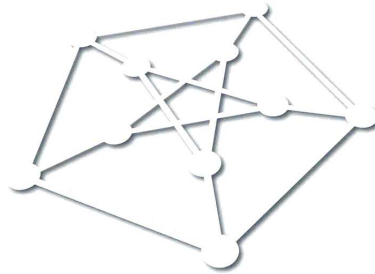


Request for Proposal No. 5006–045

RedPoint™



sam@redpointdecisions.com

UPDATED Draft of October 28, 2006

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RedPoint™

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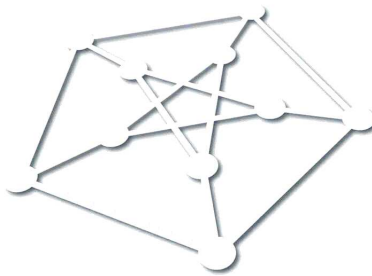
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RFP for Matching Supply and Demand in the Apparel Industry
ISBN:

This manuscript has been produced using the L^AT_EX document preparation system.¹

¹See, for example, *L^AT_EX: A Document Preparation System, 2nd Edition* by Leslie Lamport, 1994, Addison-Wesley.

REDPOINTTM



REQUEST FOR PROPOSAL (RFP) No. 5006–046

UPDATED Draft of October 28, 2006

1 General Information

This RFP–5006–045

RedPointTM acting through the University of Washington is seeking proposals for a generalized design plan to produce and market a “scooter jacket” in the greater Seattle metropolitan area.

RedPointTM Corporation

RedPoint is a professional apparel consulting, export and trading company, mainly dealing with brand sports clothing and branded T-shirt sales and distribution. In the next fiscal year RedPoint will be moving to a situation where they plan to do more niche marketing to meet the desires of consumers.

Definition of Parties

RedPointTM will hereinafter be referred to as “The Corporation”. Respondents to this RFP shall be referred to as “Bidders”. The Bidder(s) to whom the contract is awarded shall be referred to as the “Contractor(s)”.

Award

The Corporation reserves the right to award this bid based on criteria (see below) the Corporation deems to be in its best interest. The Corporation reserves the right to conduct any tests it may deem advisable and to make all evaluations. The Corporation reserves the right to reject any or all bids, in whole or in part and is not necessarily bound to accept the lowest bid if that bid is contrary to the best interests of the Corporation. The Corporation reserves the right to waive minor irregularities. The Corporation reserves the right to add, delete or change any of the RFP evaluation criteria. A bid may be rejected if it is in any way incomplete or irregular. By submitting a bid to the Corporation for evaluation in December 2006, project teams give up any entitlement to ideas, information or other intangibles expressed in their response to this RFP.

2 Formal Statement of the RFP

2.1 Statement of Purpose

The Corporation acting through the University of Washington is seeking proposals for a generalized design plan to produce a “scooter jacket”, roughly defined here as

A loose, (possibly) zippered jacket which can be made from nylon, woven blends or leather or other suitable material as deemed fit by the bidder. It is expected that this jacket will exhibit a sporty but yet reserved look and should be designed for a well-defined target market (see Section “Market focus”, Page 5.)

2.2 Evaluation Criteria

Bids will be evaluated on (but not limited to) the following criteria beginning with potential (expected) profitability and also including one or more of (a) market definition, (b) demand forecast, (c) price, (d) style, (e) manufacturability, (f) risk, (g) supply-chain considerations.

2.3 Evaluation, Award Process and Outcome

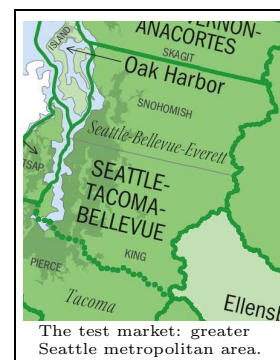
As specified in Section 2.6 periodic evaluation of bidders will take place at the twice-monthly review meetings. The final evaluation will take place on Friday December 8, 2006. The Corporation will notify each respondent who submitted a proposal of its success or otherwise no later than 5:00pm on 15 December 2006. The Corporation may extend this date at its sole discretion. The Corporation will not enter into any formal discussions as to the failure of any proposal but a company spokesman will be made available to provide a written review of each submitted proposal.

