

Performance Based Studies Research Group

# State of Oklahoma Best Value Case Studies



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Del E. Webb  
School of Construction



PERFORMANCE BASED STUDIES RESEARCH GROUP

# Computer-to-Plate System



# Computer to Plate System



- Computer to Plate (CTP) system includes: Routing Information Protocol (RIP), Workflow software and proofing system.
- Agency Budget: 120,000

# CTP Project Conditions



- Using Agency unhappy with having to run project as Best Value.
  - Expected it to take more time
  - Did not think it would add any value
  - Wanted to perform actions outside of legal bounds
  - Thought system was a commodity
  - Thought they knew exactly what they wanted
- First time procurement agent ran a Best Value project
- Fast track project

# Procurement Time



| Best Value | Traditional | Action                       |
|------------|-------------|------------------------------|
| 16-Oct     | 16-Oct      | RFP Issue Date               |
| 20-Oct     |             | Pre-Bid Teleconference       |
| 22-Oct     | 23-Oct      | Questions from suppliers due |
| 24-Oct     | 28-Oct      | Answers to questions posted  |
| 30-Oct     | 4-Nov       | Proposal due date            |
| 31-Oct     | 12-Nov      | Interviews                   |
| 5-Nov      |             | Identify Best Value          |
| 6-Nov      |             | Pre-Planning                 |
| 20-Nov     | 19-Nov      | Negotiations                 |
| 21-Nov     | 21-Nov      | Award                        |
| <b>36</b>  | <b>36</b>   | <b>Number of Days</b>        |

- Best Value Time Difference:
  - Allows vendor more time to minimize risks and client concerns.
  - Minimizes selection evaluation and negotiation time.
- Potential Time Savings:
  - Client invested a large amount of time during the previous year to gain a greater understanding of CTP systems and to develop the RFP.
  - The BV system eliminates the need for technical knowledge in order to select a vendor

# Bid Selection



| No | Summary Criteria                         | 1         | 2         | 3         |
|----|--|-----------|-----------|-----------|
| 1  | Total Cost of CTP Service                | \$111,769 | \$184,162 | \$158,950 |
| 2  | RAVA Plan                                | 48        | 46        | 39        |
| 3  | Past Performance Information - Survey    | 9.74      | 10.00     | 9.68      |
| 4  | Past Performance Information - #/Clients | 7.00      | 2.00      | 15.00     |
| 5  | Interview                                | 8.0       | 9.3       | 5.7       |

- The best value vendor was 30-40% cheaper than other vendors
- Service response time will be within 4 hrs.
- Highest RAVA plan rating
- 2<sup>nd</sup> Highest interview rating (second to a vendor that did not send project people)
- High past performance on past State projects.
- Best Value selection was made within 10mins. of last interview.



# Cost and Quality Comparison

| No                                 | Pricing Criteria                 | 1                 | 2                 | 3                 |
|------------------------------------|----------------------------------|-------------------|-------------------|-------------------|
|                                    | <i>Original Bid</i>              | \$ 112,000        | \$ 184,162        | \$ 158,950        |
| 1                                  | Base Offer meeting requirements  | \$ 112,000        | \$ 145,000        | \$ 143,000        |
| 2                                  | Estimated Maintenance for 5 yrs. | \$ 15,000         | \$ 7,500          | \$ 60,000         |
| 3                                  | Upgrades and Improvements        | \$ -              | \$ 7,500          | \$ 30,000         |
| 4                                  | Additional Operators             | \$ -              | \$ -              | \$ 1,000          |
| <b>Total Cost Estimate (5 yrs)</b> |                                  | <b>\$ 127,000</b> | <b>\$ 160,000</b> | <b>\$ 234,000</b> |

- All vendors agreed there was no big difference in quality between different systems
- Vendors 1 and 2 were offering advanced systems that the State of Oklahoma would not need, when brought to the same level, they were still higher in cost.
- Vendor 1 CTP process required no chemicals or wash materials, potential savings (\$100K over 5 years)

# Value Added



| No | Value Added                            | 1 | 2 | 3 |
|----|--|---|---|---|
| 1  | On-Site Training                       | x | x | x |
| 2  | Non-Proprietary Language               | x | x | x |
| 3  | In-State Service Support               | x | x |   |
| 4  | Pre-Site Investigation and Survey      | x | x | x |
| 5  | Automatic CTP                          | x | x | x |
| 6  | Automatic checking of format and fonts | x | x | x |
| 7  | Chemical free process                  | x |   |   |
| 8  | Response time within 2 hrs.            | x |   |   |
| 9  | Plates are not light sensitive         | x |   |   |

- Vendor 1 offered all of the value added options of the other two vendors
- Vendor 1 offered better service and lower maintenance system

# Client Realization



- Using technical specs as requirement instead of intent is not efficient
- Best value process requires vendor to satisfy all client concerns before the award is made.
- Interview process minimizes client risk in selecting a non-performing vendor.
- Process requires vendors to differentiate themselves

# Conclusion



- Best Value identified best value vendor without having to perform time consuming research.
- Best Value selection process takes the same amount of time or less as the traditional process.
- Best Value creates a structure that can cater to state client needs
- Best Value minimizes the risks of the state by:
  - Minimizing client decision making
  - Creating dominant information for selection of a vendor
  - Minimizing need for technical expertise

# Light Bulb Contract



# Light Bulb Contract



- All light bulb and lighting fixtures for the State of Oklahoma
- Estimated Value: \$1M
- Current Contract:
  - Contract is not mandatory
  - Vendor takes orders and ships the products to state agencies.
  - The State receives incomplete and inaccurate information (how much they are spending, what they are buying, etc.)
  - There is no mechanism to track actual performance of the vendor (Customer Satisfaction, value of products, etc.)
  - Contract has had a history of protests



