

Problem Statement:

Come up with an evaluation plan for submitted proposals.

Evaluation and Formulation:

- The city council has advertised proposals for building a new community center, library and theatre and is accepting proposals.
- Respondents are to calculate benefit/cost ratio using a discount of 12%.

Methods of analysis:

- The proposals of each respondent are evaluated on the basis of time constraints, capital, skills and end product.
- Respondents are to provide an audit report at the end of each year.
- A period should be set for the construction of each project.
- Further selection to be made on the basis of benefit/cost ratio.

Possibility of negotiation:

- A percentage of the total expense is paid up front, and the workers are hired on daily wages.
- Council is to hire workers and not the respondents.
- Tools and machinery is to be bought rather than rented in order to prevent further expenses if the need arises.

Conclusion:

Using the above methods and analysis, the best candidate is chosen based primarily on capital , overall time required for completion and the benefit/cost ratio.