2.4 Background Information

The Corporation is a professional apparel consulting, export and trading company, mainly dealing with brand sports clothing and branded T-shirt sales and distribution. In the next fiscal year the Corporation will be moving to a situation where they plan to do more niche marketing to meet the desires of consumers.

Initial test market

In 2007 the Corporation will begin test-marketing a prototype of the new product in the Seattle-Bellevue-Everett Metropolitan Statistical Area (MSA). Since this MSA is the 14th largest in the U.S. and contains approximately 2.5 million inhabitants, it is expected that the bidder will consider various market niches (or sub-markets) in their initial generation of goals and alternatives. Moreover, the test-marketing will take place at selected stores *identified in the bidder's proposals* as representative of the desired target market, and sold and distributed based on a contract plan also defined in the bidder's proposal. Note that the proximity of bidders to the test market should be considered alongside the Corporation's “quick-response” strategy (see Page 5).



Market focus

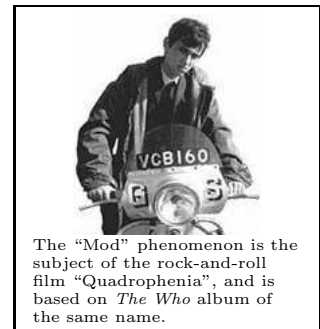
In 2007 the Corporation plans to launch a marketing, design and distribution effort aimed at the “scooter culture” market. Much research remains to be conducted to better define this market and how to position itself, and which of several market niches to consider. For example, an article in *Business Week*² recently described one market niche for scooter hardware:

When Vespa Motor Scooters came pattering back into the U.S. market in 2000 after a 15-year absence, managers at the Italian company figured their biggest customers would be twenty-somethings looking for a cheap way to get around. But executives at parent company Piaggio noticed something odd as they scooted back and forth to their Manhattan offices: The most enthusiastic sidewalk gawkers were often aging baby boomers who remembered the candy-colored bikes from their youth. It turns out that boomers have lost none of their affection for Vespa. Better yet, now they can afford to buy top-of-the-line models with all the trimmings. . . .(so, while) Vespa still works hard to create buzz among its 30-and-under customers. . . .it also is pursuing older buyers more aggressively. To increase Vespa’s visibility among mature consumers, the company has just begun advertising on the Golf Course Home Network, a Website aimed at affluent boomers seeking homes near golf courses.”



“Boomers’ collective wallet will only get fatter as they continue working. . . .(This group) age 50 to 60 are flush, with more than \$1 trillion of spending power a year. . . .They’re likely to be vigorous consumers as they empty the nest, take on new jobs, relocate, support children they had in their 40s, go back to school, start a second or third career, remarry, inherit money from their savings-minded parents, pursue new hobbies. . . .”

In addition, the resurrection of the Vespa (Piaggio) brand as well as a legacy of older, classic Vespa models still regularly seen on the streets of cities such as New York, San Francisco and Seattle, has bred a sub-culture that is often a throwback to “England’s Mod Revolution” of the 1960’s but more generally celebrates Vespa as the epitome of Italian design. Moreover, these products appear to appeal to a variety of niches and it has been estimated that about forty percent of new scooter buyers today are women. This last remark further distinguishes the scooter market from the motorcycle market.



The “Mod” phenomenon is the subject of the rock-and-roll film “Quadrophenia”, and is based on *The Who* album of the same name.

The Corporation’s “Quick-Response” Orientation

The Corporation seeks to employ a “Quick-Response” (QR) manufacturing model in which the winning bidder(s) designs will be crafted locally at *Tres Bonne*, a garment factory in Seattle’s Sodo district or similar manufacturer in the Pacific Northwestern U.S. It is important to point out this is a strategic decision designed to fit the bidder’s selected niche market. Clearly, the Corporation has chosen to trade higher manufacturing and labor costs for a shorter supply chain, faster response, shorter production cycles and better communication.

The Corporation hopes to gain sustainable competitive advantage by innovations in designs, technology and concepts. QR will cope with problems challenging the apparel industry by using a combination of inventory modeling and management, quality monitoring, increased worker productivity, as well as reduced merchandise markdowns and lost sales due to stock outs. As

²Source: “Love Those Boomers : Their new attitudes and lifestyles are a marketer’s dream ”, *Business Week* online: Oct-24-2005

such, QR will initially focus on the collection and use of information about consumer preferences and to reflect them in production decisions in a timely manner. Bidder's proposals should reflect this strategic outlook, especially with regard to suppliers. Finally, bidders should keep in mind that although specific requirements for a computerized information system making use of forecasting, sales data capture, and design updating are not included in this RFP, the bidder's proposals should reflect that the Corporation will (in the future) employ a state-of-the-art IT system designed to take full advantage of the QR strategy as proposed here.

