



# Best Value Business Model

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PERFORMANCE BASED STUDIES RESEARCH GROUP

[www.pbsrg.com](http://www.pbsrg.com)

# PBSRG's Research Results



- Worldwide as a leader in Best-Value Systems
  - 19 Years
  - 210+ Publications
  - 550+ Presentations
  - 1600+ Projects
  - \$6+ Billion Services & Construction
  - 98% Customer Satisfaction
  - Various Awards (PMI, NIGP, IFMA, COAA, IPMA)
  - Clients: Federal, State, Local, School Districts, Private



# Information Technology

networking help desk services  
data centers eProcurement  
hardware  
COTS software  
ERP systems

# Facility Management

maintenance custodial  
landscaping conveyance  
security service pest control  
building systems  
Industrial moving  
waste management  
energy management

# Health Insurance/ Medical Services

# Manufacturing

# Business / Municipal / University Services

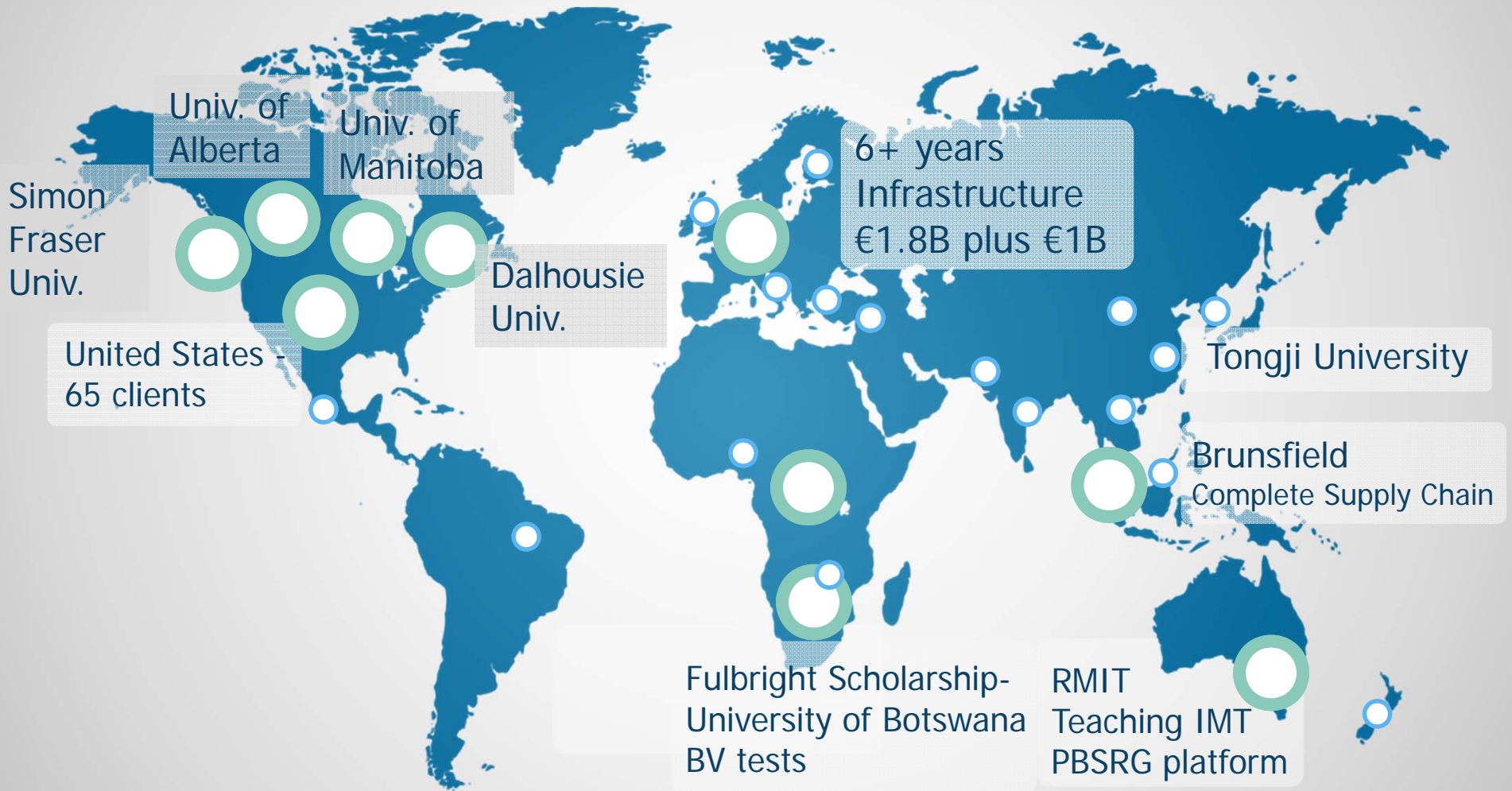
dining material recycling  
multi-media rights bookstores  
fitness equipment furniture  
online education  
document management  
property management  
audiovisual  
communications systems  
emergency response systems  
laundry

# Construction / Design / Engineering


large gc small gc DBB  
infrastructure renovation CMAR  
municipal repair DB  
laboratory maintenance IDIQ  
education roofing JOC  
hospital demolition Low Bid  
financial development IPD  
large specialty supply chain



# International Efforts & Partners



# BEST VALUE

-  U.S. General Services Administration (GSA)
-  US Army Medical Command
-  Arizona State University
-  Canon
-  State of Oklahoma
-  City of Phoenix, AZ
-  University of Minnesota
-  State of Alaska
-  Rijkswaterstaat (Dutch public works & water management)
-  Aramark
-  State of Oregon
-  State of Idaho
-  University of Alberta
-  Boise State University
-  United Airlines
-  Neogard / Jones-Blair
-  Tremco
-  Bank of Botswana
-  General Dynamics C4 Systems
-  Salt River Project (SRP)
-  US Air Force Logistics Command
-  US Coast Guard
-  US Embassy (Botswana)
-  US Army Corps of Engineers
-  Federal Aviation Administration
-  IBM
-  Brunswick
-  Qwest
-  Honeywell
-  City of Peoria, AZ
-  University of Idaho
-  University of Hawaii
-  University of New Mexico
-  Entergy
-  Sodexo
-  Chartwells
-  Dallas Independent School Dist.
-  Olmstead County, MN
-  City of Roseville, MN
-  Hennepin County, MN
-  Scenter
-  Abengoa Solar
-  City of Sitka, Alaska
-  US Solar
-  Rochester Public Utilities
-  Harvard University
-  Denver Health & Hospital Authority
-  State of Missouri
-  State of Washington
-  Idaho Transportation Department
-  State of Georgia
-  Arizona State Parks
-  United Excel
-  East Valley Institute of Technology
-  Arizona Public Service (APS)
-  Rochester School District
-  Fann Environmental
-  Idaho State University
-  On Semiconductor
-  Pearson
-  State of Wyoming
-  Idaho Department of Corrections
-  City of Miami Beach, FL
-  Lewis & Clark State College
-  Hawaii Department of Transportation
-  Baptist Health
-  City of Columbia, SC
-  PECO Energy
-  Intermediate District 287

PARTNERS

## PROJECT PARTNERS AND PARTICIPANTS:

# CLIENTS USING THE ASU PROCESS INCLUDE:



**\$450M+ procured**  
**\$700M+ project value**

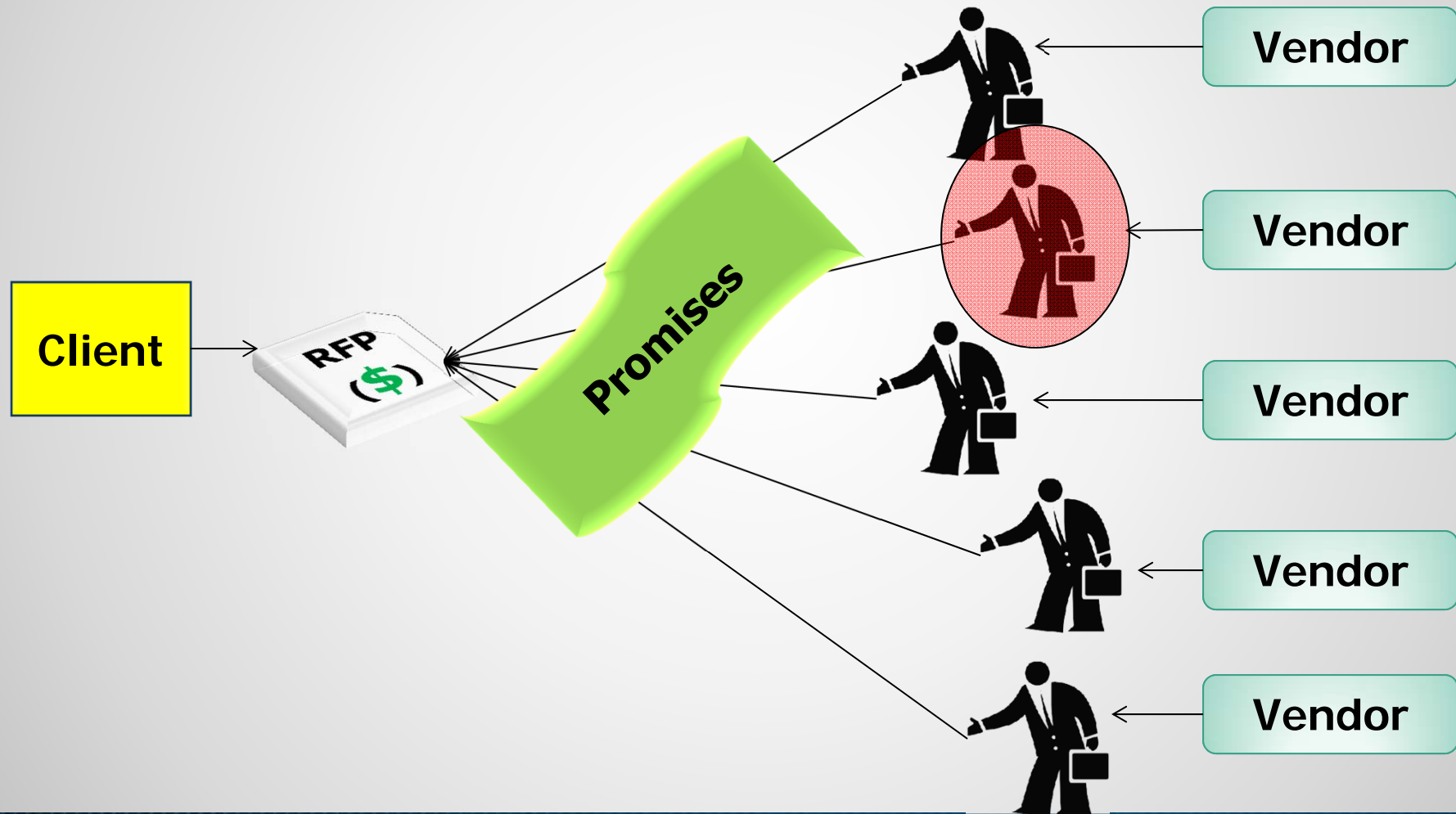
**...WITH MORE BEGINNING EACH MONTH**

# A Note on Terminology...

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- **Owner / Client**
  - The buyer, purchaser, receiver of services
  - Includes:
    - Procurement
    - Operations & Management
- **Vendor**
  - The “doers” ... interchangeable depending on industry
  - Could be... professionals/architects/engineers, suppliers, contractors, etc

# What we have seen in the proposal process...





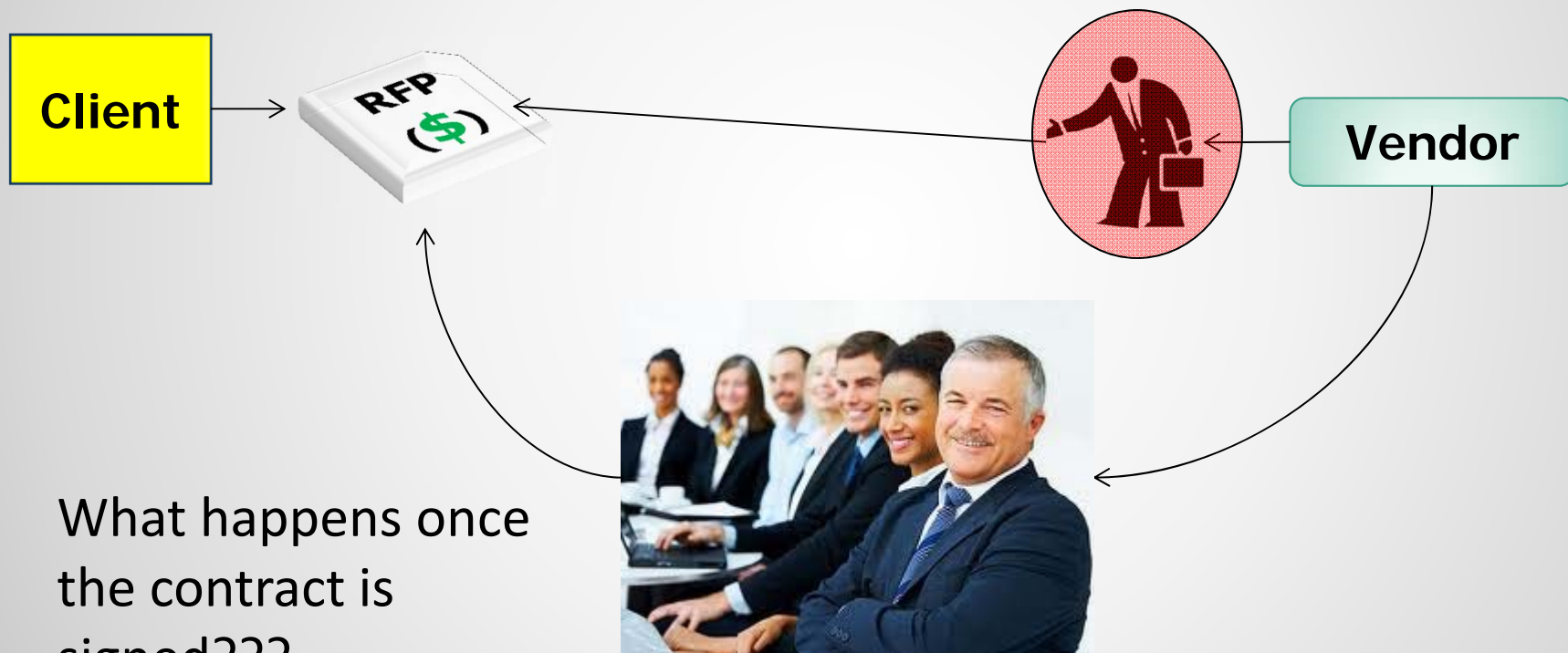
# Owner Frustrations in Procurement

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- Marketing Information – cutting through the “fluff” of lengthy proposals
- Lack of project-specific information (vendor trying to sell the owner what they think the owner wants to hear)
- Can be challenging to justify selection
- Declining service performance over time