# Selection Justification

## Top Three Vendors

| No                   | Summary Criteria | Unit   | Vendor 1     | Vendor 2     | Vendor 3     |
|----------------------|------------------|--------|--------------|--------------|--------------|
| 1                    | Cost             | #      | \$117,440.47 | \$104,017.99 | \$108,295.70 |
| 2                    | RAVA Plan        | (1-10) | 6.10         | 8.2          | 6.3          |
| 3                    | PPI Survey       | (1-10) | 9.98         | 9.896        | 9.785        |
| 4                    | PPI #/Clients    | #      | 10.00        | 10           | 8            |
| 5                    | Interview        | (1-10) | 7.5          | 5.25         | 8            |
| <b>Normalization</b> |                  |        |              |              |              |
| No                   | Summary Criteria | Unit   | Vendor 1     | Vendor 2     | Vendor 3     |
| 1                    | Cost             | #      | 0.89         | 1.00         | 0.96         |
| 2                    | RAVA Plan        | (1-10) | 0.69         | 0.92         | 0.71         |
| 3                    | PPI Survey       | (1-10) | 1.00         | 0.99         | 0.98         |
| 4                    | PPI #/Clients    | #      | 1.00         | 1.00         | 0.80         |
| 5                    | Interview        | (1-10) | 0.94         | 0.66         | 1.00         |
| <b>Final Scoring</b> |                  |        |              |              |              |
| No                   | Summary Criteria | Unit   | Vendor 1     | Vendor 2     | Vendor 3     |
| 1                    | Cost             | #      | 39.86        | 45.00        | 43.22        |
| 2                    | RAVA Plan        | (1-10) | 10.28        | 13.82        | 10.62        |
| 3                    | PPI Survey       | (1-10) | 10.00        | 9.92         | 9.80         |
| 4                    | PPI #/Clients    | #      | 5.00         | 5.00         | 4.00         |
| 5                    | Interview        | (1-10) | 23.4375      | 16.40625     | 25           |
|                      |                  |        | 88.58        | 90.14        | 92.65        |

Awarded Vendor

## Dominant Information

- Vendor 2 did not complete pricing sheet
- Vendor 2 was using a middleman supplier to get products, the State saw this as a big risk.
- Backed by 2 out of 3 of the major lighting manufacturers.
- Offered to provide a State wide training program for all state end users.
- Offered audits of facilities for analysis to improve energy efficiencies and lighting products.
- Minimized the States risks the best

# Threats of Protests – Vendor A



## Reason for Vendor Protest:

According to the definition of “names” in the bid package, it is” Vendor names, manufacturer, personnel names, project names, product names or company letter head.” Vendor has not submitted any such names in the RAVA, plus no” marketing material “ (define marketing not in bid package) was submitted. The only name on the RAVA is the name of the PROPOSER.

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## Protest Denied due to the following reasons:

- 4 out of 6 vendors understood the rules and had no complaints
- 1 vendor apologized for putting their name on the RAVA.
- All vendors were allowed to ask questions of clarification, Vendor A did not ask a question on the RAVA plan names.
- The rules were explained multiple times in the RFP and pre-bid meeting.
- “Proposer” and “Vendor” used interchangeably throughout RFP

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## Result

- Vendor A sent in protest letter, but after explanation did not pursue it.
- First time Vendor A was not able to successfully protest light bulb award.

# Threats of Protests – Vendor 2



## Vendor Claimed Reasons for Protest:

- Vendor 2 penalized due to not having a manufacturer rep. at interviews
- Manuf. Rep. was not available on interview day.
- Better interview would have won them the contract

## Protest Denied:

- Vendors agreed that Manufacturer rep. was optional at pre-bid meeting.
- Addendum sent out from the state.
- Interview dates posted for over 3 weeks.

**Result: Vendor 2 did not protest the Award**

# Light Bulb Vendor Performance



| Dominant Performance Measurements                         |  |
|---|--|
|   | 2009 Current                             |
| <b>Total Spend to Date:</b>                               | \$ 211,515.33                            |
| <b>Total Discrete SKU's Purchased:</b>                    | 214                                      |
| <b>Top 5 SKU's Purchased with Qty Sold to date:</b>       |  |
| 78316823010 F34CW/RS/WM/ECO                               | 8517                                     |
| 78316826668 F32T8/SP41/ECO                                | 4932                                     |
| 78316872864 F28T8/XLSPX35ECO                              | 2808                                     |
| 78316871955 57A/130V-2PK                                  | 1968                                     |
| 78316815622 F35CW/U/6/WM/ECO                              | 1236                                     |
| <b>Average Delivery Time:</b>                             | 8.66 Days                                |
| <b>Total Count of Discrete Users Invoiced:</b>            | 136                                      |
| <b>Count of Facilities Audited:</b>                       | 3  |
| <b>Cost Savings realized from audit recommendations:</b>  |  |
| <b>Cost Savings - Sell Price versus Contract Pricing</b>  | \$ 133,000.00                            |
| <b>Total Cost Savings - including pricing adjustments</b> |  |
| <b>Total Number of Users Trained:</b>                     | 155                                      |
| <b>Customer Satisfaction Rating:</b>                      | Pending return of surveys from customers |
| <b>Count of Client Complaints:</b>                        | 0  |