2.5 Deliverables

The proposal will include a business plan for design, marketing and production of approximately 200-600 units. Design documents will include (a) a specifications package containing drawings of the garment, (b) accurate measurements (for size medium), (c) a list of findings and materials with constructions notes. These documents will lead to the creation of a production pattern by the Corporation. Marketing documents will include a market-demand study based on color, gender and sizing components. Production documents will include a description of the production facility and supply-chain components for manufacture, including a description of Corporation-supplier relationships required to ensure that supply will match the expected demand for the product and lead to increased Corporation profits.

In addition, it is expected that each bidder will file a formal letter of intent, attend the bidder's conference as well as attend the twice-monthly project review meetings chaired by Corporation. As such, each bidding team should carefully review the "process schedule" (See Section 2.6) of deliverables.

2.6 Process Schedule

In this section we present the timeline for the steps leading to the final decision.

Letter of Intent and the "bidder's (pre-proposal) conference"

Each bidding team's letter of intent demonstrating their desire to respond to the RFP (and an outline of their organizational structure including brief team roles and biographies) is due by midnight, Thursday, October 12. The letter of intent may be submitted by electronic mail and a hard copy should also be submitted at the bidder's conference. Questions about the proposal for the review panel should be formally sent in writing by email and also submitted in hard copy. Please note that any relevant questions, clarifications and answers may be distributed to all other respondents, at the discretion of the Corporation. The closing date for questions to be submitted is midnight, Thursday, October 26. All questions will be aired at the bidder's conference and taken-up by the the Corporation review panel. In addition, written responses to the questions will be posted on the Corporation web site no later than midnight, Monday, October 30.

RFP pre-proposal conferences

There will be a total of four pre-proposal conferences. At each of these conferences the bidding teams will meet privately with the Corporation's review panel to present preliminary findings and to obtain feedback. It is expected that all bidding teams will create formal presentations using slides and other visual aids. The tabular schedule (see below) outlines the dates and deliverables required at each of these conferences. Written feedback from each conference will

be provided to the bidding teams by no later than 8:00am on the Monday following each conference.

<i>Schedule Dates of Project Milestones</i>				
<i>Day</i>	<i>Date</i>	<i>Time</i>	<i>Description</i>	<i>Deliverables</i>
Tue.	31-Oct	4:15–5:20pm	Bidder's conference	<i>Letter of Intent + documented questions for the Corporation</i>
Thu.	2-Nov	4:15–5:20pm	Project Review I	<i>Goal Definitions, Initial Market study. Preliminary project plan</i>
Thu.	9-Nov	4:15–5:20pm	Project Review II	<i>Evaluation criteria, early design studies. Preliminary fabric analysis.</i>
Thu.	16-Nov	4:15–5:20pm	Project Review III	<i>Preliminary Trade Study. Apparel findings selection</i>
Thu.	30-Nov	4:15–5:20pm	Project Review IV	<i>Formal spec. sheet. Secondary trade study</i>
Fri.	8-Dec	3:30–5:20pm	Proposal Presentation	<i>Formal Proposal and Presentation</i>

2.7 “Letter of intent” response format and product template

All responses to his RFP are to be structured so as to address the questions provided in the attached template. Information not specifically requested below, but believed by the respondent to be of value in evaluating the response should be included as an addendum to the response.

- Letter of intent (a) Please provide an executive summary of your proposal and outline why the Corporation should choose your company supplier for the new product. (b) Please confirm your acceptance of the terms and conditions of this RFP.
- Your company In your letter of intent, please replicate and complete the following table of your company information:

<i>Full legal name and trading name</i>	
<i>Full address</i>	
<i>Name of contact person for this RFP</i>	
<i>Contact person email address</i>	
<i>Contact person phone numbers</i>	

Formal Response Template

Please refer to the website: <http://courses.washington.edu/samcrs/OM490.htm> for details of the Corporations required specifications template. You may also contact Theresa Olson for more details (see section 2.12 for this contact information).