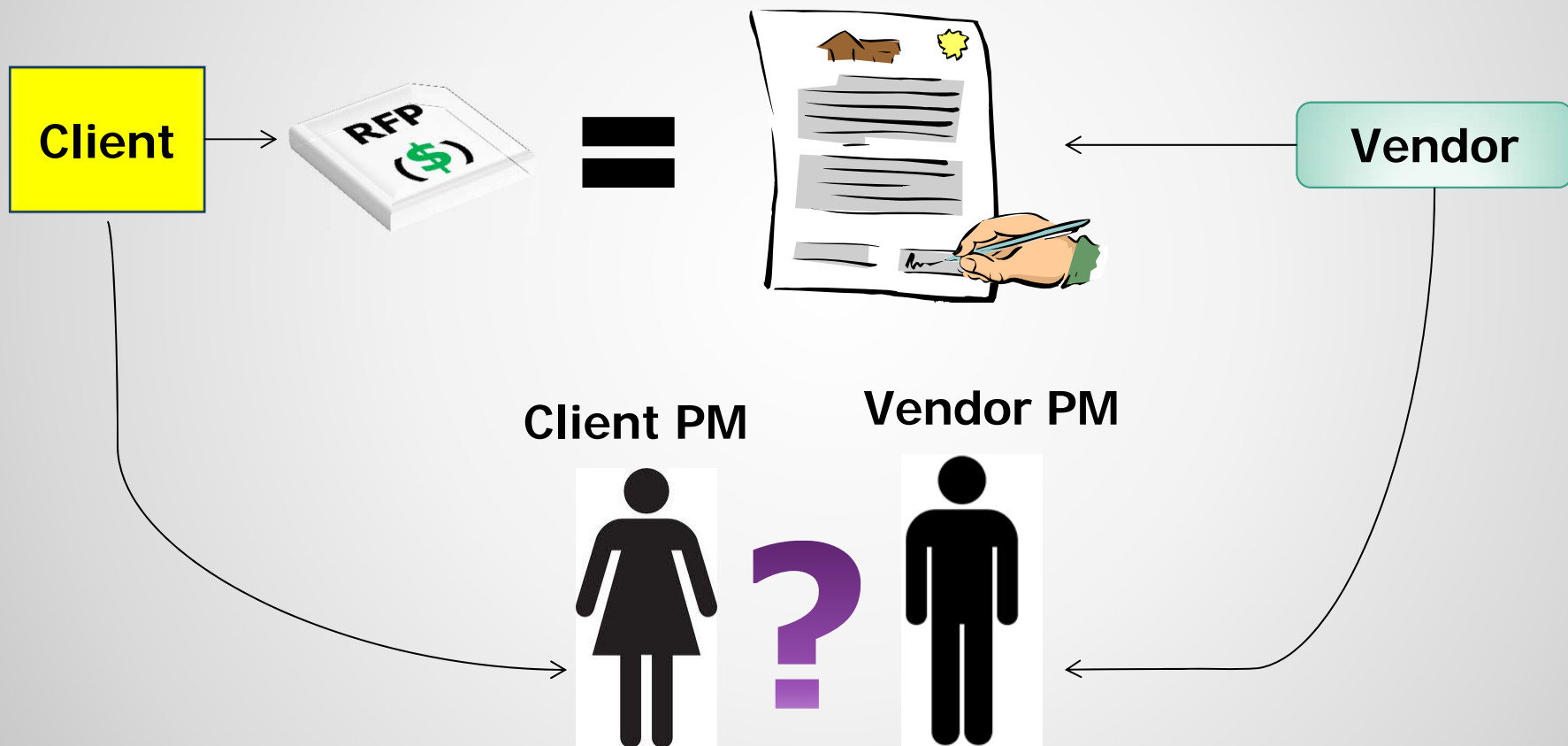
# What we have seen...

## Contract Negotiations



What happens once the contract is signed???

# What we have seen...



*“The Greatest Risk that I  
always face  
is how to accomplish all of  
the things  
that our sales team promised  
we could do.”*

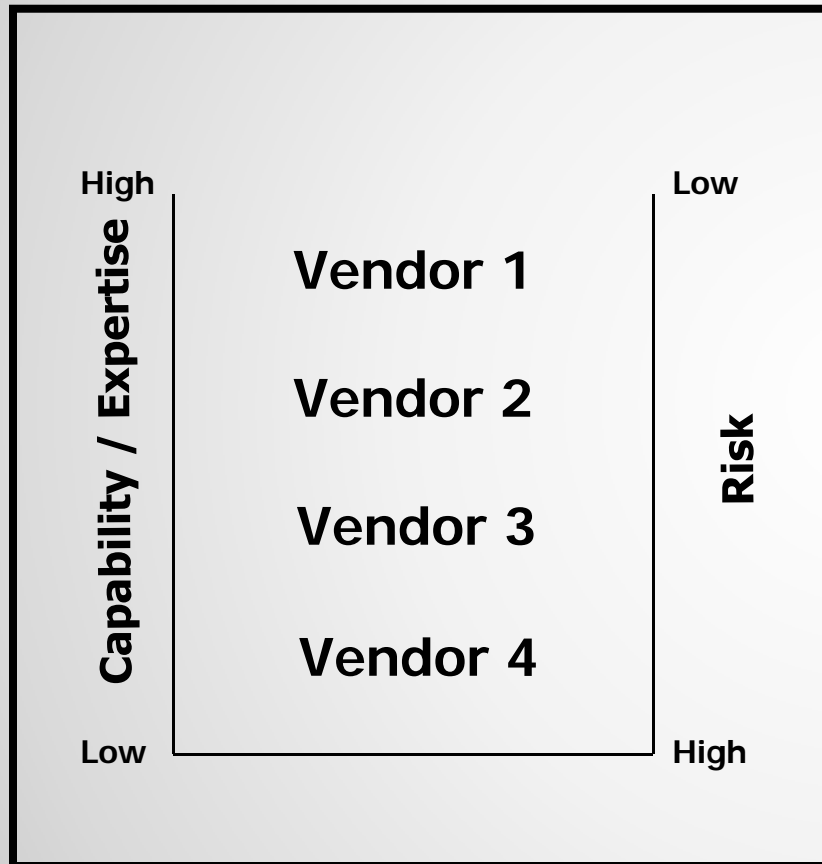


# Vendor Frustrations in Procurement

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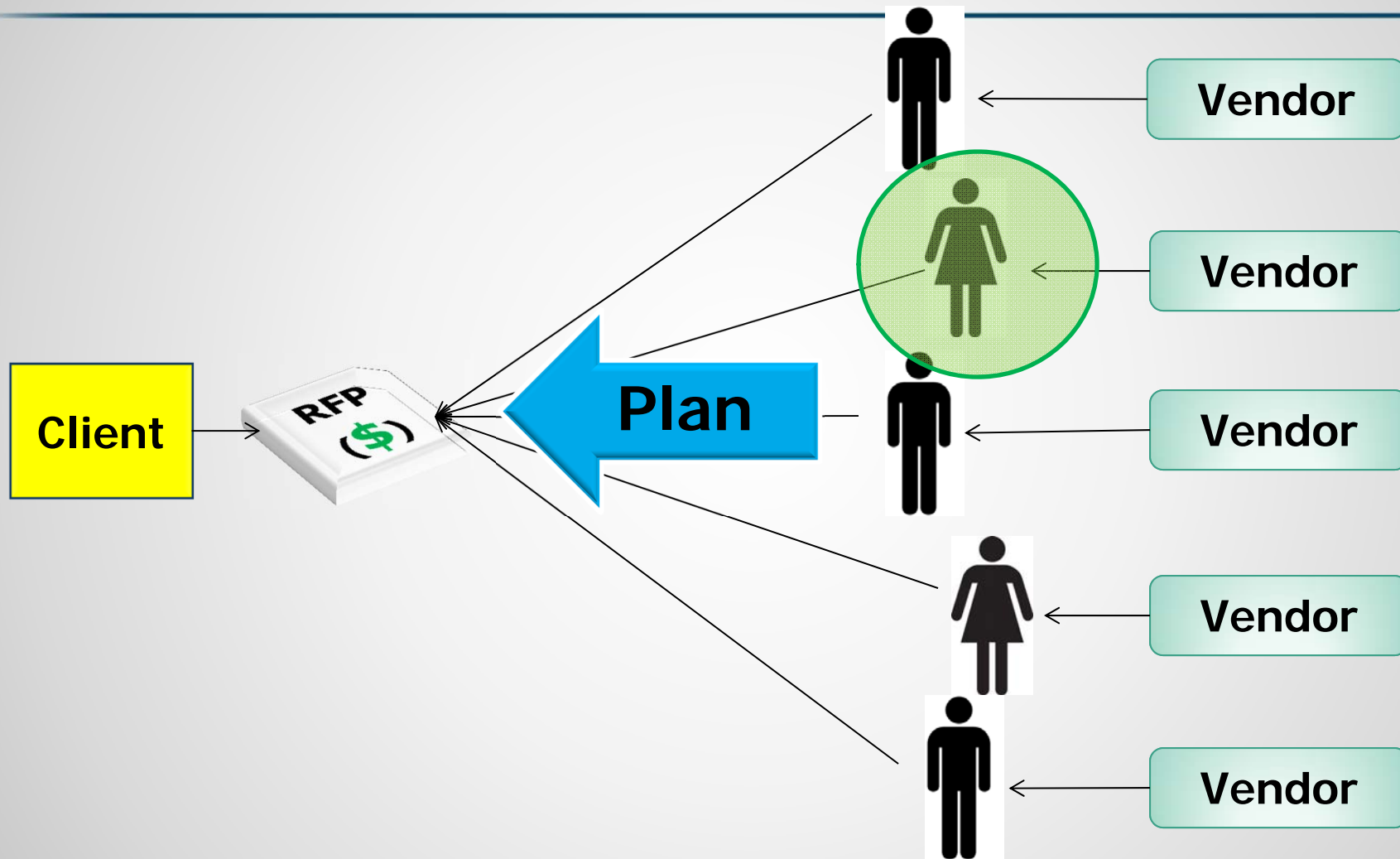
- Increasing trend of heavily price-based Selections
- Convoluted Qualifications Based Selection methods
- Experts lament evaluation processes that do not enable them to demonstrate their professionalism
- Clients with a generally commodity-based approach to their procurement processes

# We Know: Suppliers are Not a Commodity



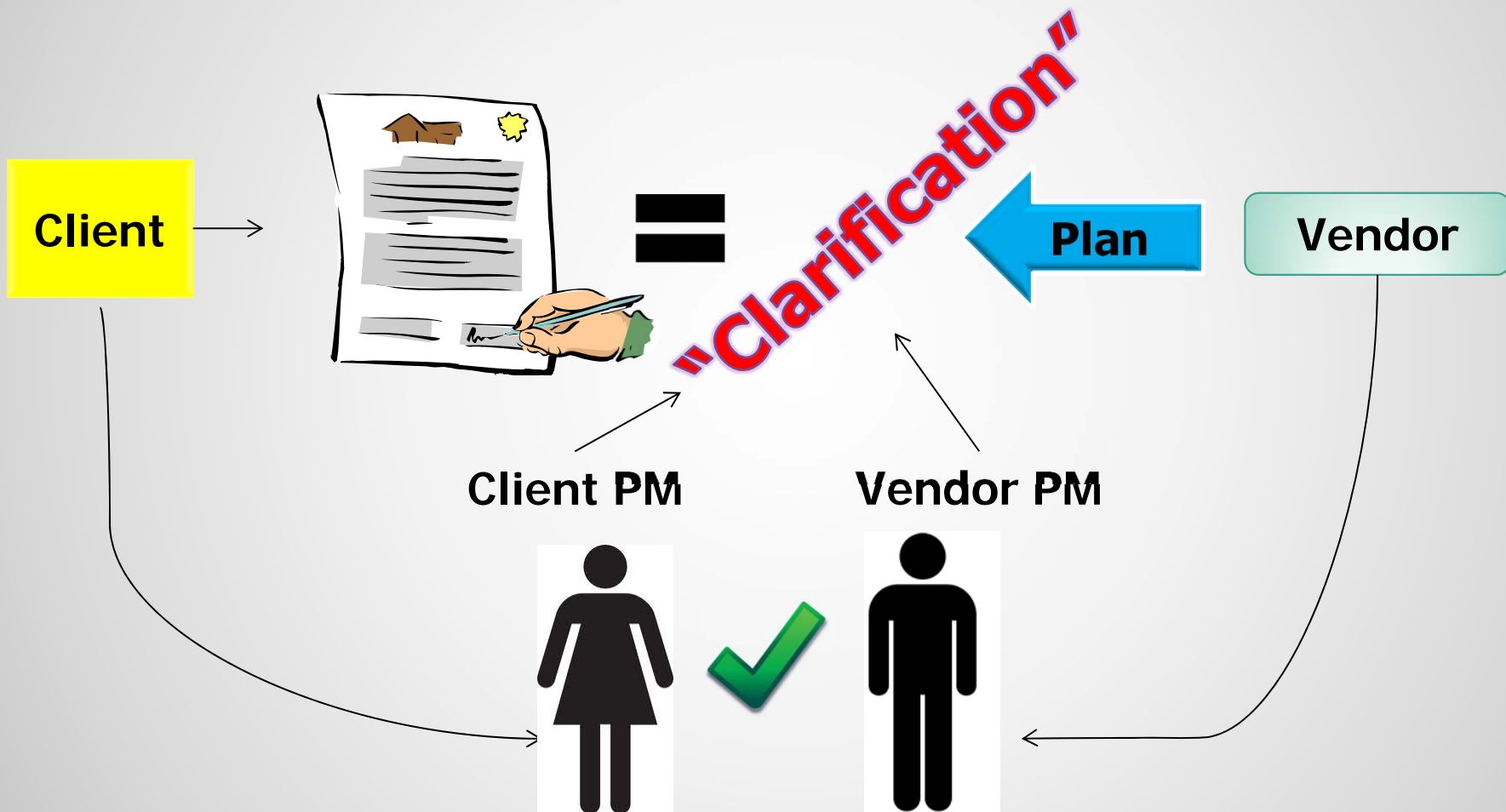
***...but how do we know who to select?***

# What is different...





# What is different...



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# Overview:

## 3 Phases of Value-Based Project Delivery

# Value-Based Project Delivery



**Objective:** minimize cost by increasing efficiency

- Holistic view of the contract lifecycle
- Link procurement to operational performance
- System to promote sustained performance

# Value-Based Project Delivery



**Becoming more efficient in 3 ways: Objectives of each Phase**

1. *Differentiate Expertise*: value proposition (plan, people, price)

# Value-Based Project Delivery



## Becoming more efficient in 3 ways: Objectives of each Phase

1. *Differentiate Expertise*: value proposition (plan, people, price)
2. *Pre-Planning Before Award*: focused on operational risk & clarification

# Value-Based Project Delivery



## Becoming more efficient in 3 ways: Objectives of each Phase

1. *Differentiate Expertise*: value proposition (plan, people, price)
2. *Pre-Planning Before Award*: focused on operational risk & clarification
3. *Performance Measurement*: positive accountability & sustained performance

# Best Value Objectives



- **Fair, Open, Impartial, Transparent**
- **Owner: Minimize risk of non-performance**
  - Receive value AND be able to prove it
  - Leverage Proponent expertise to optimize project delivery
  - Strategic objective to become a Client of Choice
- **Vendor: Minimize the need for client management & decision making.**
  - Ability to lay out optimal project plan
  - Identify & coordinate Client resources & support
  - Opportunity to maximize profit by being more efficient

# BV DOES NOT CHANGE YOUR...

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

Best Value overlays on top of these...