# Complete Documentation



| Invoice Date                       | Invoice Number | Customer PO Number | Customer Reference Number | Ship To Name                  | Ship To Address Line 1    | Ship To City  | Ship To Zip | NAED Number | Catalog Product Number  | Catalog Product Desc                | Unit Price | Line Shipped Quantity | Extended Price |
|------------------------------------|----------------|--------------------|---------------------------|-------------------------------|---------------------------|---------------|-------------|-------------|-------------------------|-------------------------------------|------------|-----------------------|----------------|
| 09/21/09                           | 704569         | JD09-273           |                           | JDCC/EVCC WAREHOUSE           |                           | TAFT          | 74463       | 78108710902 | R-2540-TPI              | R-2540-TPI/MAG BALLAST (2) F40T12 R | 11.99      | 20                    | 239.80         |
| 09/21/09                           | 704569         | JD09-273           |                           | JDCC/EVCC WAREHOUSE           |                           | TAFT          | 74463       | 78316845764 | LU250ECO                | LU250ECO                            | 9.89       | 12                    | 118.68         |
| 09/21/09                           | 704569         | JD09-273           |                           | JDCC/EVCC WAREHOUSE           |                           | TAFT          | 74463       | 78316871955 | 57A/130V-2PK            | 57A/130V-2PK                        | 0.24       | 72                    | 17.28          |
| 09/21/09                           | 704569         | JD09-273           |                           | JDCC/EVCC WAREHOUSE           |                           | TAFT          | 74463       | 78316880097 | F40XWECO                | F40XWECO                            | 1.17       | 750                   | 877.50         |
| 09/21/09                           | 704610         | 45290326           | 18                        | ROSE ROCK RECOVERY CENTER     |                           | VINITA        | 74301       | 78316845748 | F17T8/SP4/IECO          | F17T8/SP4/IECO                      | 1.66       | 2                     | 3.32           |
| 09/21/09                           | 704610         | 45290326           | 18                        | ROSE ROCK RECOVERY CENTER     |                           | VINITA        | 74301       | 78316897536 | F13DBX/835/IECO4P       | F13DBX/835/IECO4P                   | 6.51       | 20                    | 130.20         |
| 09/21/09                           | 704610         | 45290326           | 18                        | ROSE ROCK RECOVERY CENTER     |                           | VINITA        | 74301       | 78316897626 | F18TBX/835/IECO         | F18TBX/835/IECO                     | 8.74       | 20                    | 174.80         |
| 09/21/09                           | 704644         | 13190391           | 35-17                     | JOHN LILLY CORRECTION CENTER  |                           | BOLEY         | 74829       | 78316815622 | F35CV/UE6/W/MECO        | F35CV/UE6/W/MECO/FLUOR LAMP         | 3.39       | 60                    | 203.40         |
| 09/21/09                           | 704644         | 13190391           | 35-17                     | JOHN LILLY CORRECTION CENTER  |                           | BOLEY         | 74829       | 78316822260 | 1000-130V               | 1000-130V/ CLR P552 MOG LAMP        | 17.69      | 12                    | 212.28         |
| 09/21/09                           | 704644         | 13190391           | 35-17                     | JOHN LILLY CORRECTION CENTER  |                           | BOLEY         | 74829       | 78316823010 | F34CV/RS/W/MECO         | F34CV/RS/W/MECO/FLUOR LAMP          | 0.68       | 150                   | 102.00         |
| 09/21/09                           | 704644         | 13190391           | 35-17                     | JOHN LILLY CORRECTION CENTER  |                           | BOLEY         | 74829       | 78316824068 | HR250A37                | HR250A37/ CLR E28MOG MV LAMP        | 7.16       | 24                    | 171.84         |
| 09/21/09                           | 704644         | 13190391           | 35-17                     | JOHN LILLY CORRECTION CENTER  |                           | BOLEY         | 74829       | 78316826668 | F32T8/SP4/IECO          | F32T8/SP4/IECO                      | 1.04       | 180                   | 187.20         |
| 09/21/09                           | 704645         | 13190384           | 28-063                    | DICK CONNER CORRECTION CTR    | ATTN: BUSINESS OFFICE     | HOMINY        | 74035       | 78319587215 | GES400ML5AC4-5          | GES400ML5AC4-5/400W HPS S51 ML5 60H | 72.50      | 10                    | 725.00         |
| 09/21/09                           | 704645         | 13190384           | 28-063                    | DICK CONNER CORRECTION CTR    | ATTN: BUSINESS OFFICE     | HOMINY        | 74035       | 78319587215 | GES400ML5AC4-5          | GES400ML5AC4-5/400W HPS S51 ML5 60H | 72.50      | 10                    | 725.00         |
| 09/21/09                           | 798007         | P-CARD             |                           | SUSAN RESLER                  | ATTN: DAN ROSS/OFM        | OKLAHOMA CITY | 73105       | 78316880891 | FLE42HT3/2/ML827        | FLE42HT3/2/ML827/2W COMPACT FLUOR   | 8.70       | 20                    | 174.00         |
| 09/21/09                           | 798129         | 30890066           | 10                        | OSBI                          | ATTN: RANDY COFER         | OKLAHOMA CITY | 73116       | 78319571727 | GE432MAX/NULTRA         | GE432MAX/NULTRA                     | 14.30      | 30                    | 429.00         |
| 09/21/09                           | 798130         | P-CARD             |                           | RICHARD KEITHLEY              | ATTN: BARBARA MATHIS      | KINGSTON      | 73439       | 78319572266 | GE232MAX/NULTRA         | GE232MAX/NULTRA                     | 12.84      | 4                     | 51.36          |
| 09/21/09                           | 798134         | P-CARD             |                           | SUSAN RESLER                  | ATTN: RICK WHITE          | OKLAHOMA CITY | 73105       | 78316821716 | FLE26/2/DV/R40          | FLE26/2/DV/R40/SELF-BALLAST DIMMING | 9.36       | 6                     | 56.16          |
| 09/21/09                           | 798134         | P-CARD             |                           | SUSAN RESLER                  | ATTN: RICK WHITE          | OKLAHOMA CITY | 73105       | 78316880893 | FLE15/2/R30X/L827       | FLE15/2/R30X/L827                   | 7.06       | 10                    | 70.60          |
| 09/21/09                           | 798136         | 13190381           | 59-010                    | OKLAHOMA DEPT OF CORRECTIONS  | ATTN: MAINTENANCE         | OKLAHOMA CITY | 73111       | 78319586741 | GEM175MLTAC3-5          | GEM175MLTAC3-5/1175W MH M57 QUAD 6  | 33.90      | 4                     | 135.60         |
| 09/22/09                           | 704630         | 13190392           | 55-124                    | N.E OKLA CORRECTIONAL CENTER  | 2 MILES NORTHEAST OF CITY | VINITA        | 74301       | 78316823010 | F34CV/RS/W/MECO         | F34CV/RS/W/MECO/FLUOR LAMP          | 0.68       | 90                    | 61.20          |
| 09/22/09                           | 798132         | 13190407           | 51-024                    | CLARA WATERS CCC              | ATTN: GLENN DEWELL        | OKLAHOMA CITY | 73131       | 78316826668 | F32T8/SP4/IECO          | F32T8/SP4/IECO                      | 1.04       | 144                   | 149.76         |
