

Pre-Proposal Information Session

Best Value Overview

Brian Lines

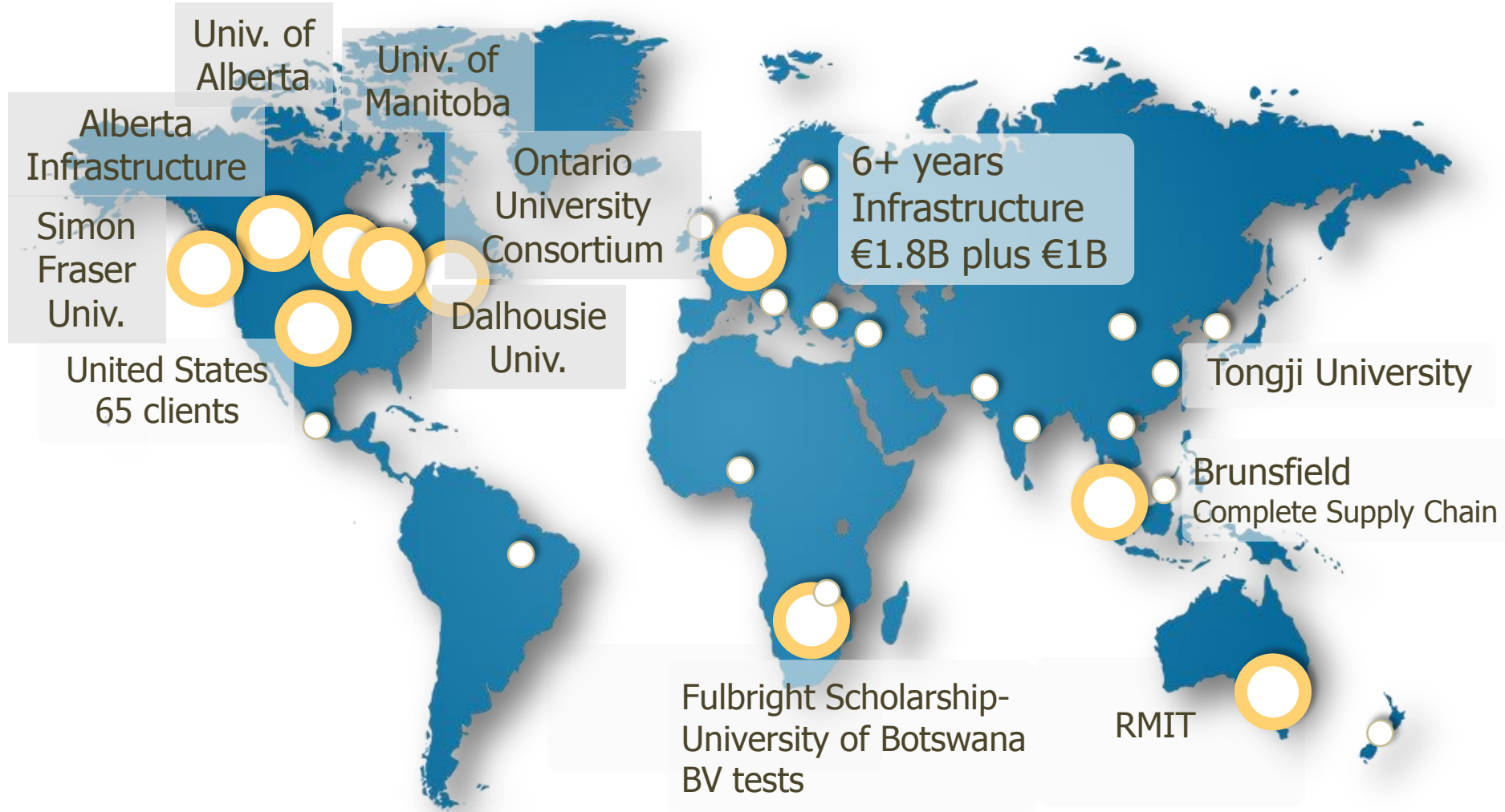
University of Kansas

**This presentation is being provided for educational purposes
only**

Please refer to the RFP for specific instructions

**If there are any inconsistencies, the RFP and Amendments
shall take precedence over this presentation**

> International Efforts & Partners



➤ Best Value Model



SELECTION

**CLARIFICATION/
PRE-AWARD**

**PROJECT
MANAGEMENT**

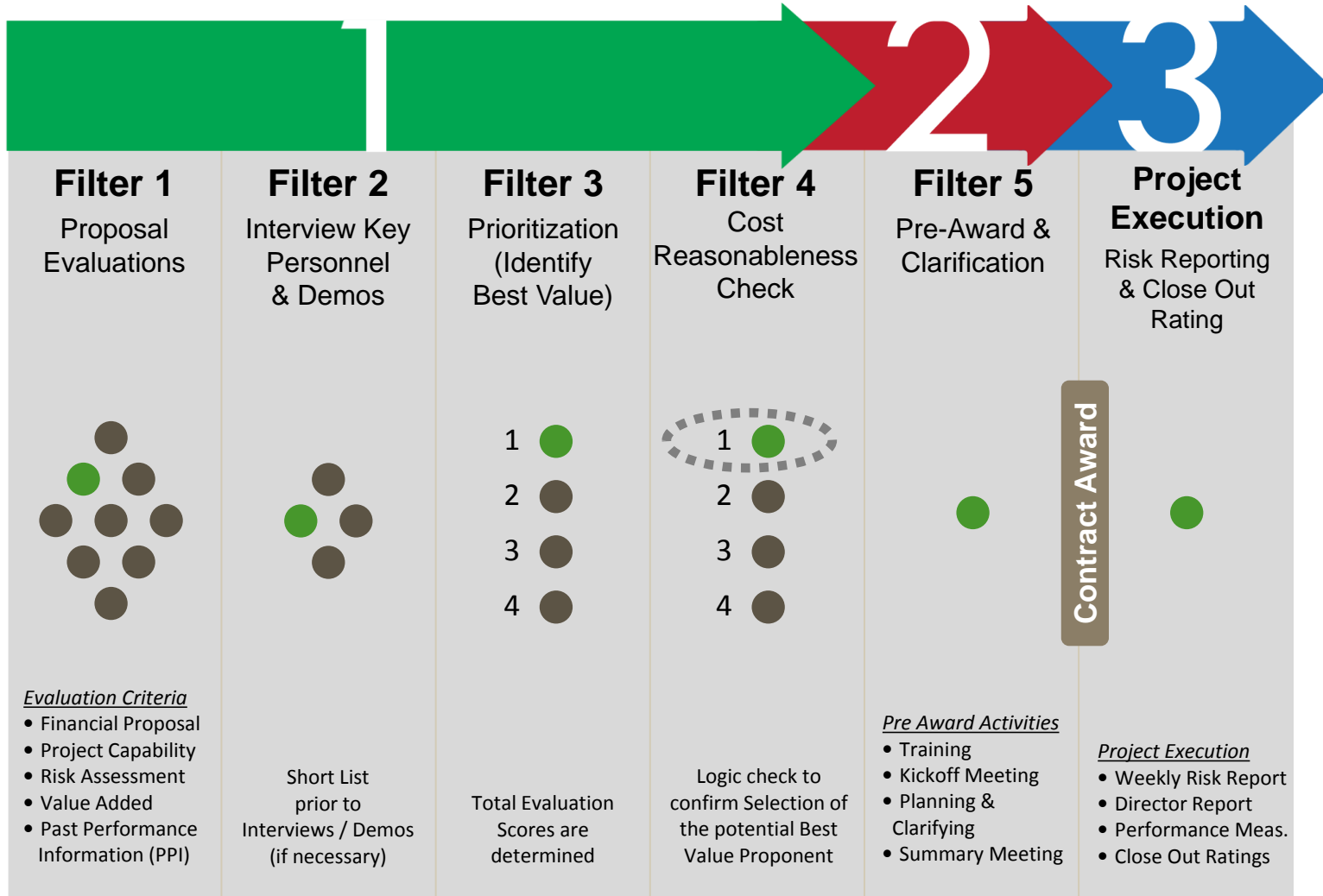


> Best Value Objectives

- Minimize risk of non-performance
 - Highest value for cost
 - Leverage Proponent expertise to optimize project delivery
 - Differentiate: key individuals and their plan to deliver the project
 - Become a client of choice
- Minimize the need for client management & decision making.
 - Ability to lay out optimal project plan
 - Identify what you need from the Client
- In return, the vendors can maximize profit by being more efficient



Best Value Project Delivery



DOES NOT CHANGE THE...



- Contract
- Scope
- Specifications
- Terms and Conditions
- Insurance & Bonding
- Pricing / Financials
- Delivery System

Best Value overlays on top of these...