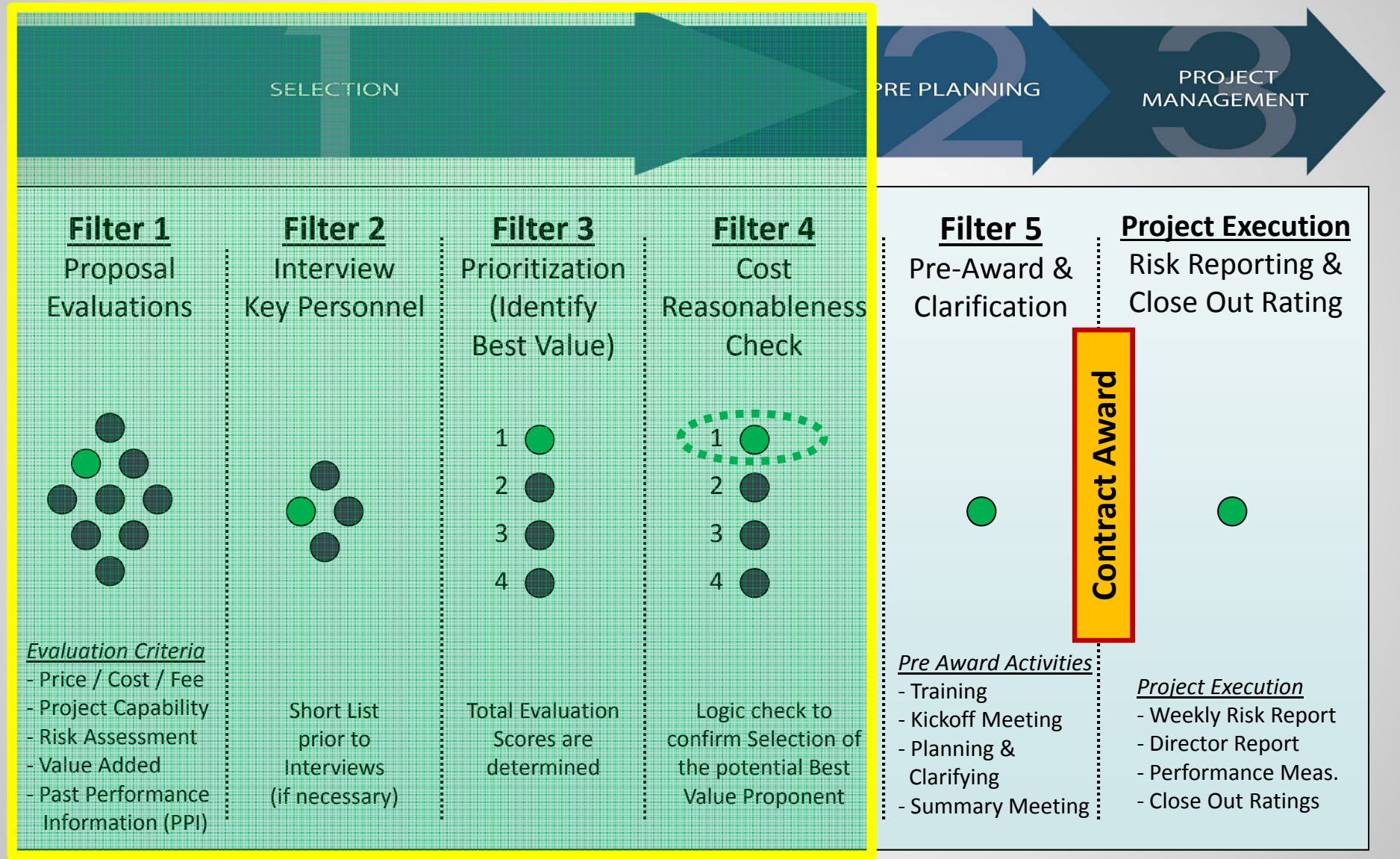
**Use existing RFP document and add Best-Value language**



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# Process Details

# Phase 1: Selection



# Selection

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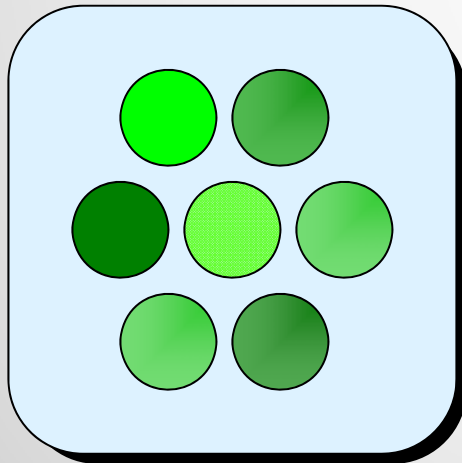
- Hiring or selecting who will create the plan and execute it
- The quality of the plan and its execution is directly linked to the individuals creating it and doing the work
  - Quality of Plan = Minimization of Risk & Cost

# What are we trying to accomplish?

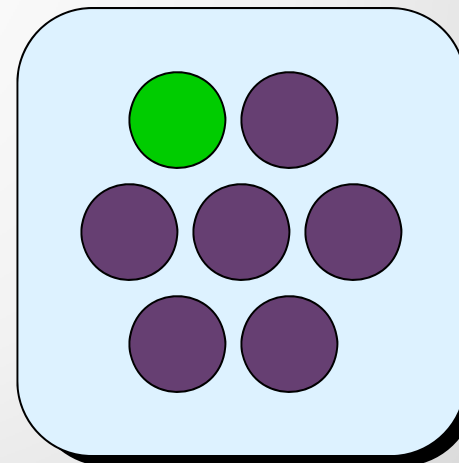
## Question:

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

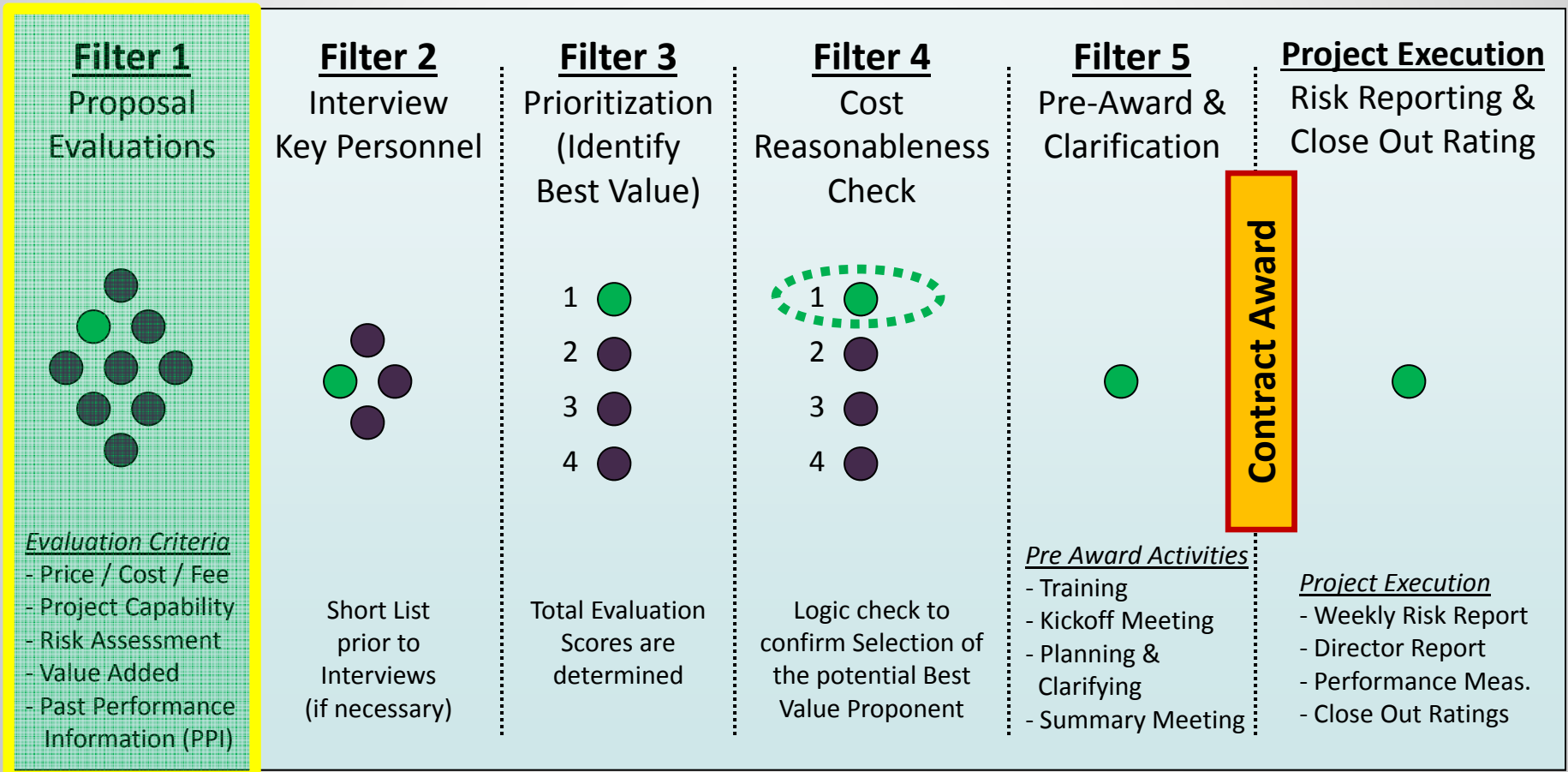
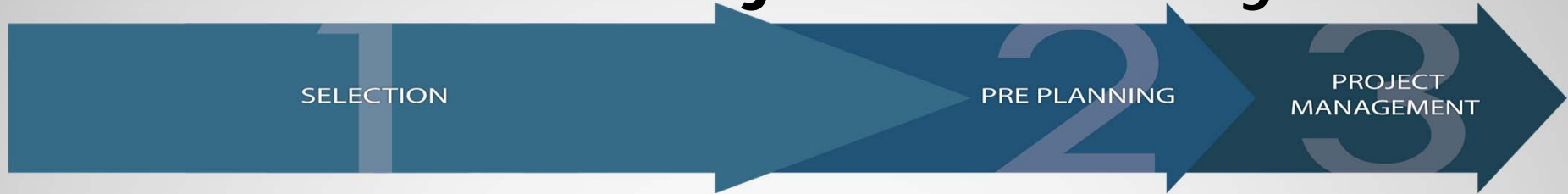
Scenario 1



Scenario 2



# Value-Based Project Delivery



# 3 Written Submittals

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

## **Project Capability**

= capability to  
meet  
Requirements  
(technical plan)

## **Risk Assessment**

= key risks  
(you don't control)

## **Value Added**

= additional  
expertise  
beyond  
requirements

**2 pages each = 6 pages in total**

# Templates

## 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 is it 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.)

<p>+ Item 1:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>	<p>Item 2:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>
<p>+ Item 3:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>	<p>Item 4:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>
<p>+ Item 5:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>	<p>Item 6:</p> <p>Why is it a Value Add? _____</p> <p>Cost Impact (\$): _____</p>

## 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 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 want to assume from negatively impacting project performance. Risk items must be identified. (You may delete these instructions.)