2.8 Other Information you should supply

1. If you use any third party products for your apparel (i.e. zippers, LED lights, iPod wiring) please provide details of the supplier and their experience in supplying this component.
2. Where are your garments manufactured? Please provide details of the manufacturing facility.
3. Describe the processes your company utilizes to ensure that the apparel you dispatch to your customers is of the highest quality possible?
4. Please provide details of *embroidering*, if any, you plan for your garment.
5. Please provide fabric samples for the apparel product you will recommend for use that are indicative of the quality we could expect.
6. Are there any unique aspects of the garments manufactured by your organization that differentiate you from other companies which you would like to make the Corporation aware of?
7. Do you have an ability to customize your garments to individual consumers? If yes, please describe the customizations available and the process to follow.

2.9 Bidding Team Budgets and Payments

In this section we list all the terms of pre-payment for proposal generation.

Bid Team Budgets

Each bidding team's chief financial officer (CFO) will receive an initial outlay of \$500 to cover transportation, books, copying, manuscripts, computer software, hardware or other general expenses incurred in the process of responding to this RFP. It is expected that all unused materials and/or salvageable assets obtained using these funds will become the property of the Corporation after completion of the final bids. Any unused portion of these funds must also be returned to the Corporation at the conclusion of proposal submission. A complete accounting of all purchases for each bid team must be included in each bidder's final response to this RFP.

Extra Payments

In the rare case that a team should incur expenses in excess of the original \$500 allotment, they may apply for additional funds not to exceed \$200 with a written request to the Corporation review board. The decision of the board will be handed down not more than one week from the submission date of this request.

2.10 Contractual Terms and Conditions

The Corporation reserves the right to award this bid based on criteria (see Page 4) the Corporation deems to be in its best interest. The Corporation reserves the right to conduct any tests it may deem advisable and to make all evaluations. The Corporation reserves the right to reject any or all bids, in whole or in part and is not necessarily bound to accept the lowest bid if that bid is contrary to the best interests of the Corporation. The Corporation reserves the right to waive minor irregularities. The Corporation reserves the right to add, delete or change any of the RFP evaluation criteria. A bid may be rejected if it is in any way incomplete or irregular.

Upon acceptance of the final bid, the contractor will be asked to submit a completed “Standard Contract Form And Instructions”.

2.11 Requirements for Proposal Preparation

In this section we define the proposal structure in terms of (a) content, (b) information, and (c) other documents needed by the Corporation to evaluate proposals.

Proposal submission

Each proposal should be submitted by hard and soft copy. Soft copies should be sent by electronic mail to sam@redpointdecisions.com. The completed proposal should also be accompanied by the slide deck used in the final proposal presentation on December 7, 2006. It is expected that hard-copy reproductions of slides used in project reviews (see the schedule on Page 6) should also be distributed to review participants, with no fewer than two slides per page. This will allow review participants to take notes so as to best respond to each bidding team.

Seeking guidance on proposal preparation

Officers of the Corporation should be the first point of contact. For general policy-related questions regarding proposal preparation, the Policy Office may be contacted by e-mail to sam@redpointdecisions.com (include the subject line: “Scooter Jacket RFP”).

Document line spacing

While line spacing (single-spaced, double-spaced, etc.) is at the discretion of the proposer, established page limits must be followed and there also must be no more than 6 lines of type within a vertical space of 2.5 cm. (Individual program solicitations, however, may eliminate this proposer option by requiring other type size, margin or line spacing requirements.)

Information that should be included in the “References” section of the proposal

Reference information is required. Each reference must include the names of all authors (in the same sequence in which they appear in the publication), the article and journal title, book title, volume number, page numbers, and year of publication. If the document is available electronically, the Website address also should be identified. Proposers must be especially careful to follow accepted scholarly practices in providing citations for source materials relied upon when preparing any section of the proposal. While there is no established page limitation for the references, this section must include bibliographic citations only and must not be used to provide parenthetical information outside of the project description.

Proposal appendices

All information necessary for the review of work should be contained in the final proposal. Appendices may not be included unless a deviation has been authorized in writing.

Proposal “Executive Summary”

Each proposal should be prefaced with an “executive summary” not to exceed three pages (including pictures, drawings, graphs or tables). This summary should outline the salient parts covered in the full proposal.