Selection (Procurement)



SELECTION

**CLARIFICATION/
PRE-AWARD**

**PROJECT
MANAGEMENT**



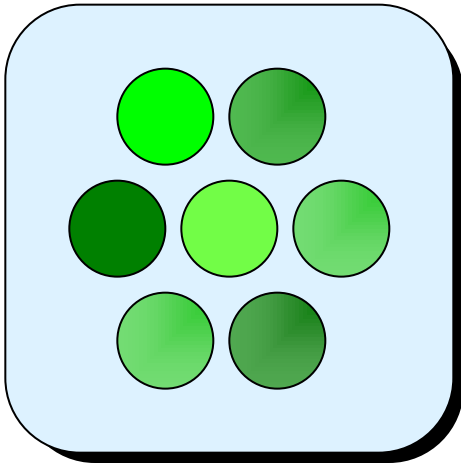
What are we trying to accomplish?



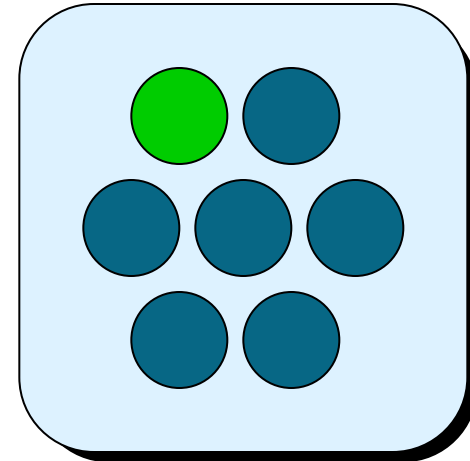
Question:

If Purchasing wants to buy a “green circle”, in which scenario is hiring the right “green circle” easiest to justify?

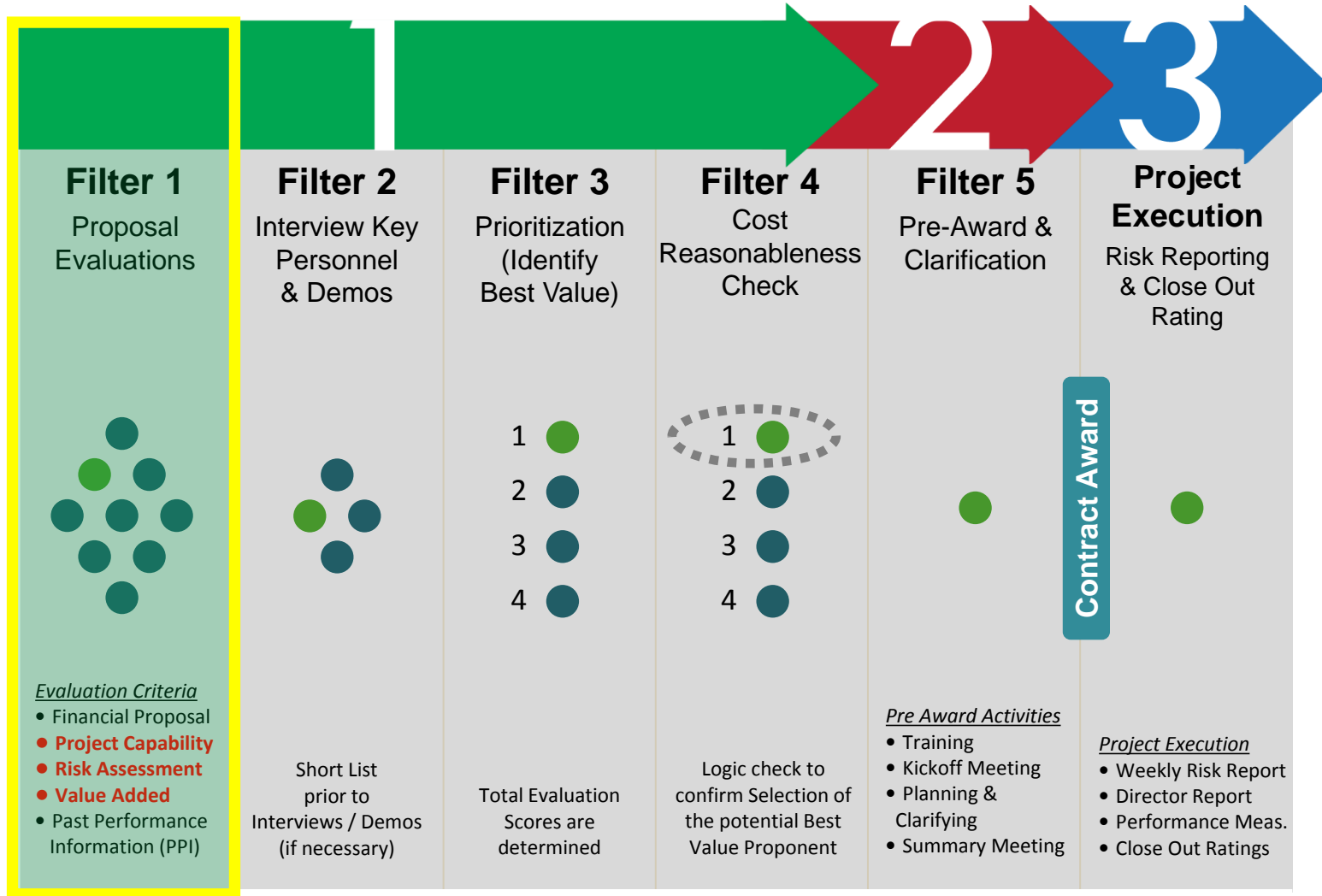
Scenario 1



Scenario 2



Best Value Project Delivery



3 Written Proposal Documents

Blind Evaluations: standard templates, no modifications, and no names.

Project Capability

= capability to meet the Requirements (execution plan)

Risk Assessment

= key risks (focus on risks you *do not* control)

Value Added

= additional expertise beyond requirements, proposed alternates

2 pages each = 6 pages in total

Project Capability

- Differentiate capability to execute the the project.
- Identify key areas of how the project will be executed. These may consist of “technical concerns” or “critical aspects” of performing the work.
- Describe your plan or approach
 - May include documented performance of firm and/or key people
 - How you can prove your expertise, sell your abilities
 - Where you have successfully implemented similar solutions on past projects
 - Supporting documentation may be requested



Project Capability

Template

2 pages max.

PROJECT CAPABILITY	
This template must be used. Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). Do not list any names/information that can be used to identify your firm. You <u>may</u> add/delete additional rows but do not exceed the 2-page limit. (You may delete these instructions.)	
The Proponent is to provide capability statements regarding how they plan to deliver critical aspects of the project requirements. Specific, actionable, step-by-step descriptions of the Proponent's approach are encouraged. The Proponent may also include Performance Information further describing the experience, expertise, and capability of their firm and project team individuals. Capability Statements should be listed according to priority. (You may delete these instructions).	
Capability Statement 1: Approach & Performance Information:	<hr/> <hr/>
Capability Statement 2: Approach & Performance Information:	<hr/> <hr/>
Capability Statement 3: Approach & Performance Information:	<hr/> <hr/>
Capability Statement 4: Approach & Performance Information:	<hr/> <hr/>
Capability Statement 5: Approach & Performance Information:	<hr/> <hr/>



Example of Capability

Statement: *Lack of Laydown Area on Site*

- Approach 1:

- Establish a laydown area for construction materials within our look ahead schedule to minimize storage times on-site.

MARKETING INFORMATION

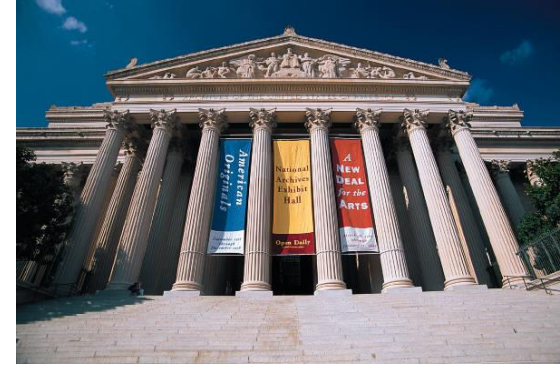
- Approach 2:

- We have mocked up multiple building layout options that enable the use of a tower crane, which could be situated within the building, resulting in valuable laydown/equipment space around the building.
- We are in discussions with [Parking Services] about using the top level of Garage C for material laydown area. We are also looking at other options, but feel that this would be more efficient.
- We have gone to site and measured a mock footprint of the building and prepared a site logistics plan showing continuous drive lane, which would eliminate traffic and bus delays on the street.



Example of Capability

Statement: *Noise from Demolition*



- **Approach 1**

- We will work with the user to minimize the impact of noise from demolition.

- **Approach 2**

- We have planned to demolition during off hours and weekends. This will have a slight impact on our cost (less than 1%), but the impact to customer satisfaction justifies this.
- We will also install rubber sheets on the floors to diminish noise and vibrations.
- Both solutions can be performed within your budget.
- Both solutions have been used on multiple previous projects w/ high levels of customer satisfaction (9.4/10).



Example of Capability

Pre-Construction Costing Services – Performance Information

- Contractor 1
 - We have successfully provided pre-construction services on 3 recent projects on campus, including Founders Hall, Goldwater Center, and the University Pavilion.
 - We are currently working with similar washroom renovations in the Manzanita Hall and have demonstrated costing accuracy here.
- Contractor 2
 - Providing budget services at the pre-construction phase is a primary function. Accuracy in these budgets are instrumental in project scope definition and guide Owner decisions.
 - Over our last 5 renovation projects in representative facilities, the deviation between our pre-construction budgets and final tendered results has been within a 10.9%, with all final tenders being less than the pre-construction budget.
 - Our last 5 projects on campus have met the schedule completion dates within 5% of the designated days specified within the RFP.