<p>+ Risk 1:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>	<p>+ Risk 2:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>
<p>+ Risk 3:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>	<p>+ Risk 4:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>
<p>+ Risk 5:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>	<p>+ Risk 6:</p> <p>Why is it a Risk? _____</p> <p>Solution: _____</p>

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Technical Concern 1:  
Approach and/or Documented Performance 1: \_\_\_\_\_

Technical Concern 2:  
Approach and/or Documented Performance 2: \_\_\_\_\_

Technical Concern 3:  
Approach and/or Documented Performance 3: \_\_\_\_\_

Technical Concern 4:  
Approach and/or Documented Performance 4: \_\_\_\_\_

Technical Concern 5:  
Approach and/or Documented Performance 5: \_\_\_\_\_

Technical Concern 6:  
Approach and/or Documented Performance 6: \_\_\_\_\_

# Format of Submittals

- ▲ In order to minimize any bias, the Submittals must **NOT** contain any names that can be used to identify who the proponent is (such as proponent name, personnel names, project names, etc).
- ▲ Template are provided and must be used. Proponents are NOT allowed to re-create, re-format, or modify the templates.
- ▲ The plans should not contain marketing material.
- ▲ The Project Capability must NOT exceed **2 pages**.
- ▲ The Risk Assessment must NOT exceed **2 pages**.
- ▲ The Value Added most NOT exceed **2 pages**





# Project Capability

## **Project Capability**

= capability to  
meet  
Requirements  
(technical plan)

## **Risk Assessment**

= key risks  
(you don't control)

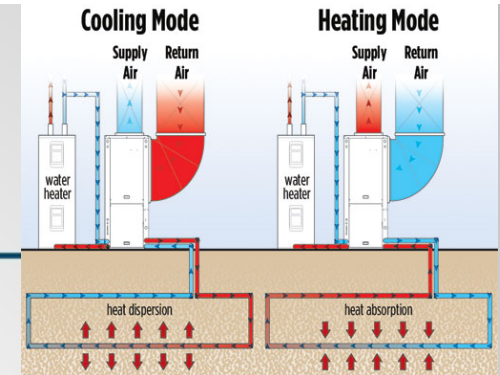
## **Value Added**

= additional  
expertise  
beyond  
requirements

# Example of Solutions

**Risk:** Design of Heating/Cooling System

**Type:** Project Capability



- **Plan 1**
  - We will use our 20 years of experience in working with mechanical systems to minimize the risk of the heating and cooling system design.
- **Plan 2**
  - We have identified the design of the heat/cooling system as a risk. It has not been used before in the area. Will ensure that the system performance and installation is verified in the pre-award period.
  - We have bid using best rated mechanical contractor in the area (rated at 9.8 out of 10.0, next best rated 9.1)
  - Mechanical contractor identified modifications to the design to improve output and sustainability of the system with the following impacts (mechanical system cost minimized by 15% - see VA#1)
  - Mechanical system will be provided by one manufacturer, and will be commissioned by the manufacturer, contractor, and general contractor, who will take full responsibility of commissioning the system

# Example of Solutions

**Risk:** Existing Underground Tunnels

**Type:** Project Capability



- Plan 1

- The owner can be assured all risks associated with underground tunnel systems will be eliminated because we offer the most qualified team of project professional with high level of experience in handling similar infrastructure.

**MARKETING INFORMATION**

- Plan 2

- We will: conduct a detailed pre- and post-construction survey and assessment on existing neighbouring buildings; maintain a photographic survey of key markers; and provide final record to the Owner.
- Our structural eng. team proposes using tangent or secant pile shoring and conventional underpinning methods to stabilize and protect existing foundation to reduce and minimize vibration and disturbances during construction excavation activities.
- Our lead architect has handled 3 projects with similar systems and will provide renderings during preliminary submissions to illustrate how new construction will fit amongst the current buildings.

# Example of Solutions

*Risk: Documented Performance*

*Type: Project Capability*



- Lead Architect
  - The proposed Lead Architect has designed four (4) similar facilities (\$500M construction budget) in the past three years.
  - The team's schedule deviation is (-1.5%), their designer-generated change order rate is 0%, and their overall customer satisfaction rating is 98%.
- Structural Engineer
  - We have selected a structural engineer who surveyed 8 past clients on completed jobs with a total project value of \$4,500,000 and received a customer satisfaction rating of 10 out of 10.

# Risk Assessment

## **Project Capability**

= capability to  
meet  
Requirements  
(technical plan)

## **Risk Assessment**

= key risks  
(you don't control)

## **Value Added**

= additional  
expertise  
beyond  
requirements

# *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.
- We understand the importance of program functionality to the ultimate performance of the building.

## Plan 2:

- Recommend a planning approach that works with a space “budget” (as a full program is too premature 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.

# Example of Solutions

Risk: Loss of Radio Flagship in Major Market

Type: Risk Assessment



- **Plan 1**

- We will work very hard to maintain excellent affiliate relationships. If we lose a radio station (e.g. it changes its format) we will move quickly to replace the lost station. If we cannot quickly replace a flagship station, we can be very creative and could even consider purchasing all local inventory from a new flagship station.

- **Plan 2**

- In the past 10 yrs, on over 50 accounts, 7 radio stations format changes have occurred. The following solution is optimal.
- We own and will maintain two radio contracts covering the area, where signals can be switched if required. The flagship station will be the station with the stronger signal and greater coverage.
- If a station is lost we will have a equal replacement within 2 months. If within two months a replacement is not contracted we will purchase inventory from another station or discount the cost of an inventory purchase and add it to our payments to the client.

# Risk Assessment Example



- **RISK:** Major risk items typically associated with transit implementations revolve around change management and business process impact. New technology implementations create change for the users. Change often causes issues with technology adoption. Requirements and scope creep also creates challenges. Systems may have thought a certain technology or component was incorporated in the RFP and/or needs assessment process that is not included in the actual scope of work or contract. Communication is also an area that can be a challenge.
- **SOLUTION:** A clearly defined scope of work and communication of the scope at the beginning of the project minimizes scope creep. If there is a discrepancy, scope or requirements can be discussed early on in the process versus at the end of the process. Communication is the key to successful implementations. Change management and business process re-engineering for organizations can be minimized at the technology and management levels. Management can get early buy-in at the “grass roots” level and include them in the technology planning process. The Team focuses on providing very configurable and flexible tools to minimize process re-engineering tasks. The Team focuses on automating existing business processes and providing additional tools to improve those processes that need to be improved such as data management....



# Examples

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## Value Added

# Why a Value Added Plan?

Opportunity to identify value added options that may benefit the Owner:

1. Increase customer satisfaction
  2. Increase performance
  3. Provide ways to optimize the budget
- Respondent should identify what adjustments are recommended to the project scope
  - MUST have a **cost** impact (and possibly schedule impact)
    - If none, denote as “\$0”
  - NOTE: Value added options ideas are **NOT** included in the base cost proposal

# Scope is Above Budget

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Owner's Scope



(-\$ value add)

Owner's Budget (\$\$)



# *Value Added Examples*



*“Did you actually mean...?”*

## **Example 1: Air Duct System Improvements**

- In lieu of using redundant dual duct air systems (shown in bridging documents), a design solution is proposed to substitute redundant variable air volume (vav) systems with reheat
- We believe the rationale for using dual duct was to eliminate the potential risk of having a wet heating system leak through the ceiling into the production areas
- With the proposed creation of an interstitial service space, the risk for leaking of the wet heating system is mitigated, servicing space is increased, control complexity is reduced, and capital cost is mitigated.
- Cost (\$): (\$158,000) Savings

# *Value Added Examples*



## *Increase Performance:*

### **Example 1: Augmented Reality**

- Synchronization of model to real world view from HD Camera on mobile devices (iPad2, Samsung Galaxy)
- Allows in-situ visualization of recommended design solutions
- Uses BIM REVIT model, demonstrates pros and cons of programmatic opportunities based on functional programming relationships
- Cost (\$): \$35,000

### **Example 2: Replace Existing Wood Roof Deck with Steel Decking**

- The existing wood decking has been exposed to moisture for a considerable number of years, as evidenced by the leaking roof which was noticeable during the site visit. The existing wood decking will naturally absorb moisture inside the building and may eventually result in mould growth on the surface of the wood. Replacing the wood deck while the new facility is operational will not be practical.
- Cost = \$128,456, no schedule implication

# *Value Added Examples*

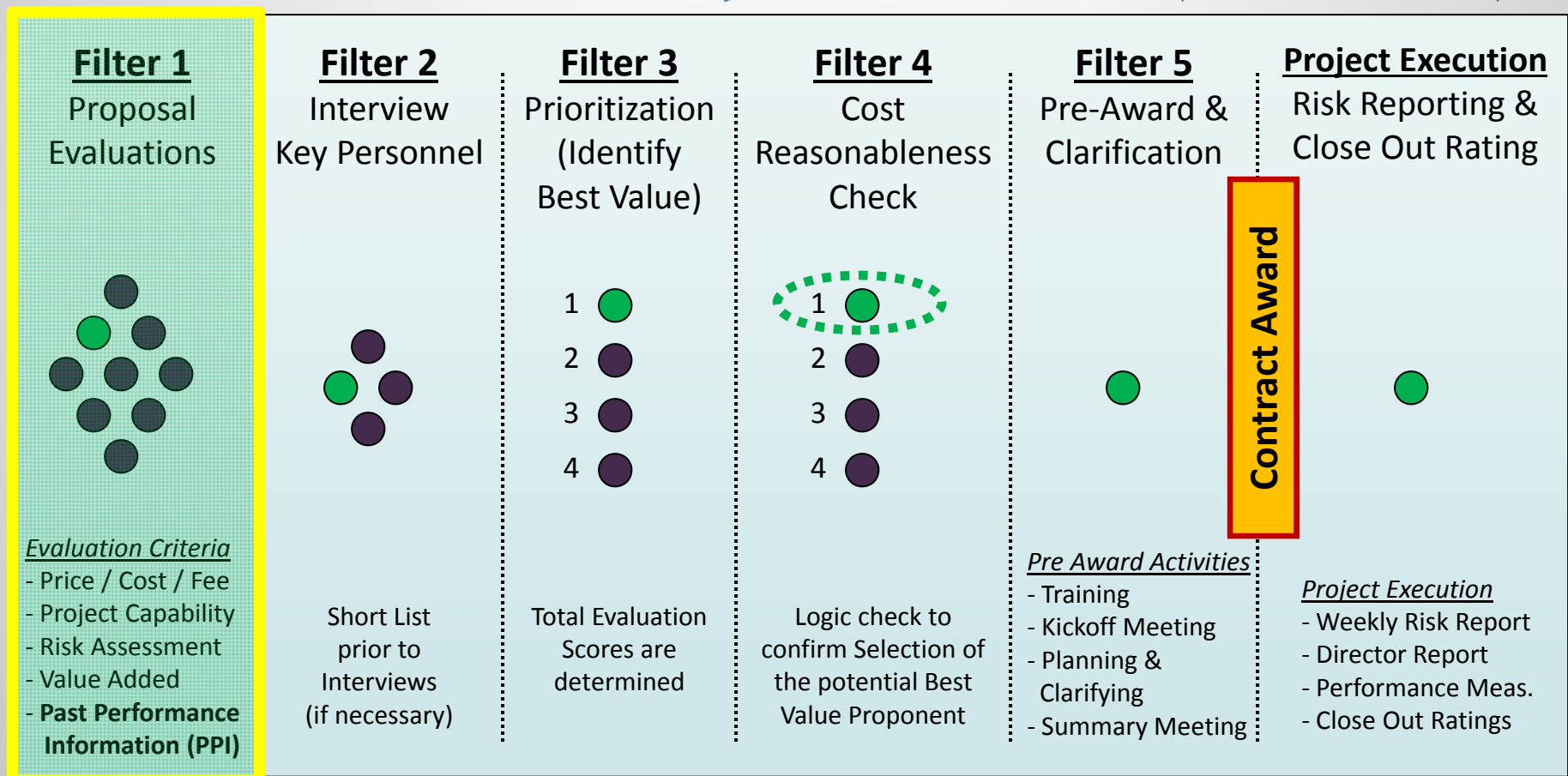
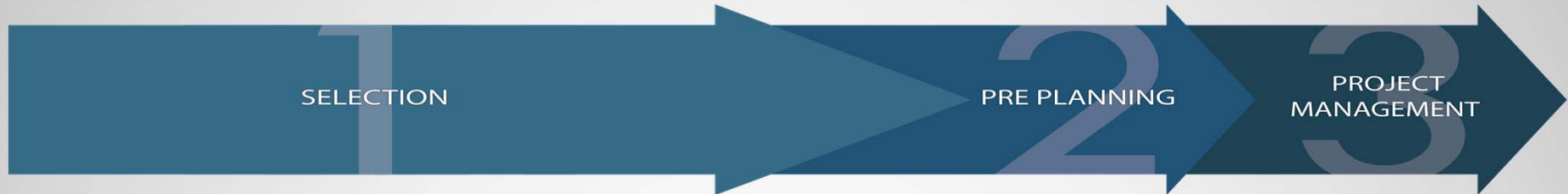
## *Option to Optimize Project Schedule:*

### **Alternate Interior Partitions**

- Quality control of the installation of epoxy coatings is challenging and the traditional drywall method consumes precious schedule time and creates heavy dust in an area where cleanliness is a priority.
- The drywall sub-trade also occupies the critical path for the bulk of the schedule.
- Arcoplast is a composite wall panel that fastens directly to the steel studs, thus eliminating the need for drywall. It has a permanently finished antimicrobial gel coat formulation that inhibits mould, fungus and mildew growth. Arcoplast will be installed in all cGMP areas that are required to be clean areas.
- Arcoplast is a product that meets or exceeds cGMP specific guidelines pertaining to surface finishes for maximum containment facilities.
- Key features include: Impact, chemical, corrosion and water resistance.
- Reduces the schedule impact of the drywall trade by 3 months.
- Cost = \$1,697,136