| 09/22/09                           | 798133         | P-CARD             |                           | CONNIE STOCKTON               | ATTN: LINDA CRAIN         | PARK HILL     | 74451       | 78316847464 | FLE14/2/TC16/BUG        | FLE14/2/TC16/BUG/COMPACT FLUORESC   | 5.87       | 36                    | 211.32         |
| 09/23/09                           | 704681         | 13190384           | 28-061                    | DICK CONNER CORRECTION CNTR   | ATTN: BUSINESS CENTER     | HOMINY        | 74035       | 78316815622 | F35CV/UE6/W/MECO        | F35CV/UE6/W/MECO/FLUOR LAMP         | 3.39       | 240                   | 813.60         |
| 09/23/09                           | 704681         | 13190384           | 28-061                    | DICK CONNER CORRECTION CNTR   | ATTN: BUSINESS CENTER     | HOMINY        | 74035       | 78316823010 | F34CV/RS/W/MECO         | F34CV/RS/W/MECO/FLUOR LAMP          | 0.68       | 600                   | 408.00         |
| 09/23/09                           | 704681         | 13190384           | 28-061                    | DICK CONNER CORRECTION CNTR   | ATTN: BUSINESS CENTER     | HOMINY        | 74035       | 78316871955 | 57A/130V-2PK            | 57A/130V-2PK                        | 0.24       | 240                   | 57.60          |
| 09/23/09                           | 704681         | 13190384           | 28-061                    | DICK CONNER CORRECTION CNTR   | ATTN: BUSINESS CENTER     | HOMINY        | 74035       | 78316872549 | 60A/RS/STG-T2/H2        | 60A/RS/STG-T2/H2                    | 2.55       | 48                    | 122.40         |
| 09/23/09                           | 798227         | P-CARD             |                           | MAURICE GERMAN                | ATTN: MAURICE GERMAN      | STILLWATER    | 74075       | 78316842392 | 105A23/H2               | 105A23/H2 125V MULTISTREETLTG LMP   | 3.45       | 10                    | 34.50          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316811339 | LU70/MEDI/              | LU70/MEDI/CLEAR E17MED HPS LAMP     | 8.98       | 12                    | 107.76         |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316813577 | F9BX/SPX27/CD           | F9BX/SPX27/CD                       | 2.13       | 24                    | 51.12          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316815199 | 40A15                   | 40A15 120V A15 MED HITEMP LAMP      | 0.54       | 24                    | 12.96          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316820815 | Q20MR16/C/NSP15-ESX10PK | Q20MR16/C/NSP15-ESX10PK             | 4.40       | 40                    | 176.00         |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316823010 | F34CV/RS/W/MECO         | F34CV/RS/W/MECO/FLUOR LAMP          | 0.68       | 120                   | 81.60          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316825183 | FLE15HT3/2/841          | FLE15HT3/2/841/COMPACT FLUORESCENT  | 1.71       | 20                    | 34.20          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316826667 | F32T8/SP35/IECO         | F32T8/SP35/IECO/LAMP                | 1.04       | 216                   | 224.64         |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316840180 | 923/BP2                 | 923/BP2/MINIATURE LAMP              | 2.65       | 24                    | 63.60          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316841030 | 75A/48PK/               | 75A/48PK/120V IF A19 MED LAMP       | 0.22       | 96                    | 21.12          |
| 09/24/09                           | 704632         | 65090157           | 99                        | DEPART. OF VETERANS AFFAIRS   | TALIHINA DIVISION         | TALIHINA      | 74571       | 78316897573 | F13BX/827/IECO          | F13BX/827/IECO                      | 2.26       | 10                    | 22.60          |
| 09/24/09                           | 704634         | JOE LOONEY         |                           | ROBERT S KERR & J HOWARD BLDG | ATTN: JOE LOONEY          | TULSA         | 74127       | 78316821709 | FLE15/2/DV/R30          | FLE15/2/DV/R30                      | 7.29       | 168                   | 1,224.72       |
| 09/24/09                           | 704704         | 16066              |                           | GRDA-COAL FIRED PLANT         | 4 MI EAST ON HWY 412      | CHOUTEAU      | 74337       | 78108739682 | VC-2S85-TPI             | VC-2S85-TPI/MAG BALLAST (2) F72T12/ | 59.50      | 8                     | 476.00         |
| 09/24/09                           | 798399         | P-CARD             |                           | KIM KUETEMAN                  | ATTN: BOB YOUNGBLOOD      | NORMAN        | 73071       | 78316847760 | MVR175/U                | MVR175/U/CLEAR E28MOG MH LAMP       | 13.38      | 24                    | 321.12         |
| 09/24/09                           | 798399         | P-CARD             |                           | KIM KUETEMAN                  | ATTN: BOB YOUNGBLOOD      | NORMAN        | 73071       | 78319572266 | GE232MAX/NULTRA         | GE232MAX/NULTRA                     | 12.84      | 100                   | 1,284.00       |
| 09/24/09                           | 798399         | P-CARD             |                           | KIM KUETEMAN                  | ATTN: BOB YOUNGBLOOD      | NORMAN        | 73071       | 78319586741 | GEM175MLTAC3-5          | GEM175MLTAC3-5/1175W MH M57 QUAD 6  | 33.90      | 5                     | 169.50         |
| 09/24/09                           | 798402         | P-CARD             |                           | SANDRA ZOSKI                  | ATTN: MAINTENANCE         | NORMAN        | 73071       | 78108710637 | ICN3P32C35I             | ICN3P32C35/IELE BALLAST (3) F32T8   | 11.24      | 50                    | 562.00         |
| 09/25/09                           | 510947         | 13190381           |                           | NA                            | NA                        | NA            | NA          | 78319586741 | GEM175MLTAC3-5          | GEM175MLTAC3-5/1175W MH M57 QUAD 6  | 0.00       | -4                    | (135.60)       |
| 09/25/09                           | 798496         | 13190403           | 01-022                    | BEAVER COMMUNITY WORK CTR     | ATTN: MAINTENANCE         | BEAVER        | 73932       | 78316815622 | F35CV/UE6/W/MECO        | F35CV/UE6/W/MECO/FLUOR LAMP         | 3.39       | 12                    | 40.68          |
| 09/25/09                           | 798496         | 13190403           | 01-022                    | BEAVER COMMUNITY WORK CTR     | ATTN: MAINTENANCE         | BEAVER        | 73932       | 78316872017 | 71A/IF-PROLINE          | 71A/IF-PROLINE                      | 0.46       | 96                    | 44.16          |
| 09/25/09                           | 798486         | P-CARD             |                           | MAURICE GERMAN                | ATTN: MAURICE GERMAN      | STILLWATER    | 74075       | 78316825182 | FLE10HT3/2/841          | FLE10HT3/2/841/COMPACT FLUORESCENT  | 2.56       | 15                    | 74.24          |
| 09/25/09                           | 798488         | P-CARD             |                           | MAURICE GERMAN                | ATTN: MAURICE GERMAN      | STILLWATER    | 74075       | 78316897571 | F13BX/841/IECO          | F13BX/841/IECO                      | 2.29       | 20                    | 45.80          |
| <b>Total Sales for August 2009</b> |                |                    |                           |                               |                           |               |             |             |                         |                                     |            | <b>\$49,898.60</b>    |                |