Technical Information vs. Verifiable Performance Information



Critical Aspect of the Project:

A poor roofing system can result in roof leaks, which may inconvenience building occupants, increase complaints, increase maintenance, damage building contents, and be a source of mold issues.

Vendor A Solution:

- To minimize this risk, we are proposing a thermally-welded roofing system that has a tensile strength of 2,130 PSI, elongation of 300%, tear strength of 312lbs, has been tested for 10,000, and has a cold brittleness of -30°C.

Vendor B Solution:

- To minimize this risk, our proposed roofing system has been installed on over 400 roofs and has had an average roof age of 18 years, in which 99% of the roofs don't leak and 100% of the end clients are satisfied.



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2 pages each = 6 pages in total

Risk Assessment

- Identify major project risks the Proponent DOES NOT control
 - Concerns that you have to the project being successful
 - Explain why the risk is a risk
 - Should be a risk specific to the current project
- Identify solution to avoid / minimize the risk
 - Lay out your plan to avoid or minimize each risk from impacting the project
 - Prioritize in order of importance



Risk Assessment

Template

2 pages max.

Section 00413
RFP 2013-098
PROPOSAL FORM
APPENDIX "E"

**APPENDIX "E" TO PROPOSAL FORM
RISK ASSESSMENT**

This template must be used. Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). Do not list any names/information that can be used to identify your firm. You may add/delete additional rows but do not exceed the 2-page limit. (You may delete these instructions.)

The Proponent is to identify risk items they do not control and clearly state their plan to minimize these risks from negatively impacting project performance. Risks should be listed according to priority. (You may delete these instructions.)

Risk 1:
Why is it a Risk? _____
Solution: _____

Risk 2:
Why is it a Risk? _____
Solution: _____

Risk 3:
Why is it a Risk? _____
Solution: _____

Risk 4:
Why is it a Risk? _____
Solution: _____

Risk 5:
Why is it a Risk? _____
Solution: _____

Risk 6:
Why is it a Risk? _____
Solution: _____

Example of Solutions

Risk: **Owner's Budget (DB Residence Hall)**

Type: **Risk Assessment**



- **Solution 1**

- The owner can be assured that the budget is not a risk due. Our world class team has connections to a wide range of high performing suppliers to ensure that you always get the best prices and ensure the budget is met.

- **Solution 2**

- The Owner's budget cannot accommodate the building program per the requirements.
- We have identified multiple Value Added options that enable us to meet the budget and still deliver the required number of beds (in order to maximize owner revenue streams)
 - Removal of underground parkade (note: impact to owner revenue)
 - Reduction in level of finishes (specific wall panels vs. dry wall)
 - Design efficiency opportunities:
 - Adjust net to gross ratios in targeted areas of building program (hallways, common spaces). Reduction in building footprint results in significant material savings.



Example of Solutions

Risk: Program Development

Type: Risk the Consultant DOES NOT control



Plan 1:

- We will work closely with the Owner to minimize all risks associated with program development.
- Our team can be very innovative in developing alternative design solutions for different building needs

Plan 2:

- The work will commence with a “Core and Shell” approach to the building
- Recommend a planning approach that works with a space “budget” at this point. The adjacencies and specific room requirements can be developed at the “tenant fit-up” stage of the project.
- Will obtain an understanding of all user and breakdown of space at least one month prior to the first visioning session.
- Should the time line require fast decisions, the team may require that the planners responsible for the chosen occupants provide their “best judgment” to the design team and refine that data as the process continues. The Design Architect will serve as the primary line of communication in such a situation.



Minimize Marketing...

Risk 1: Misalignment of the proposed solution with [] expectations.

Solution: Our approach is to “Embrace” your current business processes and then to “Extend” those processes with new functionality. This approach minimizes stakeholder misalignment as we will leverage the knowledge of your mature business processes and collaboratively determine what, how and when new features and functionality are added to “Extend “your system. In the first phase of the project, the current mainframe applications will be re-hosted on Windows servers. Our team will leverage our experience and tools to modernize your technology while preserving your current business processes. After this early stage, it will be possible to retire your legacy system, resulting in operational support savings early in the project. The next phases will build the foundation for future system expansion and add functionality on top of our flexible architecture. Our approach provides immediate and incremental benefit to [], allowing course corrections to meet your expectations. In contrast, the framework approach is based on a commercial-off-the-shelf product, which may force [] to significantly change existing, mature business process to conform to the software.

Risk 1 Description:	The application server, configuration, networking hardware, and database licensing indented to be used by the asset management application have not yet been defined. It is possible that the City may not have sufficient IT hardware and/or networking resources in place to properly run the application.
Solution:	A list of system requirements and installation options will be provided and reviewed with IT staff prior to implementation. City IT department will approve and sign off on software requirements as well as approve the installation plan prior to implementation.
Documented Performance:	We have used this method on the past 10 implementations and 100% of the time the project was not delayed because of hardware or networking equipment. Overall customer satisfaction is 10/10.



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Financial Proposal

- Your financial proposal must contain all services and resources to meet the requirements/specifications of the tender documents.
- No alternates or proposed changes in scope can be included in your financial proposal
- Follow the provided format.



Value Added

Template

2 pages max.



Section 00413
RFP 2013-098
PROPOSAL FORM
APPENDIX "F"

APPENDIX "F" TO PROPOSAL FORM VALUE ADDED OPTIONS

This template must be used. Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). Do not list any names/information that can be used to identify your firm. You may add additional rows but do not exceed the 2-page limit. **(You may delete these instructions.)**

The Proponent is to identify any value added options, ideas, or services that are beyond the standard requirements in the tender. An explanation of "Why it is a Value Add" must be provided for each item. The corresponding cost impact of each value added option must be included. **(You may delete these instructions.)**

<input type="checkbox"/>	Item 1:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____
	Item 2:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____
	Item 3:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____
	Item 4:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____
	Item 5:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____
	Item 6:	_____
	Why is it a Value Add?:	_____
	Cost Impact (\$):	_____

Value Added Example



- Reroofing this building will not stop all water leaks. The majority of the leaks are caused by cracks in the parapet walls, broken/missing glass, and poor caulking. For an additional \$10K and 3 weeks in schedule we can replace and repair all of these items.



Value Added Examples

Alternative Option:

Alternative Equipment Purchase

- The design currently states that the emergency generator shall be 250kW in size.
- According to the calculations done by our electrical consultant, the generator should be 500kW based upon the equipment we believe the Client will want operating on emergency power.
- Cost Impact: \$29,000
- Schedule Impact: N/A



Example: Value Added Items

-
- Item 7:
- Based upon our experience we recommend adding a Boron Carbide additive to the concrete mix of the Bunker baffle wall to provide primary shielding inside the bunker. This was not specified on the drawings.
 - We would recommend a Boron Carbide concentration of 4.6 kg/m^3 added to the proposed 25 MPa mix design.
 - This would help with the shielding within the bunker as well as potentially improve the efficiency of the bunker design with respect to the thickness of walls.

Impact: Cost (\$) \$417 per m^3 extra



Things to Avoid

- **Marketing Information:**
 - *Our company is known worldwide as a leader in online education.*
 - *We will use our long history to make sure the project is a success.*
 - *We will use state-of-the-art process to make it a success.*
- **Transferring risk back to client:**
 - *We will work with the owner to resolve issues*
 - *We will have team meetings / partnering meeting with the owner*
- **General risks and/or general solutions:**
 - *We will plan ahead to coordinate activities*
 - *We will plan ahead to get classes scheduled and created*
- **Overly Technical data:**
 - *The system we propose has 200% increase in PRX bandwidth modularity.*



Submittal Requirements

Submittal Document	Maximum Page Length
Project Capability	Two (2) pages
Risk Assessment	Two (2) pages
Value Add Plan	Two (2) pages

- Must **NOT** contain ANY identifying information (names, company names, project names, product names, etc.)
- Must use the provided template (can submit as many risks as fit within the 2 page limits of each submittal)
- List Risks in order of priority



Past Performance Information



Collected For:

- Company / Firm (as the Proponent) – 3 max
 - Key Personnel
 - Project Manager – 3 max
 - Site Superintendent – 3 max
-
- The Proponent picks their own references
 - The Proponent collects all surveys
 - Close out ratings at the end of the contract will be used to update PPI scores for future projects.



PPI Survey / Questionnaire



PERFORMANCE QUESTIONNAIRE – DESIGN BUILD PROJECT

To: _____ Survey ID _____

 (Name of person completing survey)

Phone: _____ Fax: _____

Subject: Past Performance Survey of: _____

 (Name of Company)

The University of Alberta (the University) and its key personnel. The information provided by the supplier/individual listed above is appreciated. Please take the time to complete this survey.