# Best Value Process

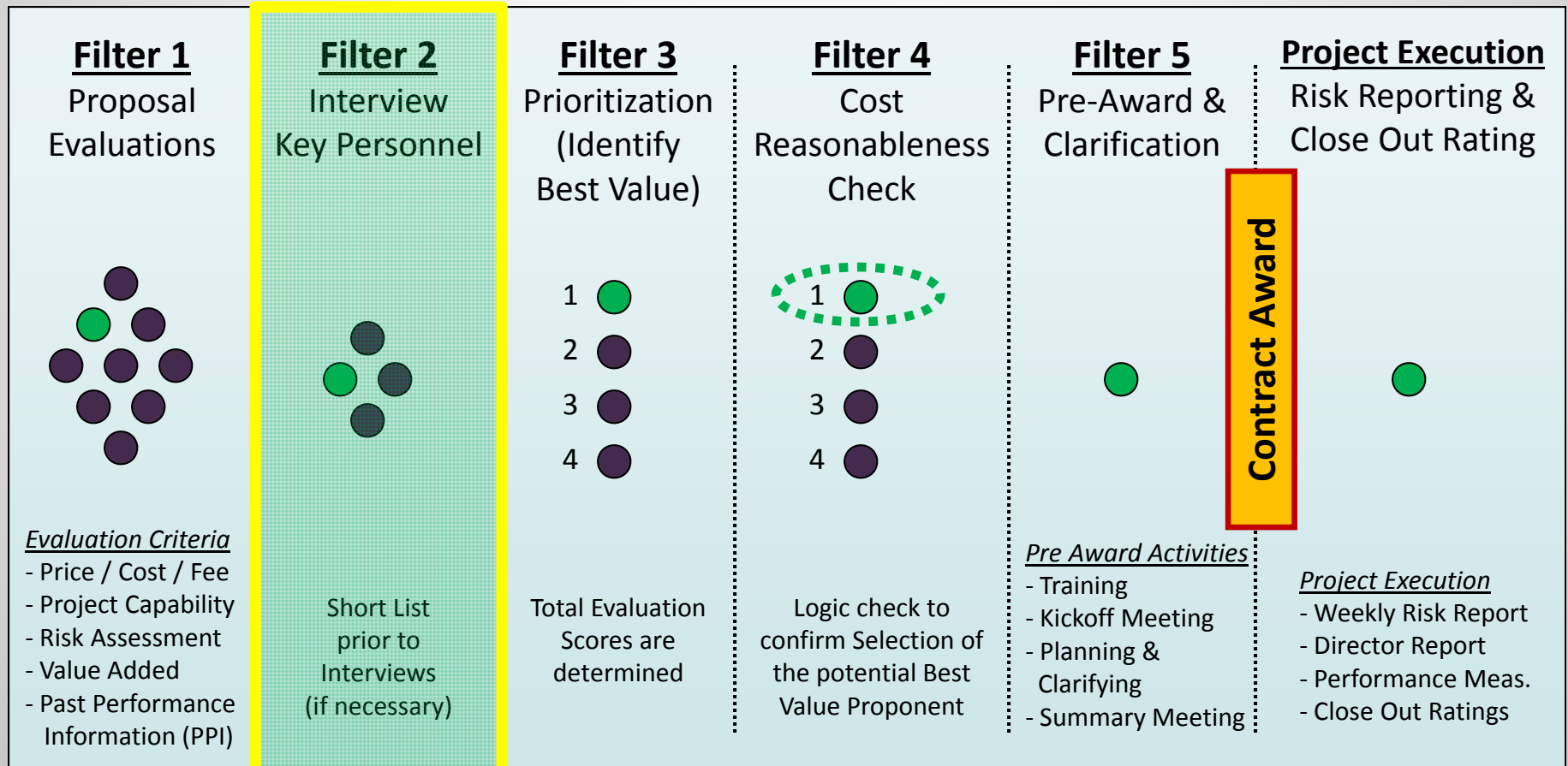
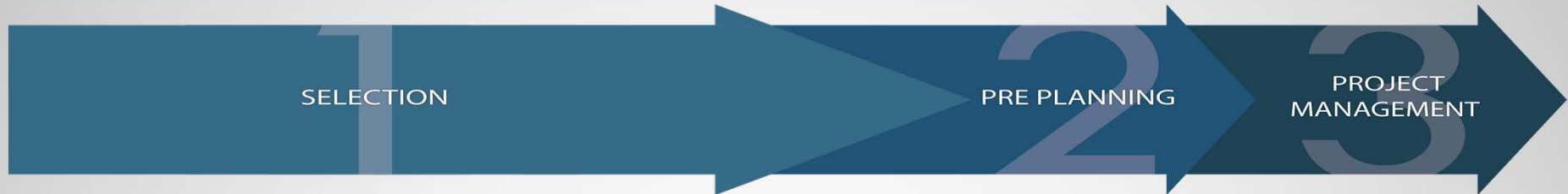


# PPI Survey Form

PERFORMANCE QUESTIONNAIRE – DESIGN BUILD PROJECT			
To:	Survey ID		
	<i>(Name of person completing survey)</i>		
Phone:			Fax:
Subject: Past Performance Survey of:			
<p>The University of Alberta (the University) is their key personnel. The information will be The supplier/individual listed above has li appreciate your taking the time to complete</p> <p>Rate each of the criteria on a scale of vendor/individual again) and 1 representir Please rate each of the criteria to the best particular area, leave it blank.</p> <p>Client Name: _____</p> <p>Project Name: _____</p>			
<b>NO</b>	<b>CRITERIA</b>	<b>UNIT</b>	
1	Ability to manage costs	(1-10)	
2	Ability to provide and maintain project management and construction schedule	(1-10)	
3	Quality of work	(1-10)	
4	Professionalism and ability to manage	(1-10)	
5	Ability to minimize and respond to user complaints	(1-10)	
6	Communication, explanation of risk, and documentation	(1-10)	
7	Ability to work through regulatory compliance process for validation	(1-10)	
8	Overall customer satisfaction and hiring again based on performance (comfort level in hiring firm again)	(1-10)	
7	Ability to work through regulatory compliance process for validation	(1-10)	
8	Overall customer satisfaction and hiring again based on performance (comfort level in hiring firm again)	(1-10)	
Printed Name (of Evaluator) _____		Signature (of Evaluator) _____	
<p>Thank you for your time and effort in assisting us in this important endeavor. Please fax the completed survey to: Proponent fax number</p>			



# Best Value Process



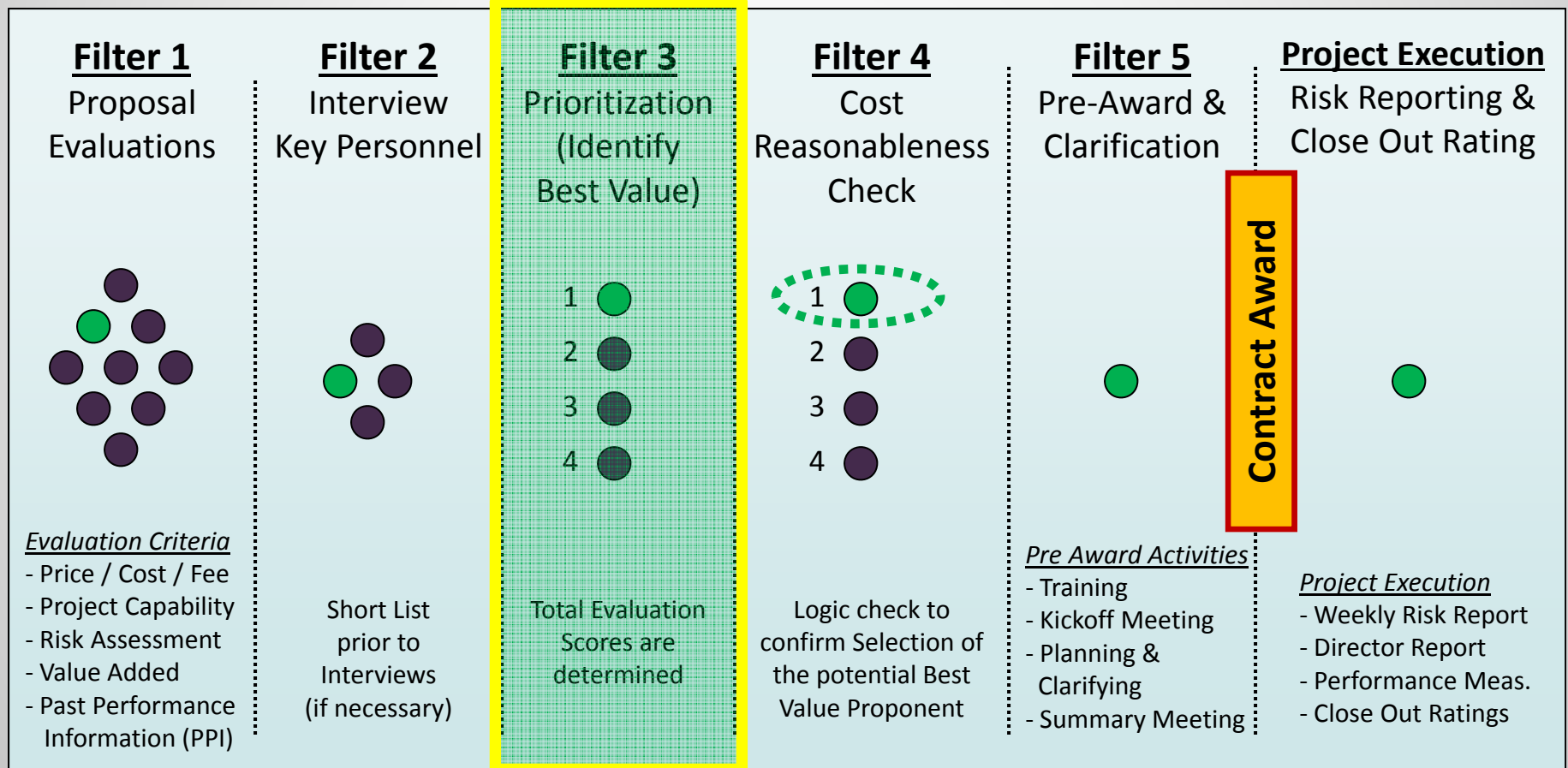
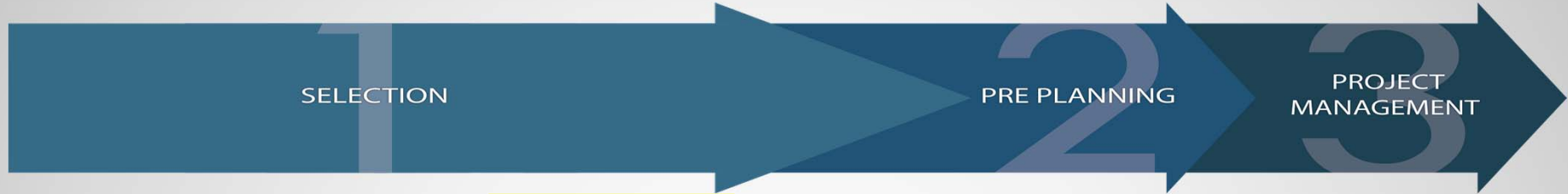
# Best Value Interviews:

## Identifying Expertise

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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 client and when do you need it?
6. How are you going to measure your performance during the project?
7. What value do you bring to the project in terms of differences based on dollars, quality, expertise, or time?

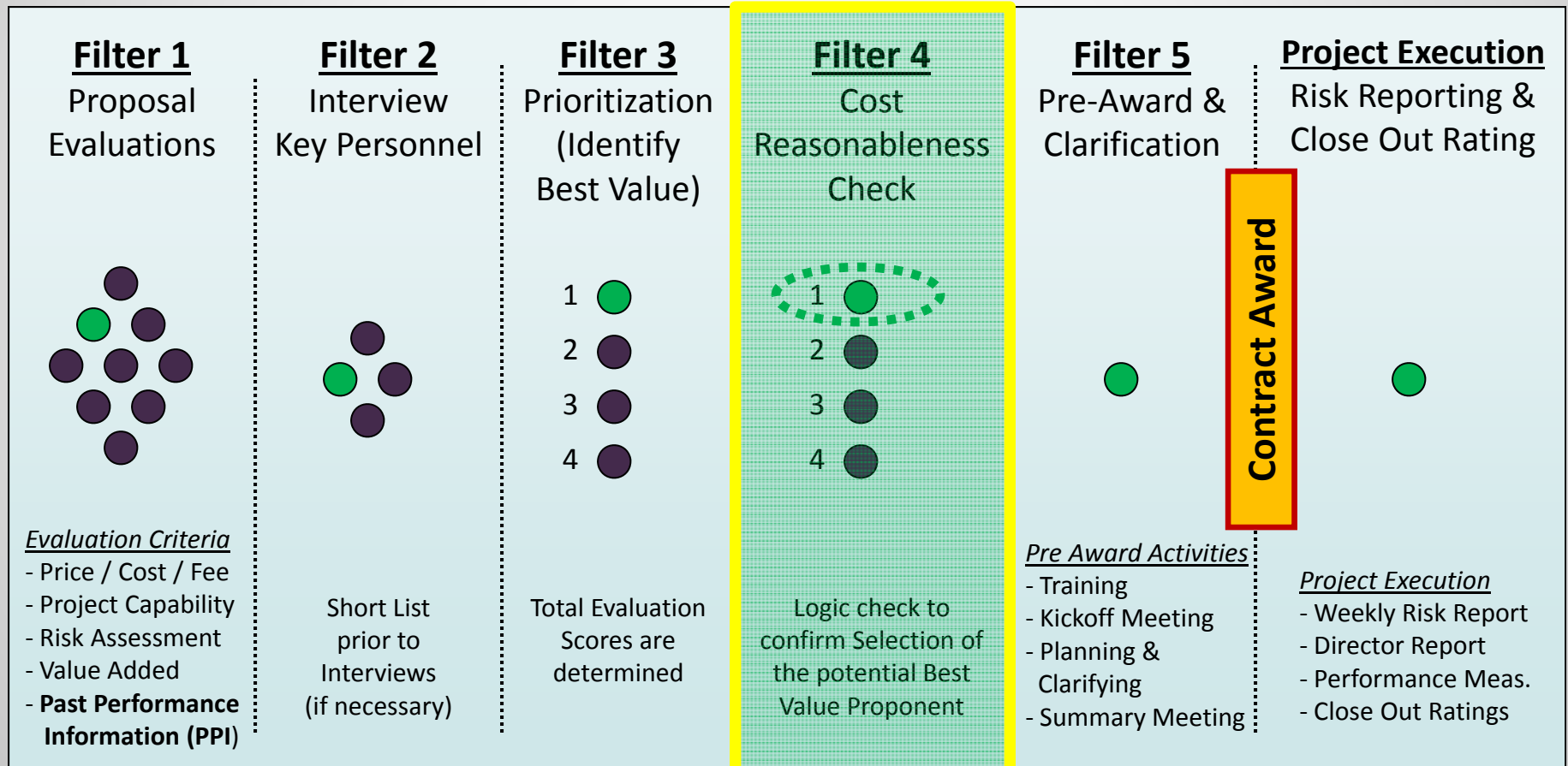
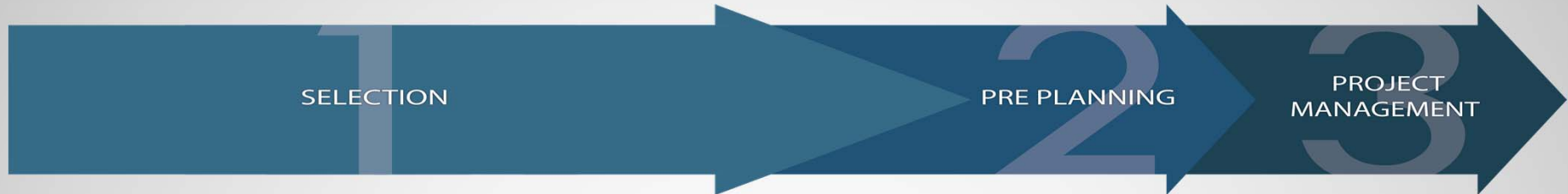
# Best Value Process