# Lessons Learned



- BV PIPS can minimize protests.
- BV allows vendors to show their value.
- BV forces vendors to:
  - Measure and show their performance
  - Pre-plan
  - Think in the best interest of the client
- BV minimizes decision making.

# Emergency Hazardous Waste Removal





# Selection

| Raw Data      |                  |        |            | Awarded Supplier |            |            | Awarded Supplier |            |            |
|---------------|------------------|--------|------------|------------------|------------|------------|------------------|------------|------------|
| No            | Summary Criteria | Unit   | Weight     | Supplier A       | Supplier B | Supplier C | Supplier D       | Supplier E | Supplier F |
| 1             | Cost             | #      | 40         | Tiers            | Tiers      | Tiers      | Tiers            | Tiers      | Tiers      |
| 2             | RAVA Plan        | (1-10) | 20         | 7.50             | 4.50       | 4.91       | 6.25             | 8.58       | 8.75       |
| 3             | PPI Survey       | (1-10) | 7          | 9.56             | 9.96       | 9.88       | 9.81             | 9.21       | 10.00      |
| 4             | PPI # / Clients  | #      | 3          | 8.00             | 9.00       | 5.00       | 17               | 3          | 8          |
| 5             | Interview        | (1-10) | 30         | 8.75             | 6.25       | 2.00       | 5.00             | 3.00       | 8.75       |
| Normalization |                  |        |            |                  |            |            |                  |            |            |
| No            | Summary Criteria | Unit   | Best Score | Supplier A       | Supplier B | Supplier C | Supplier D       | Supplier E | Supplier F |
| 1             | Cost             | #      | Tiers      | Tiers            | Tiers      | Tiers      | Tiers            | Tiers      | Tiers      |
| 2             | RAVA Plan        | (1-10) | 8.75       | 0.86             | 0.51       | 0.56       | 0.71             | 0.98       | 1.00       |
| 3             | PPI Survey       | (1-10) | 10.00      | 0.96             | 1.00       | 0.99       | 0.98             | 0.92       | 1.00       |
| 4             | PPI # / Clients  | #      | 10.00      | 0.80             | 0.90       | 0.50       | 1.00             | 0.30       | 0.80       |
| 5             | Interview        | (1-10) | 8.75       | 1.00             | 0.71       | 0.23       | 0.57             | 0.34       | 1.00       |
| Final Scoring |                  |        |            |                  |            |            |                  |            |            |
| No            | Summary Criteria | Unit   | Weight     | Supplier A       | Supplier B | Supplier C | Supplier D       | Supplier E | Supplier F |
| 1             | Cost             | #      | 40         | 26.53            | 32.32      | 18.52      | 37.92            | 20.66      | 39.42      |
| 2             | RAVA Plan        | (1-10) | 20         | 17.14            | 10.29      | 11.22      | 14.29            | 19.60      | 20.00      |
| 3             | PPI Survey       | (1-10) | 7          | 6.69             | 6.97       | 6.92       | 6.86             | 6.45       | 7.00       |
| 4             | PPI # / Clients  | #      | 3          | 2.40             | 2.70       | 1.50       | 3.00             | 0.90       | 2.40       |
| 5             | Interview        | (1-10) | 30         | 30.00            | 21.43      | 6.86       | 17.14            | 10.29      | 30.00      |
|               |                  |        |            | 82.77            | 73.71      | 45.02      | 79.21            | 57.89      | 98.82      |

- Best Value process looks at both price and performance to select vendors.
- Allows smaller experienced organizations to be competitive in the bidding process.