Rate each of the criteria on a scale of 1 to 10 (10 being the highest rating) and 1 represents the lowest rating. Please rate each of the criteria to the particular area, leave it blank.

Client Name: _____
 Project Name: _____

NO	
1	Ability to manage costs
2	Ability to provide and maintain schedules and respond to requests in a timely manner
3	Quality of work
4	Professionalism and ability to manage
5	Ability to minimize and reduce risk
6	Communication, explanation of issues and requirements
7	Ability to work through requirements and regulations
8	Overall customer satisfaction and willingness to hire firm again

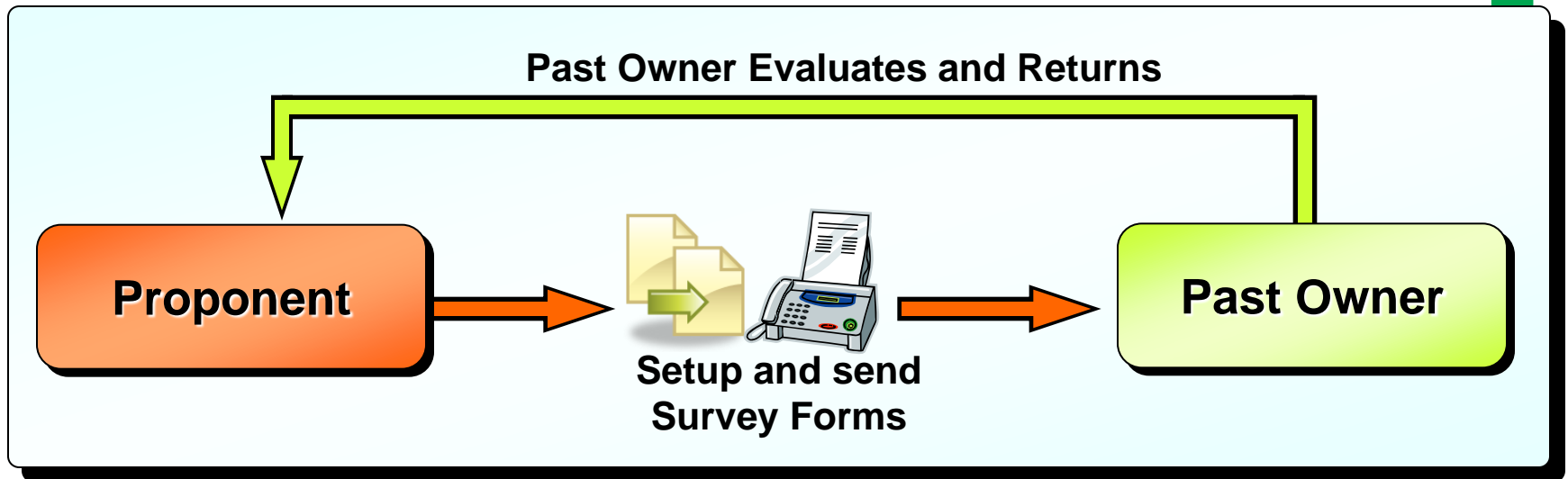
NO	CRITERIA	UNIT	
1	Ability to manage costs	(1-10)	
2	Ability to maintain schedules and respond to requests in a timely manner	(1-10)	
3	Quality of service	(1-10)	
4	Professionalism and ability to manage	(1-10)	
5	Ability to meet client expectations and to respond to address user complaints and/or unique requirements	(1-10)	
6	Ability to identify, communicate, and mitigate risk	(1-10)	
7	Ability to follow Client rules, regulations, and requirements	(1-10)	
8	Overall customer satisfaction and willingness to hire firm again	(1-10)	

Printed Name (of Evaluator) _____

Thank you
 Please fax the completed survey to: Proponent fax number _____



PPI Process



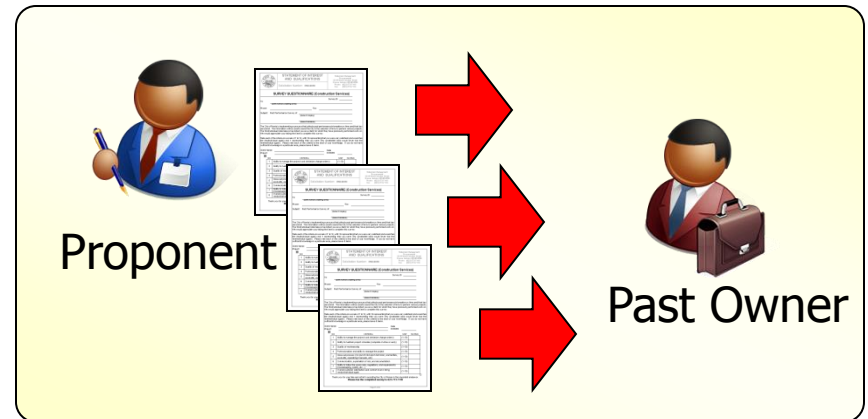
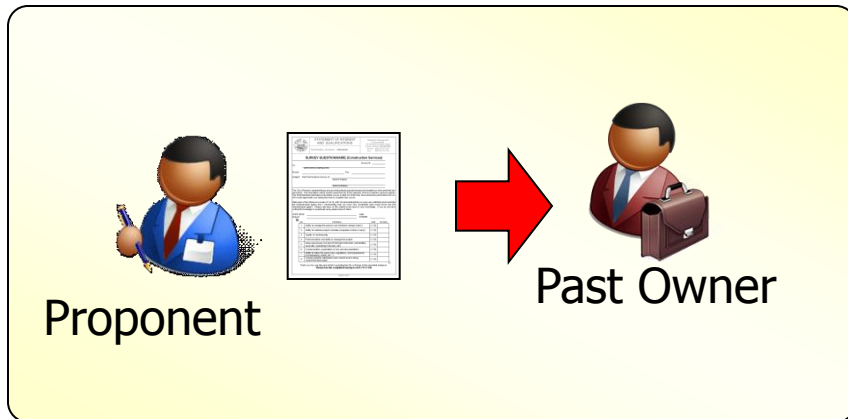
- The Proponent is responsible for sending out a survey questionnaire to each of their past Owners.
- The survey must be faxed/emailed back to the Proponent
- The Proponent will submit all surveys to the Owner with their submittal.



Example Survey

(Firm and Individuals)

		Survey ID	126
To:	Jack Robertson <i>(Name of person completing survey)</i>		
Phone:	623-555-5659	Fax:	623-555-5999
Subject: Past Performance Survey of:	ABC Designer Inc <i>(Name of Company)</i>		
	Amy Smith (Lead Designer), John Jacobs (Lead Engineer), Brad Thompson (Civil Eng) <i>(Name of Individuals)</i>		



Calculating Overall Scores

Past Performance Information Score

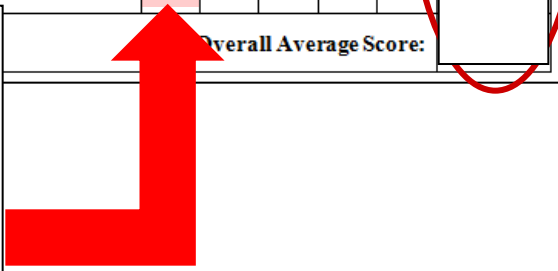
No	Criteria	Survey 1	Survey 2	Survey 3	Survey 4	Survey 5	Average
1	Ability to manage the project cost	8	10	9			Overall Average Score:
2	Ability to maintain project schedule	9	10	9			
3	Quality of workmanship	9	10	9			
4	Professionalism and ability to manage	10	10	9			
5	Close out process	10	10	9			
6	Communication, explanation of risk, and documentation	10	10	9			
7	Ability to follow the users rules, regulations, requirements		10	9			
8	Overall customer satisfaction and comfort level in again	9	10	9			