# Simple Scoring Methodology

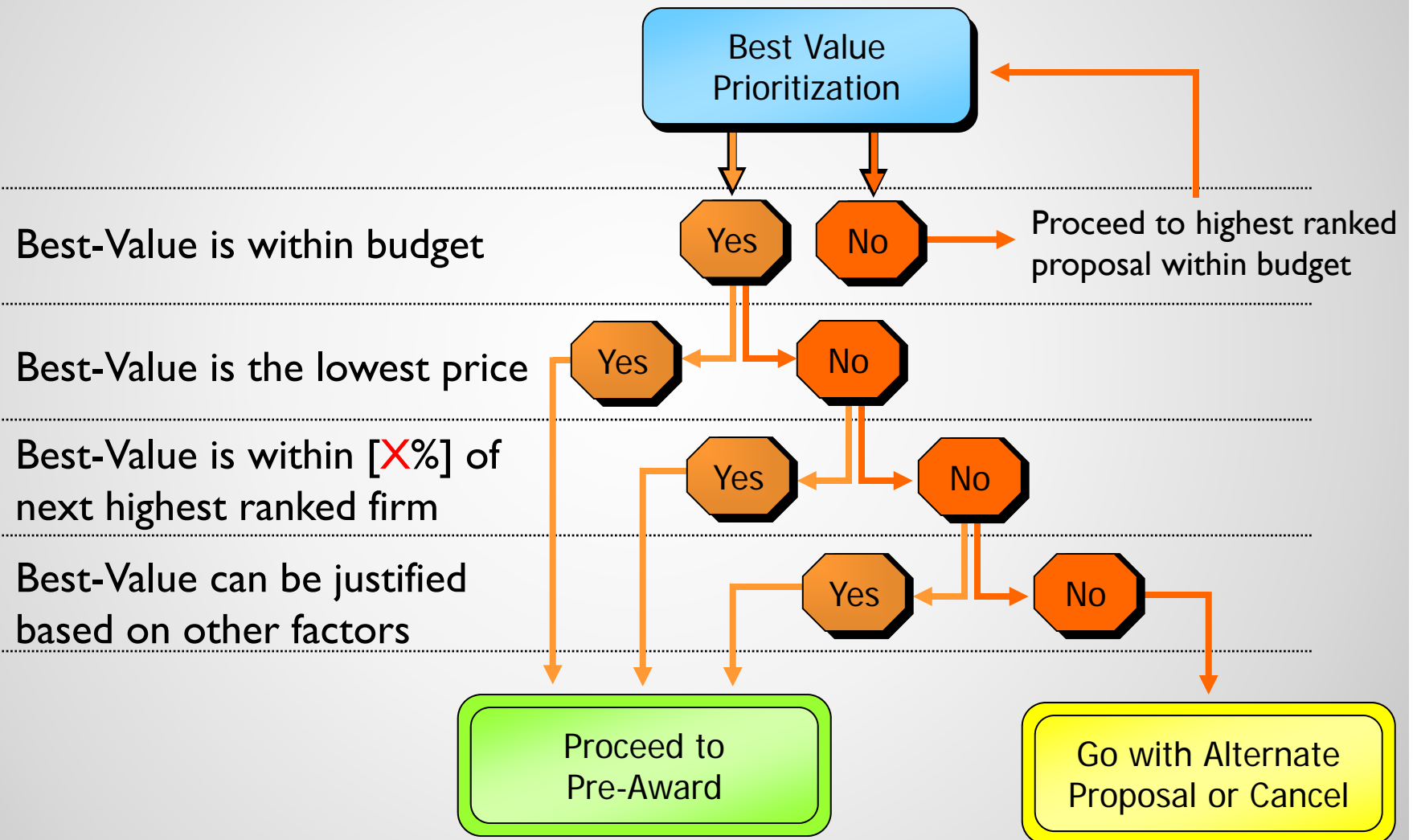
NO	CRITERIA	WEIGHTS	RAW DATA			FINAL POINTS		
			Vendor A	Vendor B	Vendor C	Vendor A	Vendor B	Vendor C
1	Proposal Cost	250	\$ 57,000	\$ 65,000	\$ 55,000	241	212	250
2	Interview Rating	350	8.5	5.1	5.1	350	210	210
3	NTR Rating	150	9.5	6.5	5.1	150	103	81
4	TC Rating	100	9.1	9.5	9.9	92	96	100
5	VA Rating	100	5.0	8.5	5.0	59	100	59
6	PPI Rating	50	9.8	9.8	9.9	49	49	50
						<b>941</b>	<b>770</b>	<b>749</b>

# Best Value Process



**Contract Award**

# Dominance Check & Cost Reasonableness



# Feedback

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Debriefs in Edmonton (April 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”

# Feedback

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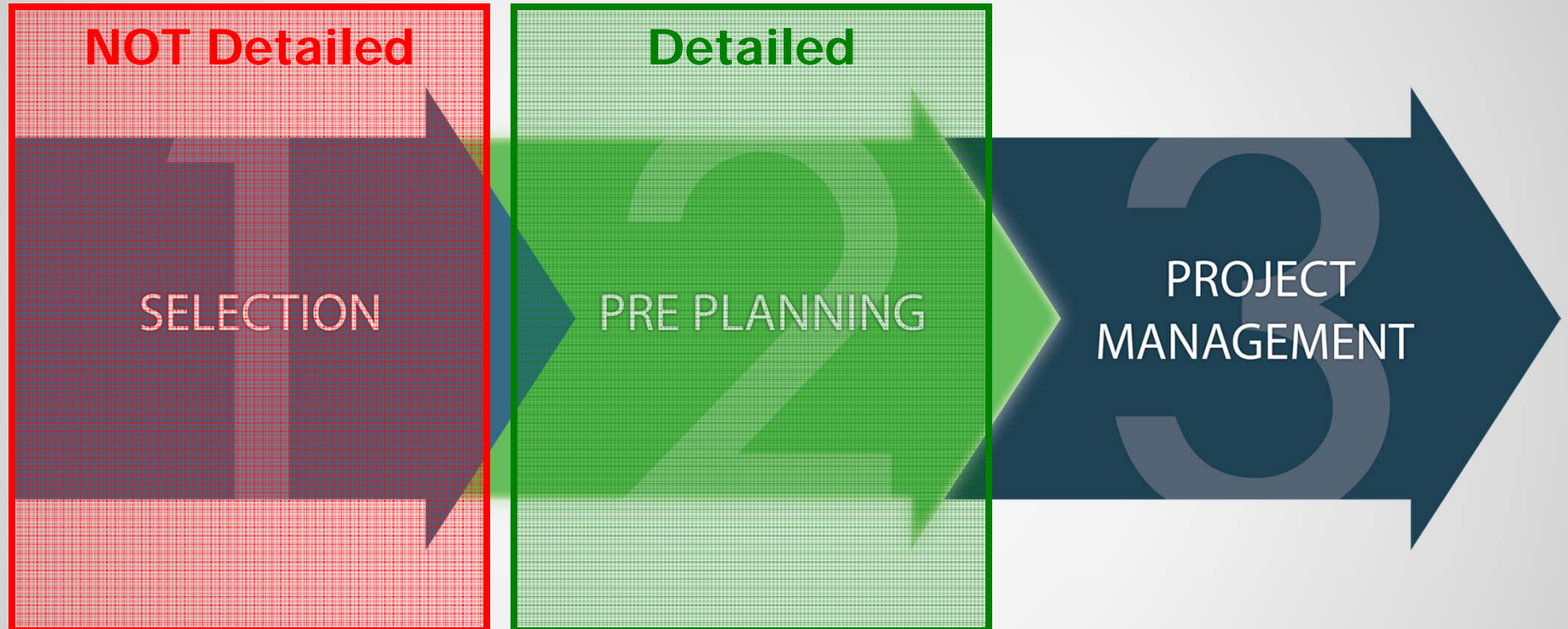
## Debriefs in Edmonton

### Proposal Process

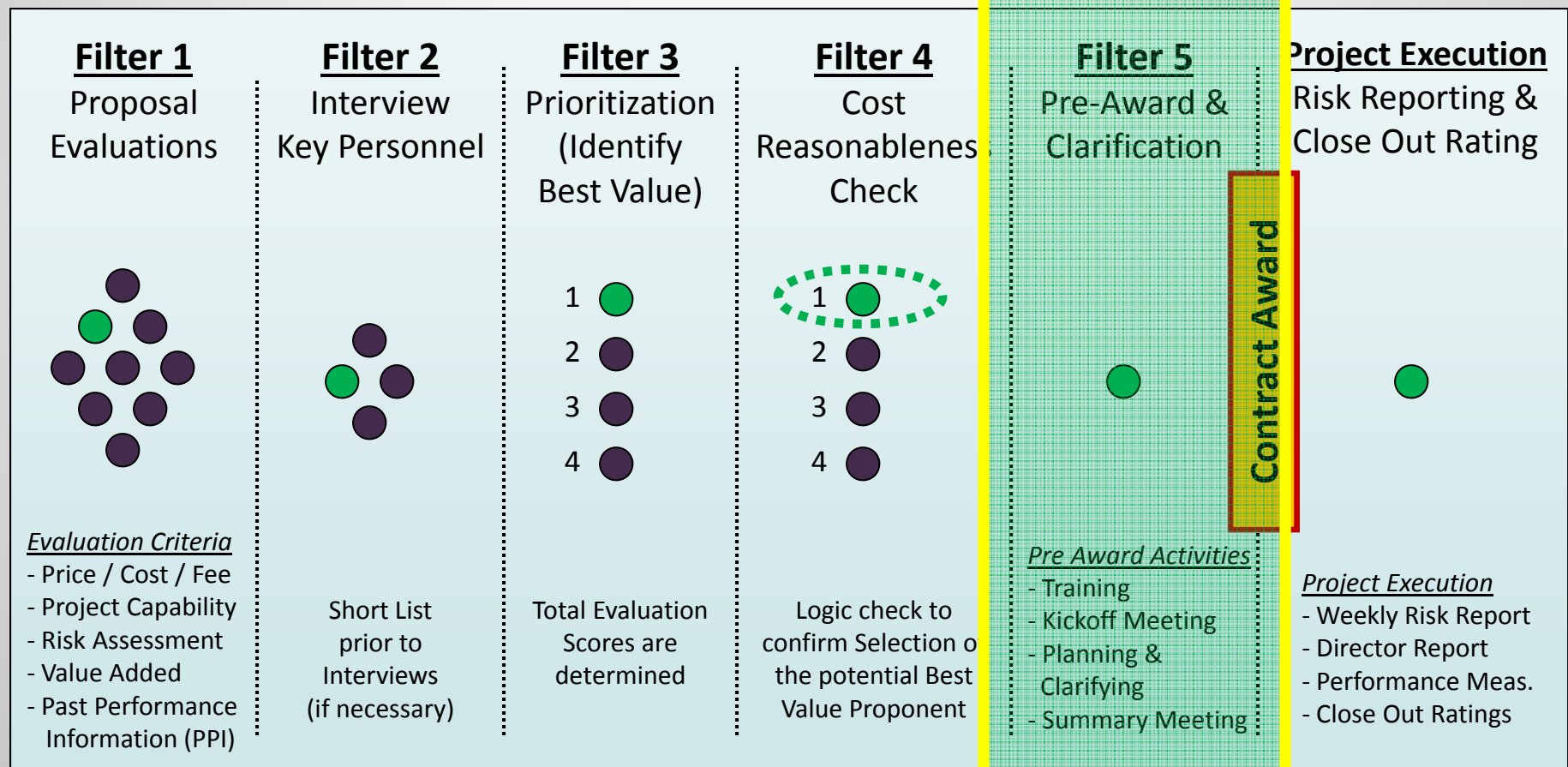
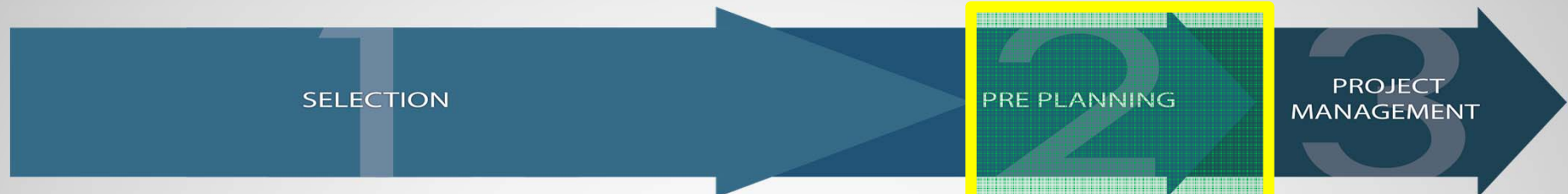
- “What we found was that the time that we spent in **the RFP response is productive time**”
- “[Best Value Procurement] makes it about this project and makes your references about this project. **You get better proposals and better services.**”
- "In an RFP response it really **takes the smoke and mirrors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



# Phase 2: Pre-Planning



# Phase 1: Selection



# Planning Objectives

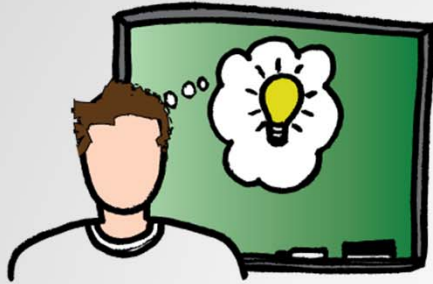
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Period of time allotted before work begins for the Proponent to:

1. Coordinate Project Plan & Milestone Schedule.
2. Establish a formal Risk Management Plan
  - Minimize potential deviations
  - Address client concerns
  - Identify unknowns
3. Identify what support and resources you need from the client