# Performance Measurements



| No. | Criteria  | Metrics | Supplier A  | Supplier F    |
|-----|---|---------|-------------|---------------|
| 1   | Total Number of Projects:                               | #       | 6           | 5             |
| 2   | Total Number of Completed Projects:                     | #       | 6           | 3             |
| 3   | Total Project Costs for Completed Projects:             | \$\$    | \$35,961.83 | \$ 185,323.13 |
| 4   | Total Estimated Project Costs for In Progress Projects: | \$\$    | \$38,980.00 | \$ 244,623.00 |
| 5   | Total Project Cost Savings:                             | \$\$    | \$3,018.17  | -             |
| 6   | Percent of Projects Completed on Budget                 | %       | 100%        | 100%          |
| 7   | Percent of Projects Complete On-Time                    | %       | 100%        | 100%          |
| 8   | Average Number of Identified Risks/Project:             | #       | 1           | 0             |
| 9   | Number of Projects with Unresolved Risks:               | #       | 0           | 0             |
| 10  | Overall PM Satisfaction of Risks:                       | (1-10)  | -           | 9.5           |

# Pre-planning and Risk Management



|           |   |
|-----------|---|
| Risk 1:   | <b>"Emergency" Situations</b>   |
| Solution: | <p>By definition, Emergency and "Rush" situations are beyond the control of Boomer Environmental. Time is of the essence by the very nature of Emergency situations, and, in general, these responses can be a great unknown risk.</p> <p>In Emergency Response, the need to move "rapidly" can sometimes be wrongly implemented as "hastily" if proper training and preparation does not precede the Emergency Response. Boomer Environmental succeeds at Emergency Response due to our expertise, training, safety briefings, and commitment to efficiently address Emergency situations in the least amount of time possible. If an Emergency situation is dealt with "hastily", this may satisfy the "time is of the essence" criteria but will in the long term be costly to the State. A "hasty" response will be dangerous to citizens, public workers, and the responders.</p> <p>Boomer ensures all Emergency Responses are dealt with both rapidly and efficiently, with great attention to detail and safety for all persons and property involved. The initial response begins with a scene evaluation by the Supervisor (Scene Size Up), followed by a verbal briefing report to the representative from the State agency needing response services. Also, our company implements a mandatory tailgate safety meeting prior to the commencement of ANY cleanup work being performed so that all workers are aware of their responsibilities and risks involved.</p> <p>Step 1: Analyze the problem and consult with proper State agent on same;<br/>Step 2: Prevent further contamination by stopping the release;<br/>Step 3: Advise State of Plan, safety meeting, and implement cleanup response.</p> |

|           |   |
|-----------|---|
| Risk 2:   | <b>Weather</b>  |
| Solution: | <p>Weather is perhaps the biggest unforeseen risk that is beyond the control of Boomer Environmental, particularly in our State. We have performed both Emergency and Rush-related services in nearly all variations of Oklahoma weather, including ice, snow, rain, hail, high winds, heat and fire.</p> <p>The main goal when extreme weather plays a role in a Response is to assess the scene for feasibility and degree of response during the inclement weather. Our company will minimize the risk (i.e. cost and liability exposure) to the State and its agencies by promptly analyzing what actions can be safely taken in light of the inclement weather. For example, extreme rain can intensify and exacerbate the effects of a spill. In some conditions, it is nonetheless appropriate and safe to control the damage that can result from heavy rains by taking immediate "control" of the situation and thereby limiting further exposure of the substance through barriers, <u>diking</u>, or other means of containment. When at all possible, our company will implement Response procedure to reduce further risk for the State, even in inclement weather.</p> <p>Step 1: Make determination as to whether the scene needs immediate attention or whether it is safe to perform cleanup at a later time; consult with proper State agent on same;<br/>Step 2: Check with National Weather Service prior to work commencing and continue receipt of updates on same;<br/>Step 3: Implement Response.</p> |

- All client concerns were given to the vendors
- Both vendors minimized all identified risks and concerns
- Each vendor created a risk management plan

# Protests



- History of protests
- Supplier D protests selection due to:
  - Having the lowest cost
  - Credibility of other firms
  - Evaluation of Bids
- Result:
  - Supplier D protest to purchasing director denied
  - Supplier D appeals to administrative law judge
  - Supplier D did not show up for the court hearing
  - Protest Denied

# Lessons Learned



- BV process allows smaller vendors an opportunity to perform
- BV can minimize protests
- BV forces vendors to measure their performance and minimize risk

# Dan Little Residence Hall – Phase II

Oklahoma School of Science and Mathematics



# Dan Little Residence Hall – Phase II



- Scope:
  - Provide the professional services required for updating existing construction documents and administration of the construction contract for the Dan Little Residence Hall.
- Estimated Cost: \$7.5M
- No Construction Manager hired