Example

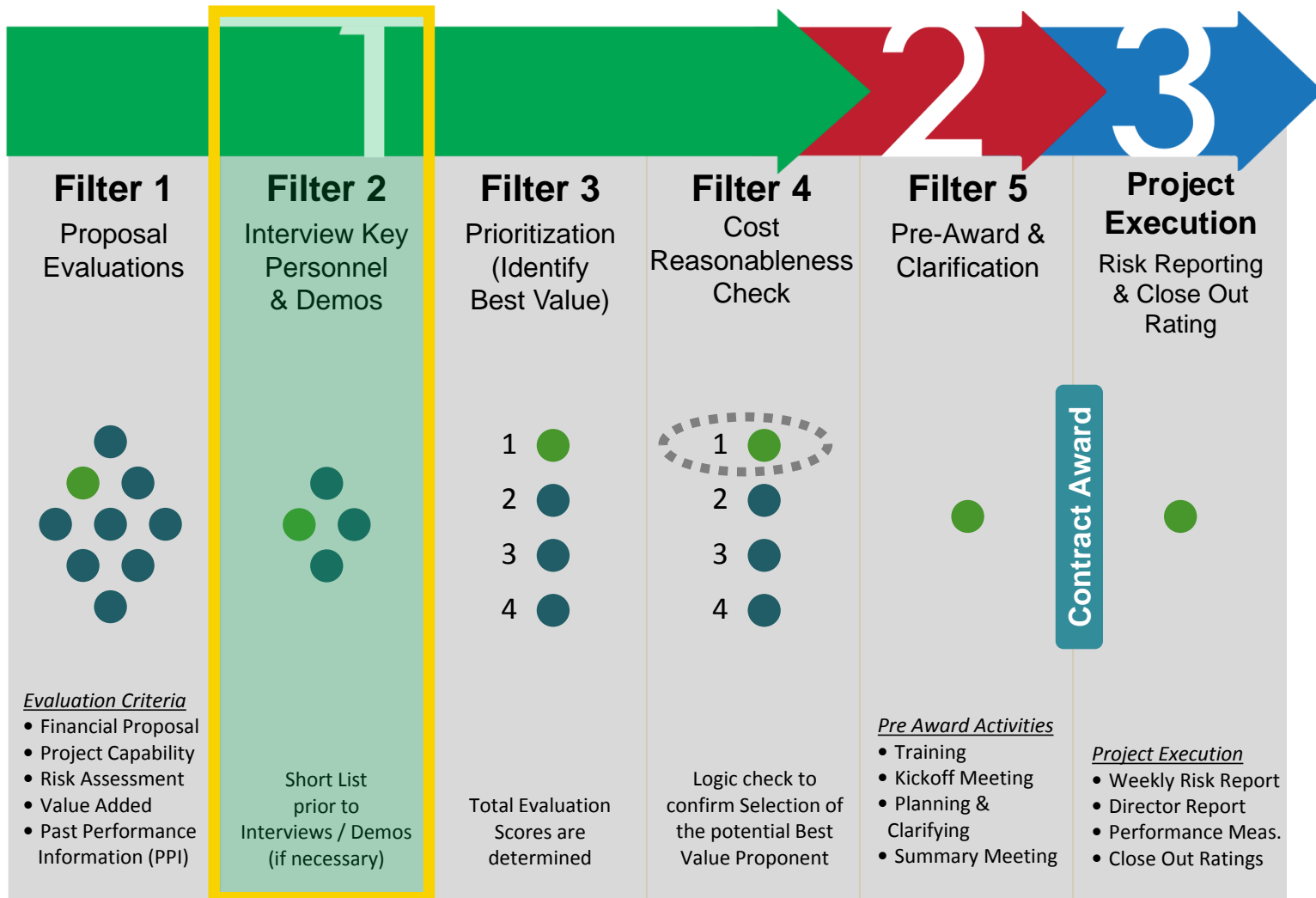
NO	CRITERIA	UNIT	RATING
1	Ability to manage the project cost (minimize change orders)	(1-10)	8
2	Ability to maintain project schedule (complete on-time or early)	(1-10)	9
3	Quality of workmanship	(1-10)	9
4	Professionalism and ability to manage	(1-10)	10
5	Close out process	(1-10)	10
6	Communication, explanation of risk, and documentation	(1-10)	10
7	Ability to follow the users rules, regulations, and requirements	(1-10)	
8	Overall customer satisfaction and comfort level hiring again	(1-10)	9

John Smith
Printed Name (of Evaluator)

John Smith
Signature (of Evaluator)



Best Value Project Delivery





**Remember...It is the Proponent's
Responsibility
to differentiate themselves from their
competition**

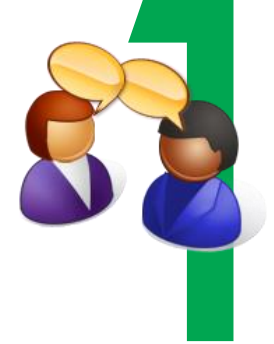


Shortlisting

- If necessary short listing will be conducted prior to interviews (depending on the number of Proponent)
- Interviews:
 - Project Manager
 - Site Superintendent



Interview Format



- Q&A Interview, NOT a presentation
- Individuals will be interviewed separately.
- A standard set of questions will be generated and asked to each individual.
- Typically interview times will last about 15-30 minutes per individual
- No substitutions will be allowed.



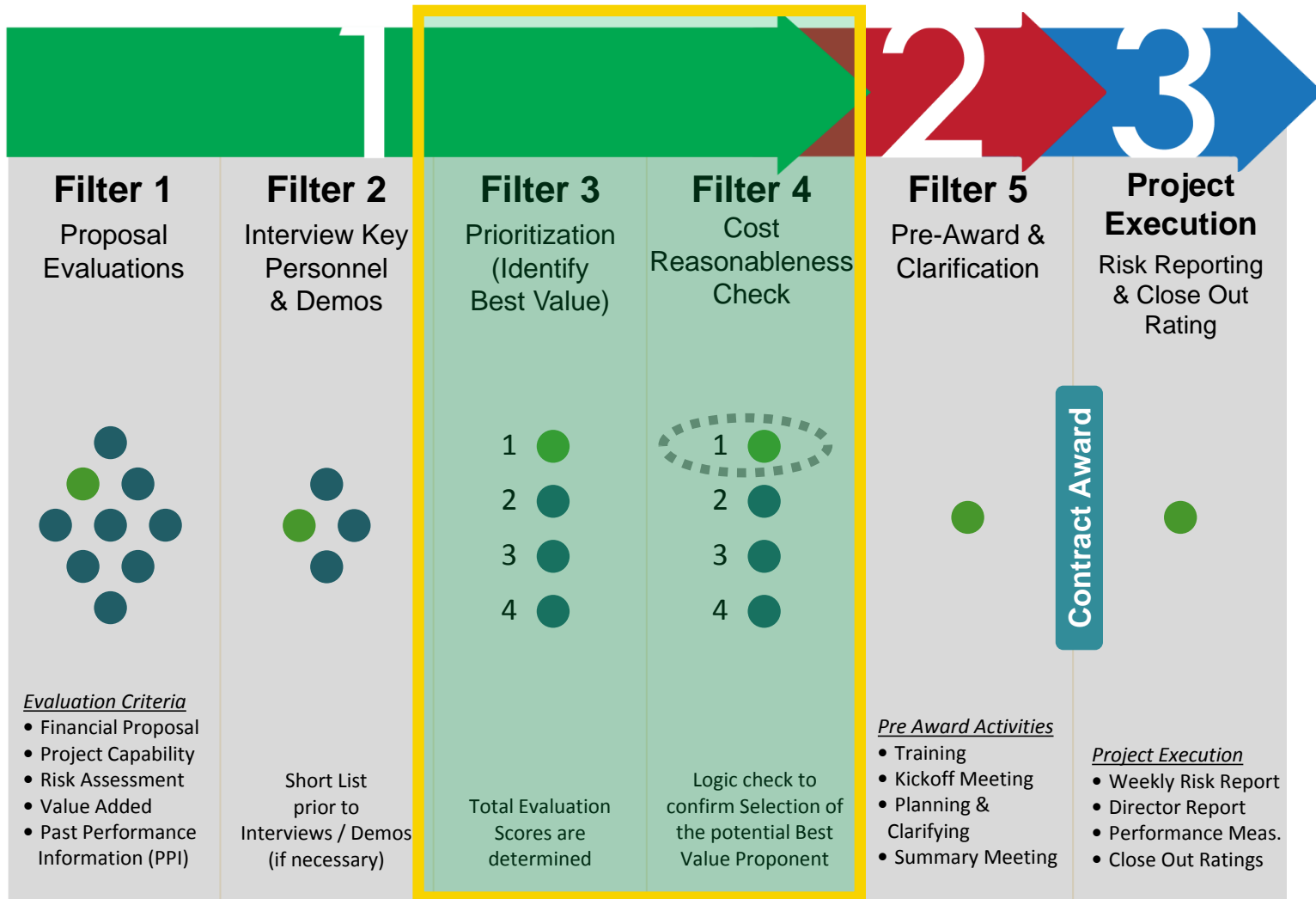
Best Value Interviews: Identifying Expertise

Examples of questions asked:

1. Why were you selected for this project?
2. How many similar projects have you worked on? Individually and as a Team?
3. Describe a similar project you have developed/worked on to the current project.
4. What is different about this project from other projects that you have worked for?
5. Draw out the process for this project by major milestone activities.
 1. Identify, prioritize, and how you will minimize the risks of this project.
 2. What risks don't you control? How will you minimize those risks?
 3. What do you need from the Owner and when do you need it?
6. What value do you bring to the project in terms of differences based on dollars, quality, expertise, or time?
7. Other questions regarding the RFP requirements



Best Value Project Delivery



Evaluations & Final Selection



NO	CRITERIA	POINTS	FIRM A	FIRM B	FIRM C	BEST	FIRM A POINTS	FIRM B POINTS	FIRM C POINTS
1	Cost	250	\$145,000	\$150,000	\$170,000	\$145,000	250	242	213
2	Interviews	350	4.5	8.1	6.2	8.1	194	350	268
3	Risk Assessment Plan	200	5.1	8.7	7.5	8.7	117	200	172
5	Value Assessment Plan	100	5.0	5.0	5.0	5	100	100	100
6	PPI – Firm (1-10)	25	9.5	9.2	9.1	9.5	25	24	24
7	PPI – Firm (Surveys)	25	1	5	5	5	5	25	25
8	PPI – Project Manager (1-10)	25	9.5	9.2	8.8	9.5	25	24	23
9	PPI – Project Manager (Surveys)	25	1	4	2	4	6	25	13
Total		1000	TOTAL POINTS (1,000):				723	990	838



Cost Reasonableness Check



Total Compiled Evaluation Scores

Best-Value is the lowest price?