Outcome: completely aligned expectations

# Clarification / Preplanning Period



1 Pre Award Education



2 Kickoff Meeting



3 Plan & Coordinate Deliverables



4 Insert Deliverables Into Contract

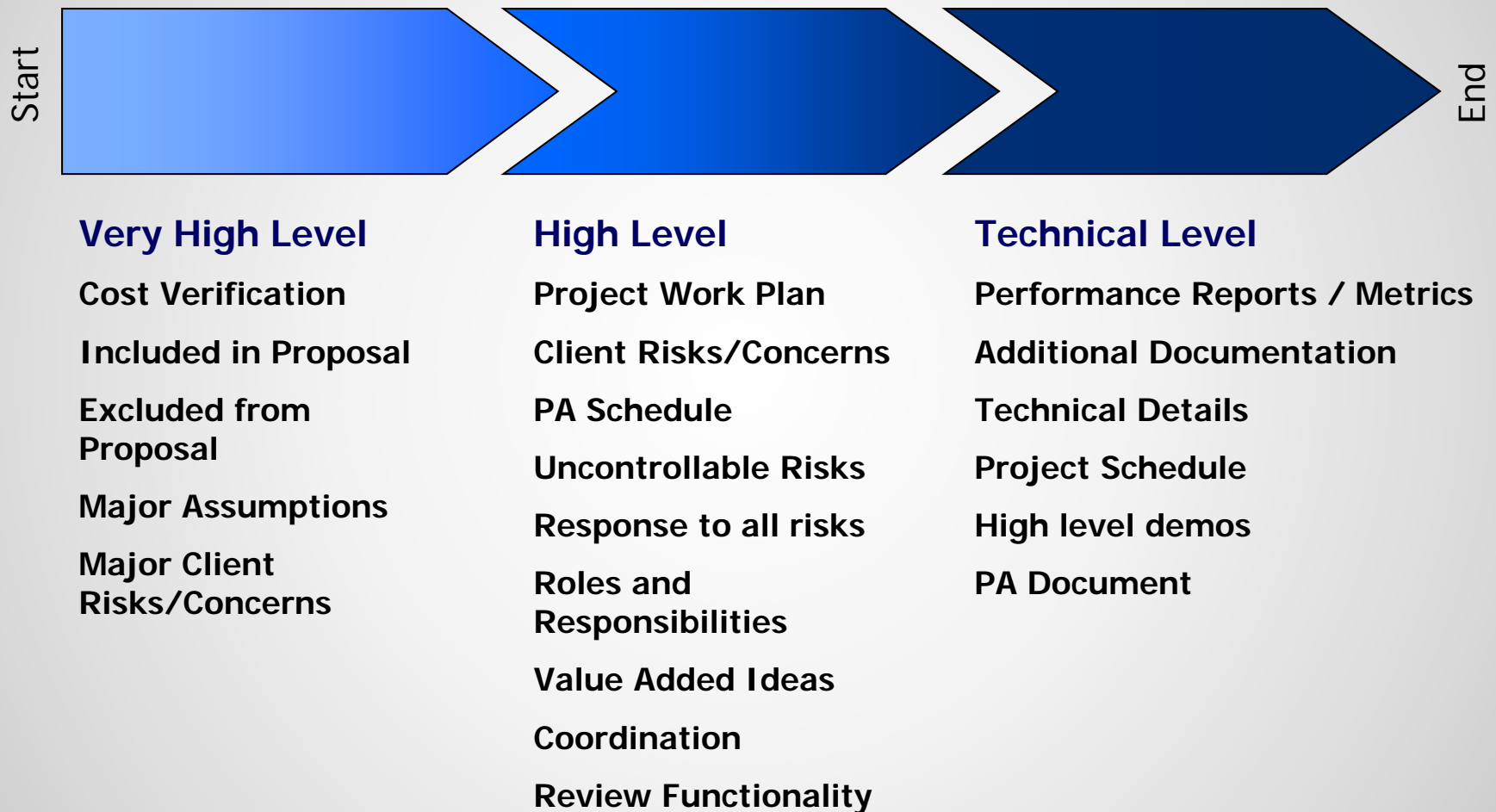


5 Summary Meeting



6 Contract Signed

# Clarification / Preplanning Period



# Impact of Clarification/Pre-Award

(General Services Administration)

No	CRITERIA	Traditional RFP	ASU-BV
1	Number of projects analyzed	11	10
2	Total awarded cost	\$14,244,385	\$9,994,887
3	Total awarded schedule	1,822	1,373
4	Percent awarded cost below budget	4.4%	6.0%
5	Average time RFP Release to Contract	68 days	78 days
6	Average BV-PA duration (days)	0	7
7	Average Overall Change Order Rate	<b>50% Decrease</b>	
8	Average Overall Project Delay Rate	<b>38% Decrease</b>	
9	GSA Satisfaction Rating of Contractor/Job	<b>34% Increase</b>	

For within BV projects, also tested “<1 week” PA vs “>1 week” PA

- Longer PA had **33%** lower change order rate (**73% reduced overall**)
- Longer PA had **69%** lower delay rate (**73% reduced overall**)

# Feedback

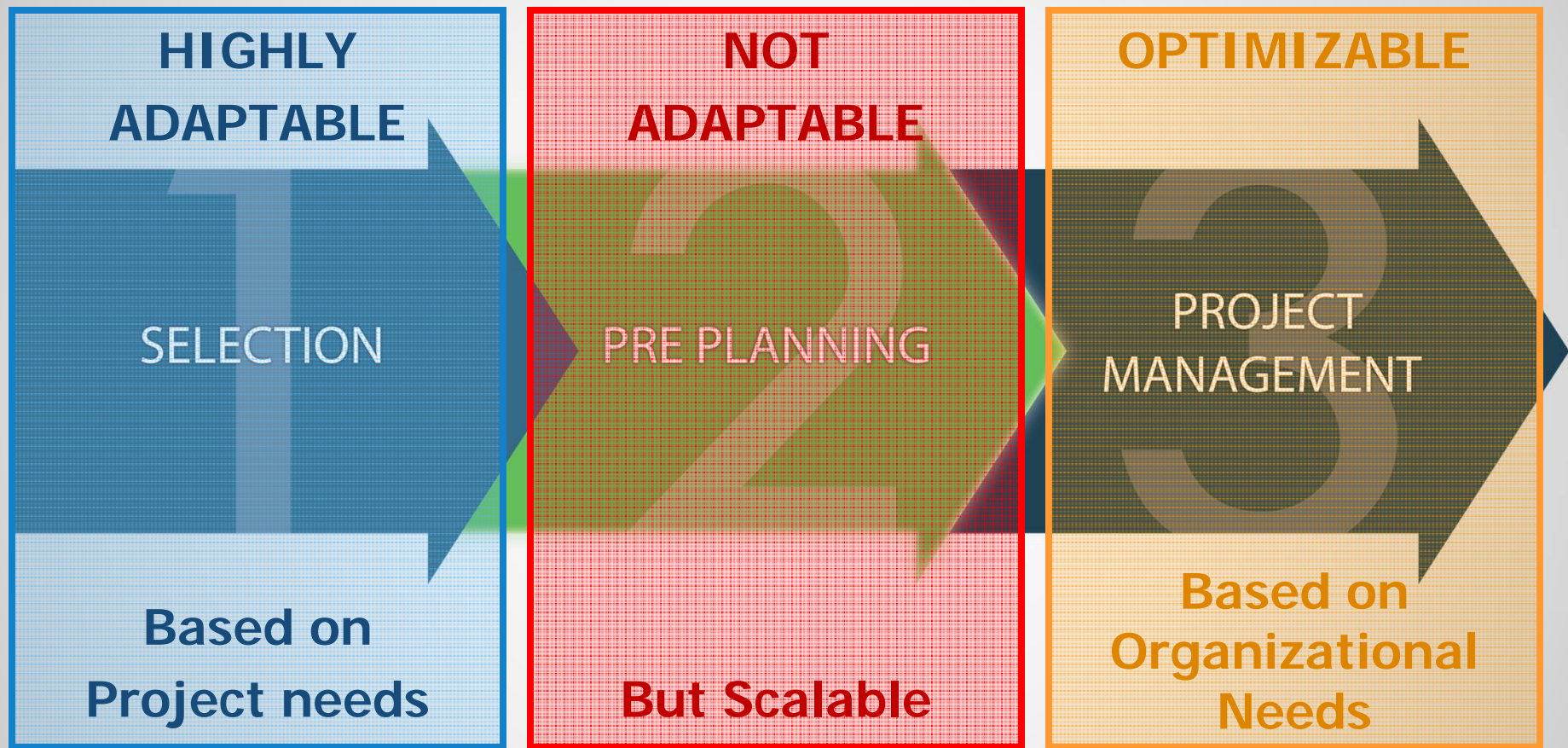
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## Debriefs in Edmonton

### Pre-Award Clarification Period

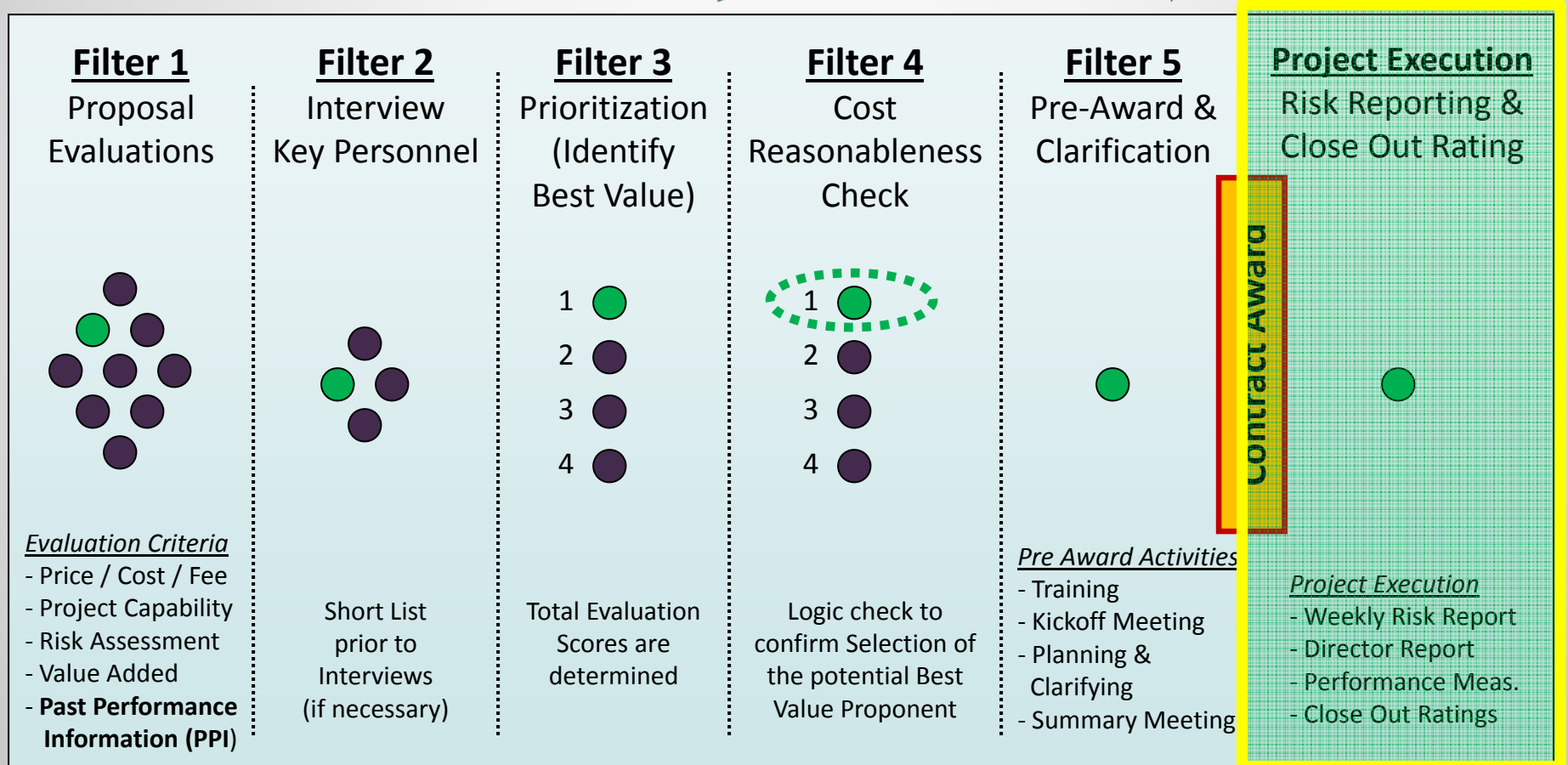
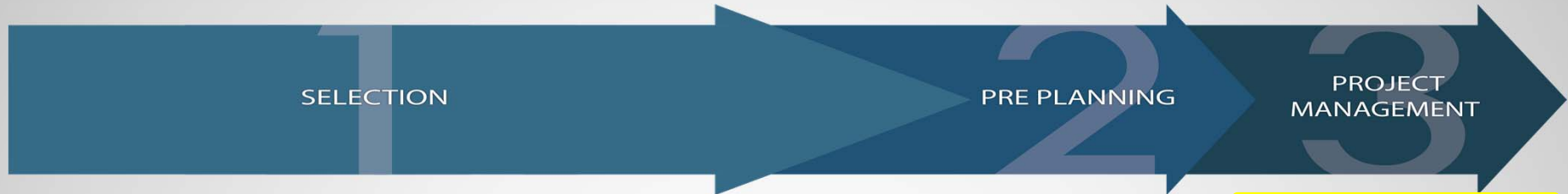
- “As we went through [the Pre-Award] and when you get the award, you're well into it, **there's no warm-up period**”
- “It has assisted us in being **able to undertake a very complex project**”
- “Usually we are kicked off and get into a project and then we refine the schedule and details...all of that was **identified up front before we actually started**”

# Best Value Model





# Best Value Process



**Contract Award**

# Project Management

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## Creating a Measured Environment:

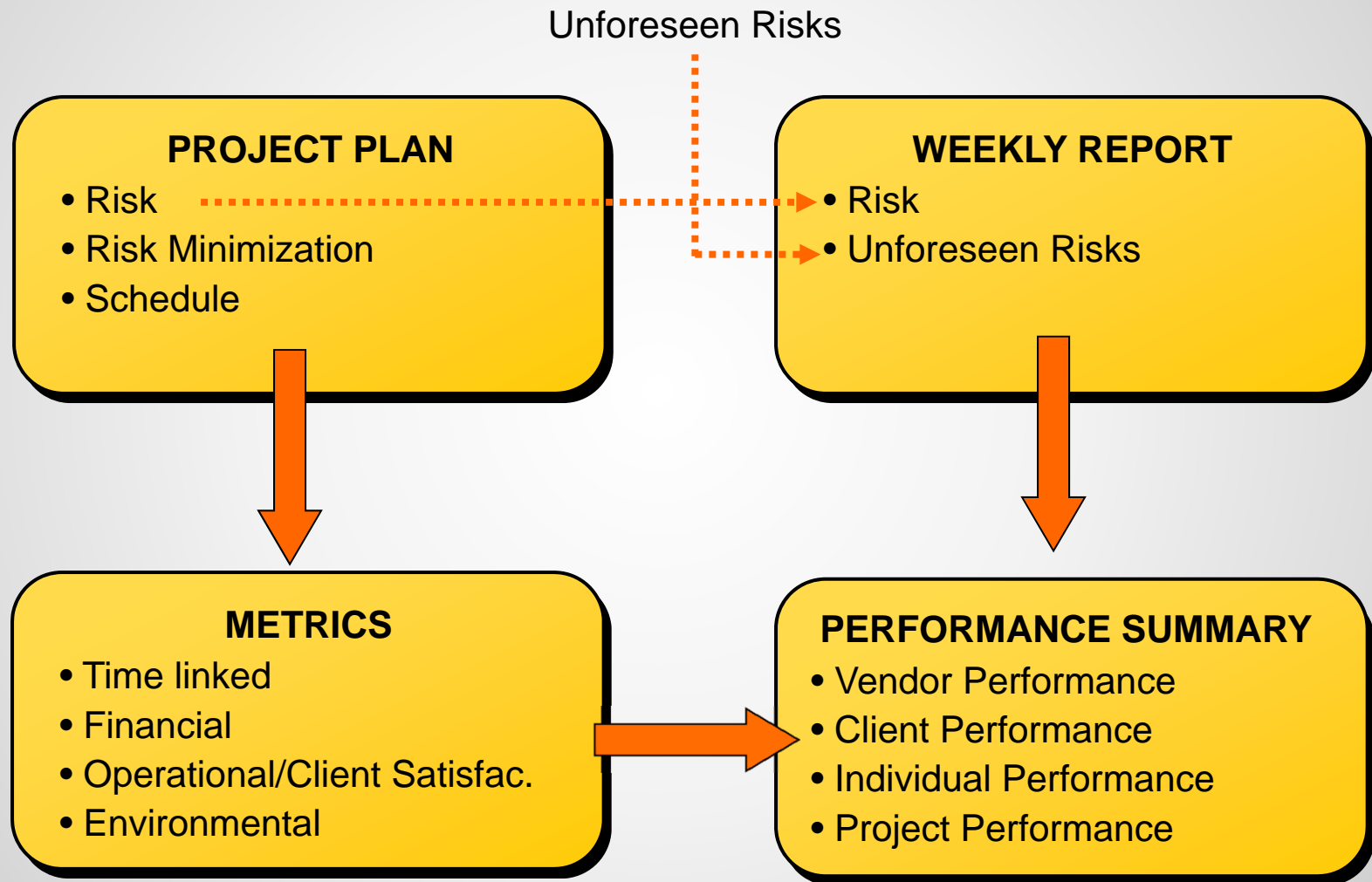
- Weekly Risk Report
  - Tool for documenting risk that impacts the project
  - Measurement in terms of cost, schedule, and client expectation
- Director's Report
  - Overall performance summary of multiple projects running simultaneously
- Performance evaluation
  - Client closeout evaluation of vendor performance
  - Accountability metric updates Past Performance Information

# Weekly Risk Report

- Excel Spreadsheet that tracks risks and impacts
- Client will setup and send to vendor once Award/NTP issued
- 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



# Feedback

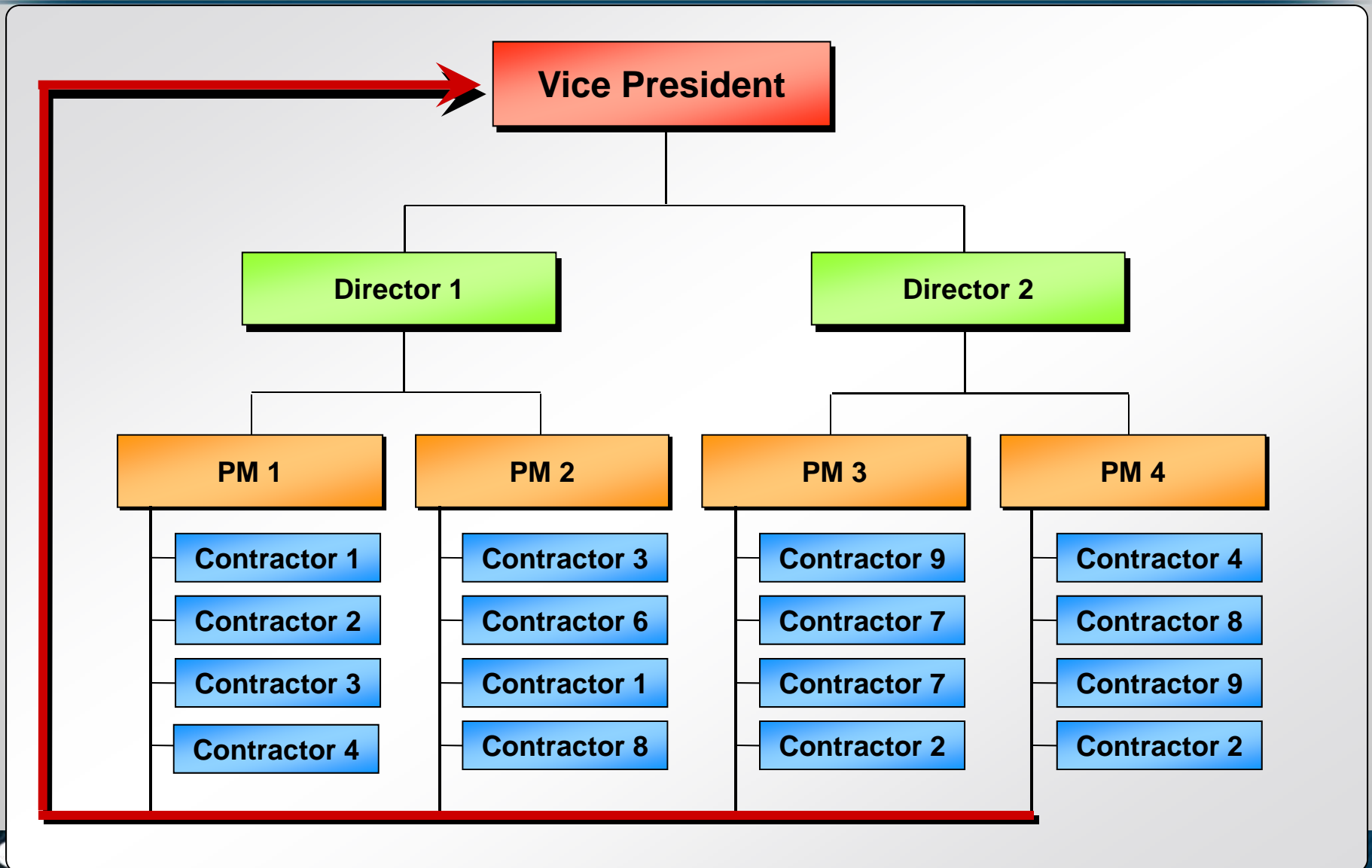
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Debriefs in Edmonton

## Weekly Risk Reporting

- “**It’s a very streamlined process.** We put what we need into the weekly risk report and it’s given to us”
- "We’ve now implemented [the weekly risk report] system on every job"
- "We found that if somebody saw their name on that report, they wanted to get their name off very quickly. So distributing that to the team ... **put the onus on to everybody to do their job**"

# Director/Program Report



BVBM Implementation

# Dalhousie University

# 1<sup>st</sup> Project: Excavation & Remediation

- Soils excavation & remediation
  - Parking lot built over an abandoned hospital
  - Scope:
    - Asphalt removal
    - Excavation, breaking, removal and disposal of contaminated rebar and concrete foundations, walls, and slabs
    - Remediation of contaminated soils containing heavy metals, asbestos, etc.
    - Fill & grade the site for the eventual construction of a Health Education Building





# Project Performance

- Performance Summary
  - 0 cost increases (savings of \$xxk)
  - 44% reduction in schedule duration
  - 10 (out of 10) Client satisfaction rating

Criteria	Performance
# of Cost Increases	0
Overall Cost Impacts	-5%
Schedule Impacts	3.0 weeks <i>early</i>
Client PM Satisfaction Rating	10/10

# Comments / Questions

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[WWW.PBSRG.COM](http://WWW.PBSRG.COM)

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# Supplemental Tools

## to Support

### Best Value

### Implementation

# Supplemental Project Support

**Best Value Academy**

Home | **Project Kit**

**PRE-PLANNING**  
2a. Pre-Planning Overview

SELECTION | PRE PLANNING | PROJECT MANAGEMENT

- 1 Pre Award Education
- 2 Kickoff Meeting
- 3 Plan & Coordinate Deliverables
- 4 Insert Deliverables into Contract
- 5 Summary Meeting
- 6 Contract Signed

Pre-Planning, also called the Pre-Award, is where the selected vendor works closely with the client to fully plan the details of project delivery.

Video: Pre Award Overview

This video addresses:

- Why run the Pre-Award?
- What are the Pre-Award goals?
- What is the general Pre-Award process?

Documents

- Pre Award Guide

The first milestone in the Pre-Award is the **Kickoff Meeting**

## Best Value Project Kit:

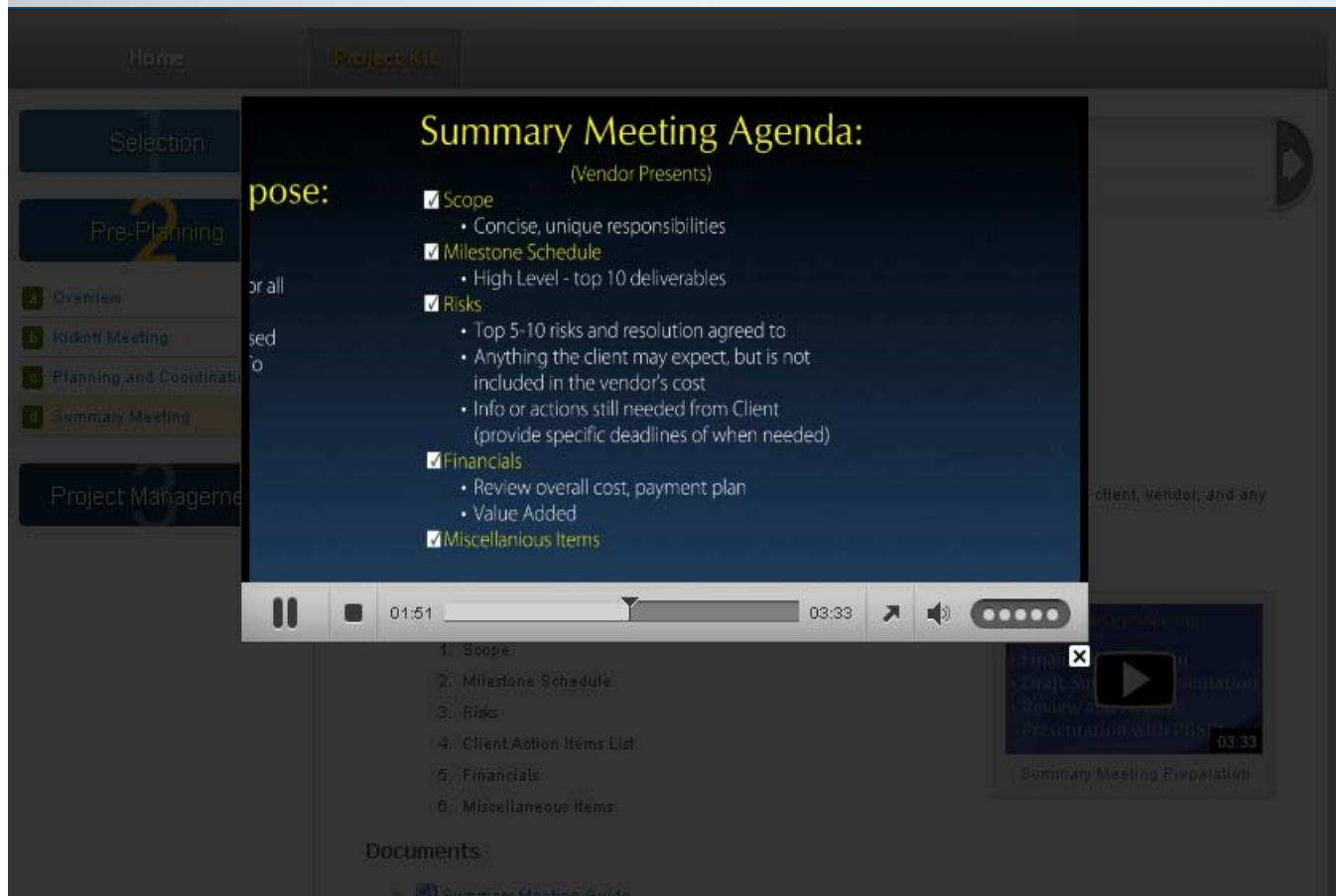
-Online resource for running BV projects

-Chronological roadmap of process steps

-Downloadable templates, documents, models, & training guides

-Common pitfall identification & avoidance

# Supplemental Project Support



## Best Value Project Kit:

- Short (< 5 min) interactive training videos
- Agendas and critical action steps
- Chronological roadmap of process steps
- Downloadable templates, documents, models, & training guides

# Getting Started:

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Most Common Vendor Mistake:

Not involving operations  
personnel

(only using marketing / business  
development / estimator)

# Tips for Proponents

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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.

Please contact ASU or Dalhousie  
to request more information.

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**W W W . P B S R G . C O M**



# Design Efforts in Canada

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## Implementation

- 10+ Projects
- \$400M+ total project value

## Project Types

- Iconic Renewals
- Facility Repurposing
- Mechanical
- Electrical
- Structural