2.12 Contacts

In this section we Include a complete list of people to contact for information on the RFP, or with any other questions.

Contact	Title	e-mail	Other
Sam Eldersveld	CEO	sam@redpointdecisions.com	
Theresa Olson	Lead Designer	theresa_olson@msn.com	

(Information to be added at a later date)

Resources

- [1] Brooks, Frederick P, Jr. *The Mythical Man-Month (2nd Edition)*. Addison Wesley, Boston, 1995.
- [2] Buede, Dennis M. *The Engineering Design of Systems: Models and Methods*. Wiley-Interscience (John Wiley & Sons), New York, 2000.
- [3] Cachon, Gérard and Christian Terwiesch. *Matching Supply With Demand: An Introduction to Operations Managment*. McGraw-Hill/Irwin, New York, 2006.
- [4] Churchman, C. West. *The Systems Approach*. Dell Publishing Company, New York, 1968.
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- [6] DeMarco,Tom. *Deadline: A Novel About Project Management*. Dorset House, New York, 1997.
- [7] Dregni, Michael and Eric Dregni. *The Scooter Bible*. Whitehorse Press, Center Conway, NH, 2005.
- [8] eHowTM. How to conduct a telephone survey.
http://www.ehow.com/how_16597_conduct-telephone-survey.html.
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- [10] Fernie, John and Leigh Sparks. *Logistics and Retail Management: Insights into Current Practice and Trends from Leading Experts (2nd Edition)*. Kogan Page, London, 2004.
 - [11] Gause, Donald C. and Gerald M. Weinberg. *Are Your Lights On?: How to Figure Out What the Problem REALLY Is*. Dorset House Publishing, New York, 1990.
 - [12] Gibson, John E. *The Systems Analysts Decalogue*. CoursePack, University of Virginia, 1991.
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 - [19] Kunz, Gail I. and Ruth E. Glock. *Apparel Manufacturing: Sewn Product Analysis*. Prentice Hall, New York, 2004.
 - [20] Mazzanti, Davide. *Vespa: Style in Motion*. Chronicle Books, San Francisco, 2003.
 - [21] McQuarrie, Edward F. *The Market Research Toolbox : A Concise Guide for Beginners*. Sage Publications, Thousand, Oaks, CA, 2006.
 - [22] Robertson, Suzanne and James Robertson. *Mastering the Requirements Process (Second Edition)*. Addison-Wesley, Boston, 2006.
 - [23] Salant, Pricilla and Don A. Dillman. *How to Conduct Your Own Survey*. John Wiley & Sons, New York, 1994.
 - [24] Stalk, George Jr. and Thomas M. Hout. *Competing Against Time: How Time-Based Competition Is Reshaping Global Markets*. The Free Press (Macmillan, Inc.), New York, 1991.
 - [25] The Seattle Times. NW Retail News.
<http://www.seattletimescompany.com/smu/economicPulse/index.htm>.
 - [26] VA-Interactive. Conduct a market analysis.
http://www.va-interactive.com/inbusiness/editorial/sales/ibt/market_analysis.html.

Start Thinking about this Problem. . . .NOW!

Market (Demand) Research

- What are various market strategies?
- What defines the various market niches for this product?
- Where might this product be sold in the Seattle area?
- Can the product also be sold online?
- What are the market characteristics?

Economics and other Forecasting Issues

- What is the market outlook for Seattle and Portland?
- What strategic sectors should you consider?
- Where can I find a profile of the apparel industry?
- Where can I find business statistics?

Apparel-specific Resources

- Are there industry associations I can contact for information?
- Where can I find books, trade magazines and local sector studies?
- Are there trade shows I can attend?
- How can I find suppliers?

Supply Chain Considerations

- What will be your supply-chain configuration?
- How will you plan to match supply with demand?
- How can you incorporate “Quick Response” strategies into your business plan?

Know the regulations

- What government departments or agencies do I need to contact?
- Where can I find information about standards for apparel products?
- What information do I need to put on my labels?
- How do I get a bar code?

Start your business plan

- What is a business plan?
- What needs to be included in my plan?
- Where can I find a sample business plan?

Finance your business

- Will I need outside financing for my effort?
- How do I prepare before approaching lenders?
- What government financing is available to me?
- What other agencies offer financing?