Yes

No

Best-Value is within [XX%] of next highest ranked firm?

Yes

No

Best-Value can be justified based on other factors?

Yes

No

Proceed to Pre-Award

Go with Alternate Proposal or Cancel



Best Value Model



SELECTION

**CLARIFICATION/
PRE-AWARD**

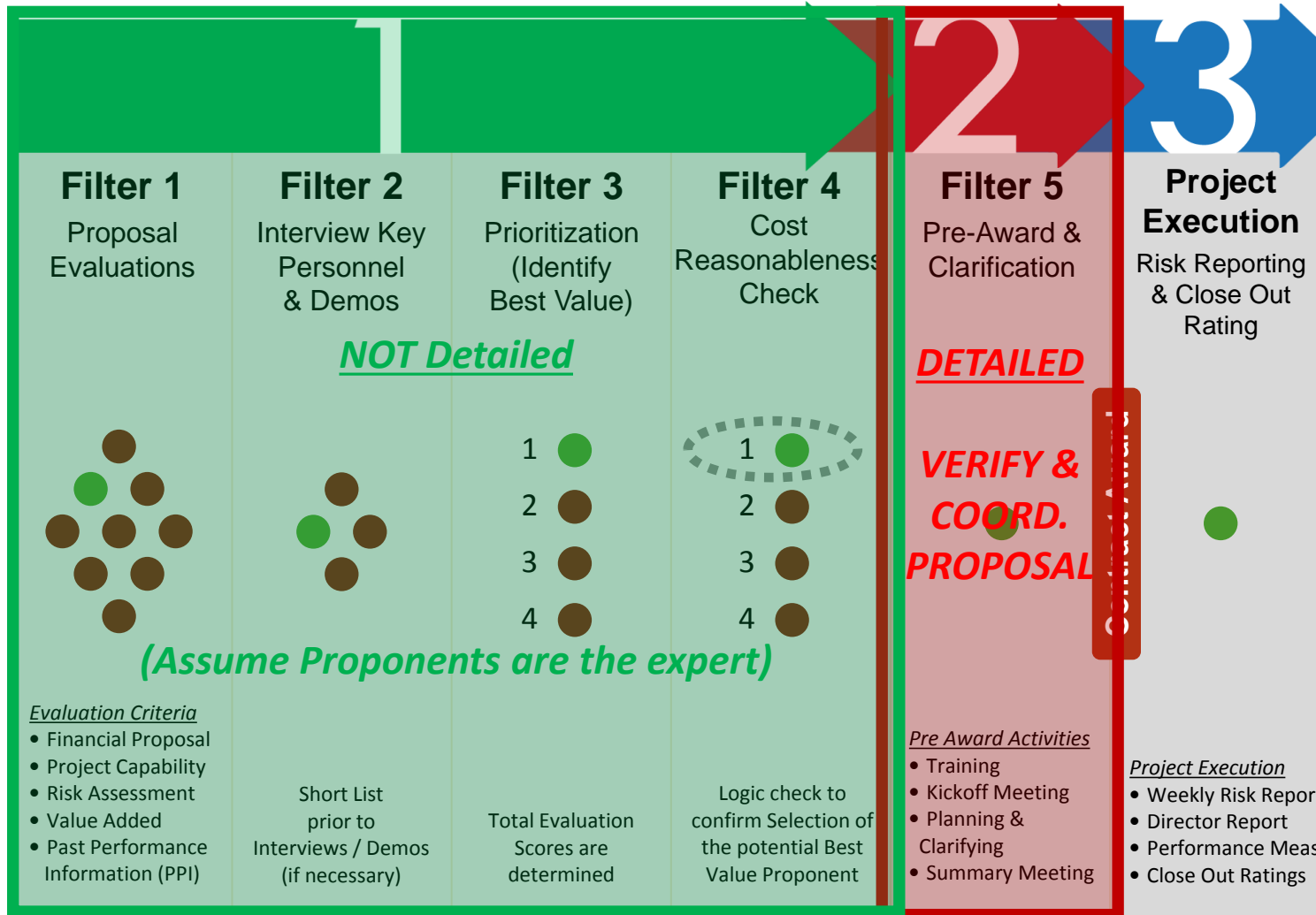
**MANAGEMENT
BY RISK
MINIMIZATION**



PHASE 2 - CLARIFICATION/PRE-AWARD



Best Value Project Delivery



Pre-Award Clarification

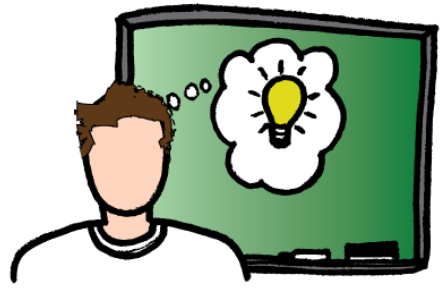
2

What the Vendor Does

- Presents their Optimal Plan
 - Clarify that it's accurate & set the expectation for *how* you will execute
 - Coordinate the milestone schedule
- Identifies Project Risks
 - Set plans to minimize those risks from occurring
 - Address any client concerns
 - Clarify assumptions & “known unknowns”
- Identifies what support they need from the Client (or others)
 - Coordinate & establish how you'll get the support you need
 - Could be: info, access, decisions, reviews, etc.



Clarification / Pre-planning Period



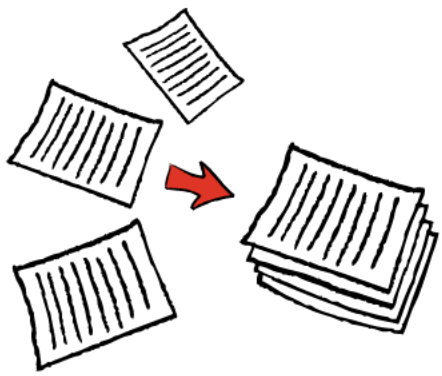
1 Pre Award Education



2 Kickoff Meeting



3 Plan & Coordinate Deliverables



4 Insert Deliverables Into Contract



5 Summary Meeting



6 Contract Signed



Clarification / Preplanning Period



Very High Level

Cost Verification

Included in Proposal

Excluded from Proposal

Major Assumptions

Major Owner Risks/Concerns

High Level

Project Work Plan

Owner Risks/Concerns

PA Schedule

Uncontrollable Risks

Response to all risks

Roles and Responsibilities

Value Added Ideas

Coordination

Review Functionality

Technical Level

Performance Reports / Metrics

Additional Documentation

Technical Details

Project Schedule

High level demos

PA Document



Kickoff Meeting Agenda

2

- Contractor runs the meeting
 - Review plan in detail
 - Milestone schedule
 - Address Owner concerns (if given)
 - Address your risks and unknowns (it is ok not to know things, but need to know when you will know and what could happen along the way)
 - Have day-by-day schedule for clarification period
- Outcome:
 - Coordinate pre-planning schedule
 - List of requested activities for the Owner team
- Move forward



Summary Meeting Agenda

2

- Not a “Q&A” meeting
 - All issues resolved
 - All coordination complete
 - All risks that are not in Contractors control have been identified
 - All value added options have been addressed
- PA Summary Meeting is to summarize all of the coordination that has been complete and walk through the PA Document/RMP
- Upon successful completion of the PA Summary Meeting, the Owner will make the award



