder feedback
- Based on considered judgement
- Understandable in isolation
- The justification for the score – and not the process by which the score was concluded

### Manage the people factor

Taking into account that human beings all think and react in different ways is also a key consideration. There are a diverse range of human and individual characteristics, which influence behaviour, personality, skills and attitudes. Added to this are the wide variety of backgrounds and experiences people have, which understandably results in us all approaching situations a little differently and from various perspectives.

It’s therefore natural that some mistakes may be made throughout the process and that people may interpret the questions they’re being asked in a number of ways. It’s also important to be mindful that some people may have a particular agenda and therefore favour one bidder rather than another. This may prompt reactions such as: “I just don’t want to work with that company”, “You can’t do it like that when bids are received” or “ We need to design the right evaluation criteria to help eliminate them.” These are all factors that must be taken into account to ensure a transparent and fair Moderation process. If you’re using AWARD®, our Structured Criteria Development process can support you with this challenge, by giving clear scoring guidance to Evaluators.

### Appoint a Moderation scribe

Best practice is to have the support of a minute-taker to ensure detailed notes are captured throughout the Moderation process. These should subsequently be made available to all relevant parties to show details of the conversations and decisions that were taken that led to the final score: they should be saved as part of your audit trail. The availability of documented evidence proves that a defendable, robust process was conducted, and ultimately provides lawyers with the essential information, should it be required in court. As a key point of difference, these types of notes are not to be included in the actual rationale being submitted, these are more ad-hoc and represent the dialogue/discussions being held rather than the official reason for a score. For example, they could help to describe the process where a score is changed because a key piece of evidence wasn’t spotted originally.

## Moderation - The emergence of home working

Remote working, home working and flexible working have been a part of many people’s lives for several years, but since the COVID-19 pandemic, we have seen homeworking become the norm for the majority. This has presented a variety of challenges to employees and employers alike.

The requirement to work from home has seen the world of procurement forced to adapt overnight, with the need for a well-documented, transparent, and fair tender evaluation process becoming even greater. The scrutiny on awarding contracts continues to increase, as does the number of bidders challenging – so it has never been more important to ensure bids are evaluated properly and scored appropriately against the specified evaluation criteria.

The Moderation process, as a consequence of the mandate to work from home, is now a completely different event. What was previously an opportunity for project stakeholders and Evaluators to meet in person to discuss, debate and determine answers for tenderers' submissions, is now typically a remote call with a dispersed team. This inevitably makes the process more challenging, but a clear solution is to turn to technology for support. With an online solution such as AWARD®, you can take advantage of saving travel time and budget by running your Moderation process remotely, all without jeopardising the success. AWARD's clear, graphical visualisation of the Evaluator scores and where the discrepancies lie, allows you to focus on the areas you need to. All whilst working remotely.

Key things to consider when choosing the right online evaluation solution include the ability for people to remotely and securely login to complete their assessment of each bidder, in conjunction with the functionality to then easily review and agree on the final scores and rationale – all of which should be backed up by a robust audit trail. This functionality all features within AWARD® as standard.

## Final thoughts

Whilst there are many components to truly conducting a best-in-class evaluation process, the specific and highly valuable role that Moderation has to play can easily be overlooked. Here at Commerce Decisions, we thoroughly believe that with the right training and methodology - underpinned by technology - Moderation can truly be a game changer: not just another step to be followed in the process.

Furthermore, the continued emergence of remote or home-based working is only going to increase the importance of having a robust Moderation process in place. Whilst the threat of a legal challenge remains real for any organisation running a sub-optimal Moderation process, for a growing number of organisations today, Moderation has now become an activity that truly adds value to the process by ultimately driving the right procurement decision in a robust and defensible manner. Best practice Moderation will help deliver the best possible outcome for even the most complex of strategic procurements.

If you are interested in learning more about how Commerce Decisions can help take your Moderation process to the next level then please get in touch.

You can find out more about the features within AWARD®, including those that support a best practice Moderation process here.

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