# Selection



| No | Summary Criteria                            | Unit   | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 11    | 13    | 14    |
|----|---|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1  | Technical Scope                             | #      | 8.0   | 4.0   | 12.0  | 20.0  | 4.0   | 4.0   | 40.0  | 40.0  | 26.0  | 25.0  | 16.0  |
| 2  | RAVA Plan                                   | (1-10) | 14.00 | 12.00 | 26.00 | 12.00 | 4.00  | 10.00 | 33.00 | 18.00 | 21.00 | 30.00 | 16.00 |
| 3  | Past Performance Information - Survey       | (1-10) | 9.55  | 9.58  | 9.89  | 9.15  | 9.88  | 9.27  | 9.74  | 9.88  | 9.81  | 10.00 | 9.58  |
| 4  | Past Performance Information -<br>#/Clients | #      | 10.00 | 3.00  | 10.00 | 5.00  | 10.00 | 6.00  | 10.00 | 7.00  | 10.00 | 6.00  | 8.00  |
| 5  | Interview                                   | (1-10) |       |       | 4.0   |       |       |       | 20.0  | 40.0  | 20.0  | 12.0  |       |

| No | Summary Criteria                            | Best Score | 1    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 11   | 13   | 14   |
|----|---|------------|------|------|------|------|------|------|------|------|------|------|------|
| 1  | Technical Scope                             | 40         | 0.20 | 0.10 | 0.30 | 0.50 | 0.10 | 0.10 | 1.00 | 1.00 | 0.65 | 0.63 | 0.40 |
| 2  | RAVA Plan                                   | 40         | 0.35 | 0.30 | 0.65 | 0.30 | 0.10 | 0.25 | 0.83 | 0.45 | 0.53 | 0.75 | 0.40 |
| 3  | Past Performance Information - Survey       | 10         | 0.96 | 0.96 | 0.99 | 0.92 | 0.99 | 0.93 | 0.97 | 0.99 | 0.98 | 1.00 | 0.96 |
| 4  | Past Performance Information -<br>#/Clients | 10         | 1.00 | 0.30 | 1.00 | 0.50 | 1.00 | 0.60 | 1.00 | 0.70 | 1.00 | 0.60 | 0.80 |
| 5  | Interview                                   | 40         | 0.0  | 0.0  | 0.1  | 0.0  | 0.0  | 0.0  | 0.5  | 1.0  | 0.5  | 0.3  | 0.0  |

| No | Summary Criteria                            | Weight | 1    | 2    | 3     | 4     | 5    | 6    | 7     | 8     | 11    | 13    | 14    |
|----|---|--------|------|------|-------|-------|------|------|-------|-------|-------|-------|-------|
| 1  | Technical Scope                             | 20     | 4.00 | 2.00 | 6.00  | 10.00 | 2.00 | 2.00 | 20.00 | 20.00 | 13.00 | 12.50 | 8.00  |
| 2  | RAVA Plan                                   | 25     | 8.75 | 7.50 | 16.25 | 7.50  | 2.50 | 6.25 | 20.63 | 11.25 | 13.13 | 18.75 | 10.00 |
| 3  | Past Performance Information - Survey       | 10     | 9.55 | 9.58 | 9.89  | 9.15  | 9.88 | 9.27 | 9.74  | 9.88  | 9.81  | 10.00 | 9.58  |
| 4  | Past Performance Information -<br>#/Clients | 5      | 5.00 | 1.50 | 5.00  | 2.50  | 5.00 | 3.00 | 5.00  | 3.50  | 5.00  | 3.00  | 4.00  |
| 5  | Interview                                   | 40     | 0.0  | 0.0  | 4.0   | 0.0   | 0.0  | 0.0  | 20.0  | 40.0  | 20.0  | 12.0  | 0.0   |
|    | Total                                       |        | 27.3 | 20.6 | 41.1  | 29.2  | 19.4 | 20.5 | 75.4  | 84.6  | 60.9  | 56.3  | 31.6  |

# Pre-Planning (Pre-Award Phase)



| Item No. | Risk Description   | Solution   |
|----------|--|--|
| 1        | Existing Conditions may not be properly documented in Owner-provided documents   | <ol style="list-style-type: none"> <li>1. The Design Team will tour and have a detailed discussion with the users about the existing building to which the addition will attach.</li> <li>2. Since this project will be very similar to the existing dorm wing, the Design Team will document all design features that the user wants to preserve and any problems with the existing design or systems that should not be repeated in the new addition.</li> <li>3. The new addition will rely on existing building system for power, data, communication, plumbing and heat &amp; air systems. Any issues with existing systems will need to be identified by the Design Team with the assistance of the user. A study will be performed to determine that the existing building systems have adequate capacity to accommodate the addition.<br/><i>Six weeks after consultant contract execution.</i></li> </ol> |
| 2        | Previously executed Phase 2 design may no longer meet code or current best construction systems. Materials specified may no longer be available. | <ol style="list-style-type: none"> <li>1. Design Team will develop a detailed assessment and evaluation of existing Construction Documents, focusing on constructability, material systems and equipment and identify issues and provide recommendations to mitigate the issues. A brief report will be issued with the Design Team's findings.<br/><i>Six weeks after consultant contract execution.</i></li> </ol>   |
| 3        | Project budget may not fund previously executed Phase 2 scope of work.   | <p>ADG will engage a third party cost estimating consultant at three stages of document development:</p> <ol style="list-style-type: none"> <li>1. Estimate at end of Schematic Design Phase- purpose is to establish general expectations of construction budget and, therefore, budget remaining for other project costs.</li> <li>2. End of Design Development Phase- purpose is to establish scope of work to be included in Bid Documents.</li> <li>3. 95% Construction Documents Phase- purpose is to confirm design is within construction cost expectations and that bids will come in budget.</li> </ol>  |

- All risks and concerns given to the vendor
- Vendor creates Risk Management Plan (RMP)
- Vendor creates a weekly risk report.
- Vendor creates a project baseline. (Cost and Time)