Best Value Model

3



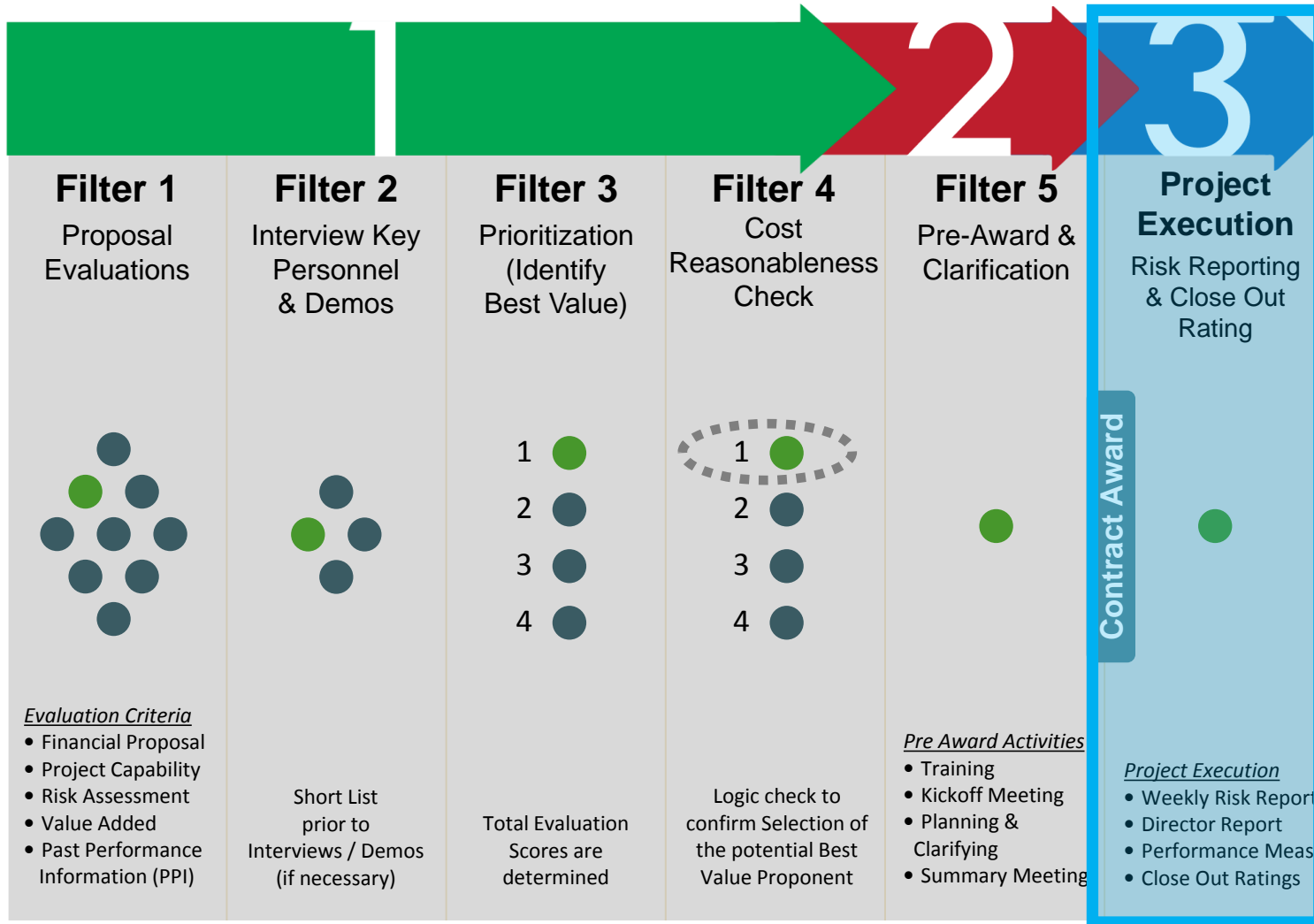
SELECTION **CLARIFICATION/
PRE-AWARD**

**MANAGEMENT
BY RISK
MINIMIZATION**



Best Value Project Delivery

3



Weekly Risk Report

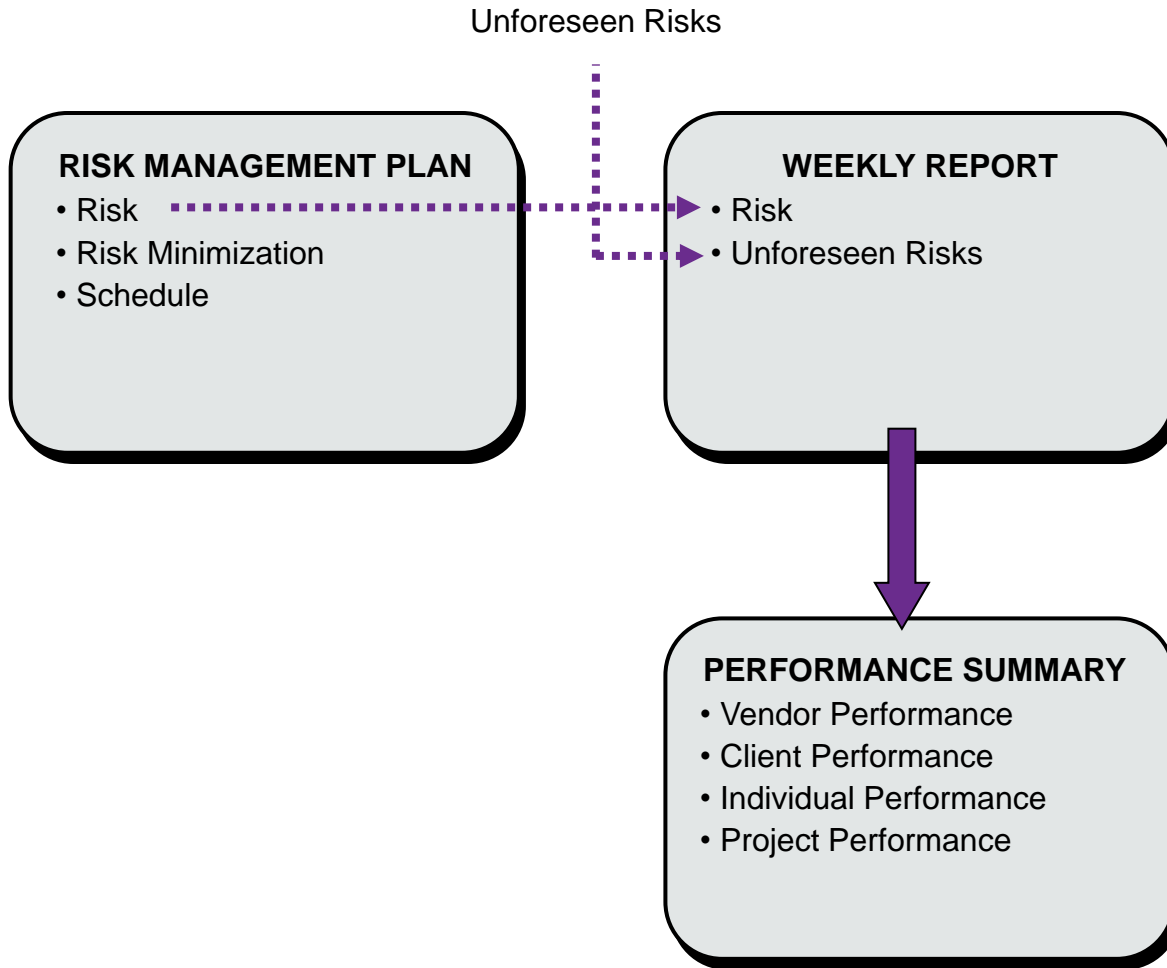
3

- Excel Spreadsheet that tracks risks and impacts
- Owner will setup and send to Contractor once the Award is issued. ASU will provide additional training.
- The final project rating will be impacted by the accuracy and timely submittal of the WRR

No	Date Entered	Risk Items	Plan to Minimize Risk	Planned Resolution Date	Actual Date Resolved	Impact Days to Critical Path	Impact to Cost	Owner/Contractor Generated	Satisfaction Rating (1-10)
0	3/17/2006	EXAMPLE: Risk A	Risk A Plan: 1) Problem background - why is this an unexpected project risk? 2) What will be done to minimize this? 3) Who is responsible for the plan? 4) What kind of impact will this have?	9/9/2006		75	\$ 10,000	0	5
1									
2									
3									



Measurement of Deviation from the Expectation Management by Risk Minimization



Tips for Proposal Preparation





Most Common Mistake:

**Not involving operations personnel
(only using marketing / business
development / estimator)**



Tips for Proponents

1. Identify the available operations individuals that have the greatest expertise.
2. Have them lay out the project plan how they would do it.
3. Identify what risks they see are involved within the plan (also: assumptions & what info is needed)
4. If it was your money, what would you change with the RFP scope to add value.
5. Price it out.
6. *Then*, write the response to the proposal.





How to Differentiate Your Proposal



How to Differentiate your Proposal

Evaluation Criteria	Range of Evaluation Points
Interviews	23.8%
Technical Proposal	21.9%
Price	9.7%
References (PPI)	6.4%

1. Interviews

- Send a good team
- Train them for success

2. Technical Proposals

- There is opportunity here
- Move beyond boiler plate

3. Price & References have **HALF** the impact.

- Can eliminate
- Does not ensure success



Who is Winning Jobs?

- Highest Interview Score = 81%
- Best Technical Proposal = 59%
- Lowest Price = 59%

- Highest Interview AND Highest Technical Proposal = 47%
- Highest Interview AND Lowest Price = 48%

- NEITHER Highest Interview or Written = 7%
- NEITHER Highest Interview or Low Price = 9%



Who Wins Jobs?

Technical Proposal & Interview Evaluation Scores	Percent of Selected Contractors
Highest Interview AND Highest Technical	47%
Highest Interview BUT Not High Technical	34%
Highest Technical BUT Not High Interview	12%
Neither Highest Interview or Technical	7%

Selected Contractor

- 81% = Highest Interview Score
- 59% = Highest Technical Proposal



Who Wins Jobs?