# Weekly Risk Report (WRR)

|  <b>State of Oklahoma</b><br><b>Department of Central Services</b><br><b>Construction and Properties</b> |       |            |   |              |       |            |
|---|-------|------------|---|--------------|-------|------------|
|   |       |            | <b>Weekly Report</b><br>Tuesday, December 01, 2009  |              |       |            |
| Project Title: rvicees - Dan Little Resider<br>Project ID / Task Order: 10154-C<br>Location: Oklahoma City, Oklahoma<br>Owner Satisfaction Level: 10.00                                   |       |            | Vendor: hitecrtural Design Group,<br>Project Phase: Design<br>NTP Date: 10/21/09<br>Project Risk Number: 1.00 |              |       |            |
| Current Completion Date: 08/02/11<br>Current Budget: \$416,500.00<br>Safety Violations: 1   |       |            | (Scheduled Date: 08-02-11)<br>(Orig. Budget: \$416,500)   |              |       |            |
| Risk Aspect   | Total | Contractor | Consultant  | Using Agency | Owner | Unforeseen |
| Total No. of Risks  | 3     | 0          | 0   | 0            | 0     | 0          |
| Late Risks  | 0     | 0          | 0   | 0            | 0     | 0          |
| Days Delayed  | 0     | 0          | 0   | 0            | 0     | 0          |
| % Delayed   | 0%    | 0%         | 0%  | 0%           | 0%    | 0%         |
| Potential   | 0     | 0          | 0   | 0            | 0     | 0          |
| Resolved  | 0     | 0          | 0   | 0            | 0     | 0          |
| Over Budget   | \$ -  | \$ -       | \$ -  | \$ -         | \$ -  | \$ -       |
| % Over Budget   | 0.0%  | 0.0%       | 0.0%  | 0.0%         | 0.0%  | 0.0%       |
| Potential   | \$ -  | \$ -       | \$ -  | \$ -         | \$ -  | \$ -       |
| Resolved  | \$ -  | \$ -       | \$ -  | \$ -         | \$ -  | \$ -       |
| Using Agency: Lynn Morgan, 405.521.6436<br>CAP Contracting: Pam Patrum, 405.521.3175<br>CAP Project Manager: Bill Harrell, 405.521.2145   |       |            |   |              |       |            |
| Contractor: JC Witcher, Project Manager, 405.521.3175<br>Consultant: Consultant,<br>PBSRG Contact: Jacob Kashiwagi, 480-577-3726  |       |            |   |              |       |            |

- Vendor turns in WRR every week.
- Identifies any risks that is currently occurring on the project that they don't control.
- Any deviations caused by the risks are documented in terms of \$\$, time, and quality.
- Milestone schedule allows client to see progress every week.

# Milestone Schedule



| <b>SCHEDULE - MILESTONES :</b> |  |   |  |                                 |
|--------------------------------|--|---|--|---------------------------------|
| <b><u>No.</u></b>              | <b><u>Activity</u></b>                       | <b><u>% Complete</u><br/>(at time of<br/>submittal)</b> | <b><u>Actual/<br/>Projected Date</u></b> | <b><u>Contract<br/>Date</u></b> |
| 1                              | Schematic Design (design review) Phase       | 75%   | 12/14/2009                               | 12/14/09                        |
| 2                              | Schematic Design Review Meeting              | 0%  | 12/17/2009                               | 12/17/09                        |
| 3                              | Design Development Phase                     | 0%  | 2/19/2010                                | 02/19/09                        |
| 4                              | Design Development Review Meeting            | 0%  | 3/9/2010                                 | 03/09/09                        |
| 5                              | Construction Document Phase                  | 0%  | 5/4/2010                                 | 05/04/10                        |
| 6                              | 95% Construction Document Review Meeting     | 0%  | 5/11/2010                                | 05/11/10                        |
| 7                              | Issue Final Construction Documents           | 0%  | 5/12/2010                                | 05/12/10                        |
| 8                              | Bid Phase (Bid Opening)                      | 0%  | 6/10/2010                                | 06/10/10                        |
| 9                              | Successful Bidder receives Notice to Proceed | 0%  | 6/24/2010                                | 06/24/10                        |
| 10                             | Construction Administration Phase            | 0%  | 8/2/2011                                 | 08/02/11                        |
| 11                             | Substantial Completion                       | 0%  | 7/12/2011                                | 07/12/11                        |
| 12                             | Project Completion, begin Agency move-in.    | 0%  | 8/2/2011                                 | 08/02/11                        |



# Modifications and Risks

| AWARDS & MODIFICATIONS |                      |           |      |      |                        |                  |
|------------------------|----------------------|-----------|------|------|------------------------|------------------|
| No.                    | Award / Modification | Date      | Type | Days | \$\$                   | Description      |
| 1                      | Award 1              | 1/2/2007  |      |      | \$9,500,000.00         | Award            |
| 2                      | Modification 1       | 01/05/07  |      | 0    | \$ 250,000.00          | Risk 1           |
| 3                      | Modification 2       | 3/8/2007  |      | 20   | \$ 100,000.00          | Risk 2           |
| 4                      | Modification 3       | 5/10/2007 |      | 0    | \$ 150,000.00          | Risk 3           |
|                        |                      |           |      |      | <b>Total Contract:</b> | \$ 10,000,000.00 |
|                        |                      |           |      |      | <b>% Billed:</b>       | 50%              |
|                        |                      |           |      |      | <b>% Completed</b>     | 60%              |

| No | Date Entered | Risk Items            | Plan to Minimize Risk  | Planned Resolution Date | Actual Date Resolved | Impact Days to Critical Path (Calendar) | Impact to Cost |
|----|--------------|-----------------------|--|-------------------------|----------------------|---|----------------|
| 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? | 3/17/2006               |                      | 0                                       | \$ 10,000      |
| 1  | 12/25/2007   | Delay in Workplan     | Risk Plan B  | 1/3/2007                | 1/3/2007             | 0                                       | \$ 250,000     |
| 2  | 3/1/2007     | Contaminated Material | Risk Plan C  | 3/6/2007                | 3/7/2007             | 20                                      | \$ 100,000     |
| 3  | 4/30/2007    | Scope Change          | Risk Plan D  | 5/5/2007                | 5/6/2007             | 0                                       | \$ 150,000     |