Price & Interview Evaluation Scores

Percent of Selected Contractors

Lowest Price AND Highest Interview	48%
Highest Interview BUT Not Lowest Price	33%
Lowest Price BUT Not Highest Interview	10%
Neither Highest Interview or Lowest Price	9%

Selected Contractor

- 81% = Highest Interview Score
- 59% = Lowest Price Proposal
- 74% = the best in Price/Interview & at least second best in the other



Contractor's Risk Mgmt Ability Improves Project Performance



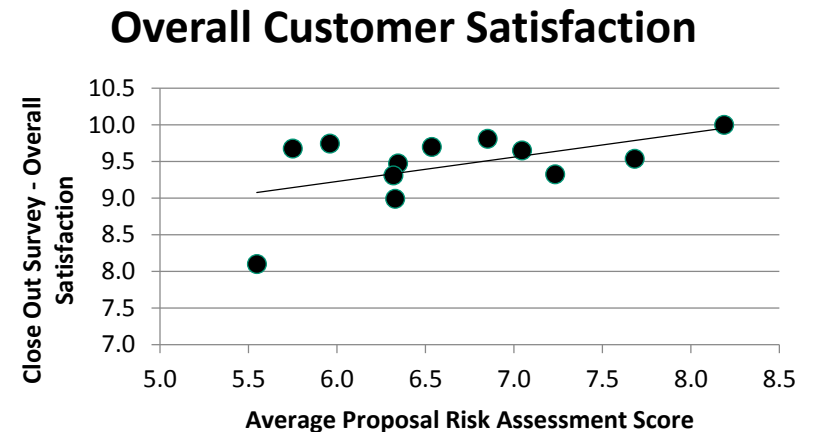
Positive Correlation between:

- Ave. Risk Assessment evaluation scores used for selection/procurement

-And-

- Owner PM Close Out Survey Satisfaction with Vendor Performance (N=133 Surveys – note that these are ALL the winning Contractors)

Close Out Survey Questions	Average Risk Assessment Score (Pearson Correlation)
Ability to manage Cost	Medium
Ability to maintain schedule	High
Quality of workmanship	Very High
Professionalism	Very High
Close out process	High
Communication of Risk	Very High
Ability to follow the users rules	High
Overall customer satisfaction	Very High



Things to Consider

- Contractors can Increase their “Hit Rate”
 - Use best team in proposal response
 - Educate and prepare teams for interviews (this is the greatest chance to differentiate)
- **81%** of selected contractors had the highest Interview Score
- Written technical proposals are the next highest differentiator
- Be cost competitive & submit good references





Evaluation Matrix Example(s)



Not a Black Box

- Actual Evaluation Matrix Examples
- NOT from Dal projects
- Walk Through:
 - How scores are calculated
 - How evaluations are conducted
 - How selected contractors are determined





How are Proposals Evaluated?



Evaluation Sheets

Risk Assessment – Evaluation Score Sheet

Instructions Provided to Proponents:

The Proponent is to identify risk items and clearly state their plan to minimize these risks from negatively impacting project performance. Risks should be listed according to priority and may include key technical concerns, critical aspects of project execution, and/or risks that the proponent does not control.



Vendor	Evaluation Score	Comments <small>(For debriefing purposes, the evaluator must describe/explain reasons for any scores other than a 5. The evaluator may attach additional pages if necessary)</small>
A		
B		
C		
D		
E		

By signing your name below, you confirm that you have based your scores on the contents of each submittal and that you have had no prior knowledge of any plan and whom they belong to. You further agree that there is no collusion or conflict of interest between yourself and any other party involved.

Printed Name _____

Signature _____

Date _____

Value Added Options – Evaluation Score Sheet

Instructions Provided to Proponents:

The Proponent is to identify any value added options, ideas, or services that are beyond the standard requirements in the tender. An explanation of "Why it is a Value Add" must be provided for each item. The corresponding cost & schedule impact of each value added option must be included.

Vendor	Evaluation Score	Comments <small>(For debriefing purposes, the evaluator must describe/explain reasons for any scores other than a 5. The evaluator may attach additional pages if necessary)</small>
A		
B		
C		
D		
E		

By signing your name below, you confirm that you have based your scores on the contents of each submittal and that you have had no prior knowledge of any plan and whom they belong to. You further agree that there is no collusion or conflict of interest between yourself and any other party involved.

Printed Name _____

Signature _____

Date _____



What are Evaluators Seeing?

- Evaluators are looking for justification.
 - If vendors not differentiate yourself, evaluators are trained to give everyone the same score.
 - It is NOT about convincing the Owner to hire you.
 - It IS about telling the Owner how you'll do the job (this is how to show your expertise)
- Actual Quotes, from Actual Evaluations
 - NOT from Dal projects



Evaluation Comments - Examples

LOW Proposal Scores

- “No statements that related to the specific building renovation...”
- “...fairly boiler plate...”
- “Identified issues but solutions were vague...”
- “Inaccuracy of information vs. the RFP documents.”
- “Overly selling us, ‘we want to deliver your vision’...”
- “Solutions were generic...”



Evaluation Comments - Examples

LOW Proposal Scores

- “No risks related to the building. Many risks were related to RFI processes and transferring risk solution back to the Owner.” – **\$32M Construction**
- “Noted costs for the laboratory structure and included within base bid – good. Others have either excluded this or not commented.” – **\$30M DB Construction**
- “Not an expert in the reactor approach (do not know the long term desire for decommissioning???). A great deal of delineation from our stated program.” – **\$240M building re-design**



Evaluation Comments - Examples

HIGH Proposal Scores

“identified structural elements and solutions for building code concerns”

“good information on floor plates...”

“Demonstrated phasing and potential impacts” – **\$30M Construction**

“...explained connectivity between Light Rail link, building entrance, and building circulation considerations.” – **\$240M building design**

“Good recognition of existing building potential issues & solutions. That will benefit the construction schedule as well as building life” – **\$25M construction renovation**





How are Interviews Evaluated?



Evaluation Sheets

Project Manager

Vendor	Evaluation Score	Comments <small>(For debriefing purposes, the evaluator must describe/explain reasons for any scores other than a 5. The evaluator may attach additional pages if necessary)</small>
A		
B		
C		
D		
E		

By signing your name below, you confirm that you have based your scores on the contents of each submittal and that you have had no prior knowledge of any plan and whom they belong to. You further agree that there is no collusion or conflict of interest between yourself and any other party involved.

Printed Name _____ Signature _____ Date _____

Site Superintendent

Evaluation Score	Comments <small>(For debriefing purposes, the evaluator must describe/explain reasons for any scores other than a 5. The evaluator may attach additional pages if necessary)</small>

By signing your name below, you confirm that you have based your scores on the contents of each submittal and that you have had no prior knowledge of any plan and whom they belong to. You further agree that there is no collusion or conflict of interest between yourself and any other party involved.

Printed Name _____ Signature _____ Date _____



Interview Comments

The Owner's Goal is to Minimize Risk

"I have no idea why I am here today"... "My boss called me last night and told me to show up for this interview" - \$10 Million Project

"I did not participate at all in preparing our proposal" - \$3 Million Project

"You do understand that I didn't write the proposal. The proposal was prepared by our admin support staff."

"I have qualifications up the wazoo"



Interview Comments

The Owner's Goal is to Minimize Risk

"I am not currently employed by this company, but if we win this project, then they will hire me" - \$80 Million Service Project

"I have never managed a project of this size/scope" - \$30 Million Project

"There is no risk on this project" - \$5 Million IT Project

"The greatest risk that I always face is how to accomplish all of the things that our sales team promised we could do" – \$5 Million Cleanroom Design



Evaluation Comments

Evaluator Responses



High Interview Scores

- Lead Arch: “Drew out plan & presented timeline with dates.
 - 1) info gathering for Feb 17 visioning session...
 - 2) June to SD for building use & tie to fit scenarios/alternatives...
 - 3) DD January 2013 tie to code, integrate Light Rail link to circulation plan, atrium usage...
- Mechanical: “Again provided chart and aligns with arch team!!! Obviously worked closely together in review of their proposal.”
- “All members of Proponent team have commented on **getting mechanical earlier** (cores, window areas, etc.)”



How Good are the Winners?

Evaluation Criteria	Average Proposal Rating (1-10)	Ave. Selected Proposal Rating (1-10)	Percentage Expertise Gained
Capability	5.3	6.2	16.4%
Risk Assessment	5.1	5.8	14.5%
Value Added	5.5	6.3	15.3%
PPI	9.2	9.4	2.2%
Interviews	6.9	8.4	21.9%

- **Selected Vendors will stand out**
- **You'll see it the most when you meet their Team**





Consultant Feedback

Edmonton
February 2013



Consultant Feedback

Debriefs in Edmonton (2013)

Pursuit Costs & Profit

- “We saw the opportunity in the best value model to **improve or maximize our profit**”
- “**We didn’t approach our fee any differently** than in a traditional form of procurement”
- “[Best Value Selection] levels the field and **opens up opportunities for firms** to showcase their expertise”



Consultant Feedback

Debriefs in Edmonton (February 2013)

Proposal Process

- “What we found was that the time that we spent in **the RFP response is productive time**”
- “[Best Value Procurement] makes it about this project and makes your references about this project. **You get better proposals and better services.**”
- “In an RFP response it really **takes the smoke and mirrors out of the process**”



> Questions / Comments



Dalhousie Procurement Contact:

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Target Procurement Schedule Provided in Tender