

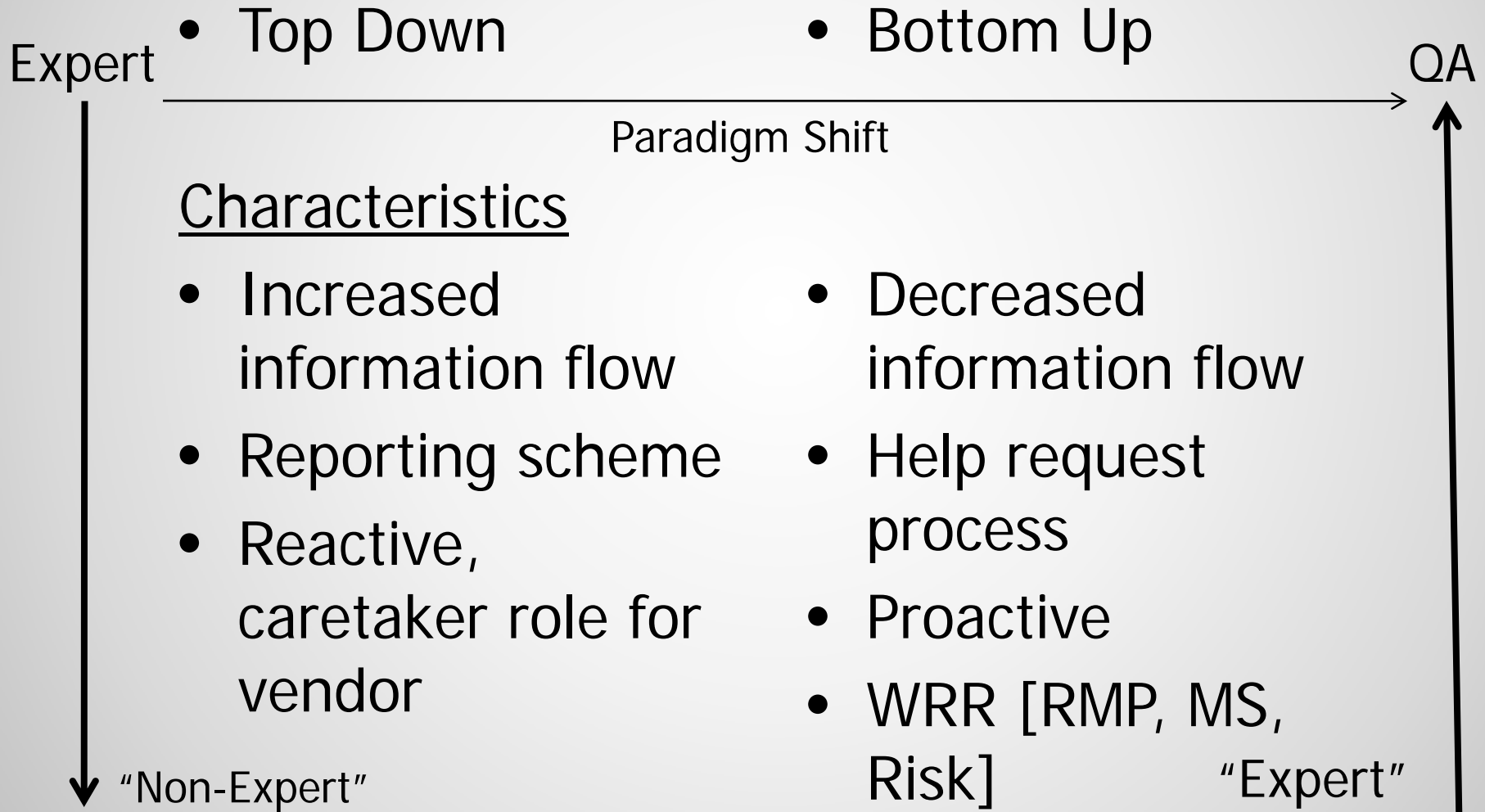


# BEST VALUE CONSTRUCTION

State of Oklahoma CAP  
John Morrison

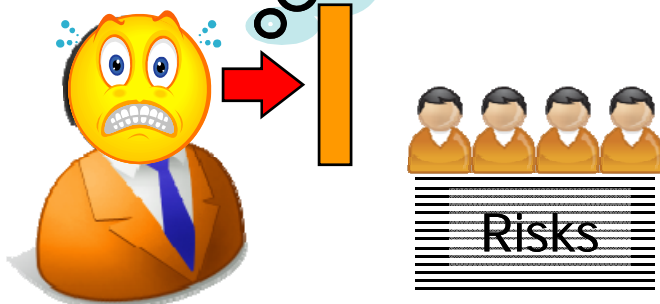
Part Two of Two

# Information Transfer



Paradigm Shift: contractors should have minimal technical risk and minimize risk that they do not control

Me vs. Them



Us



Control  
Technical Risk

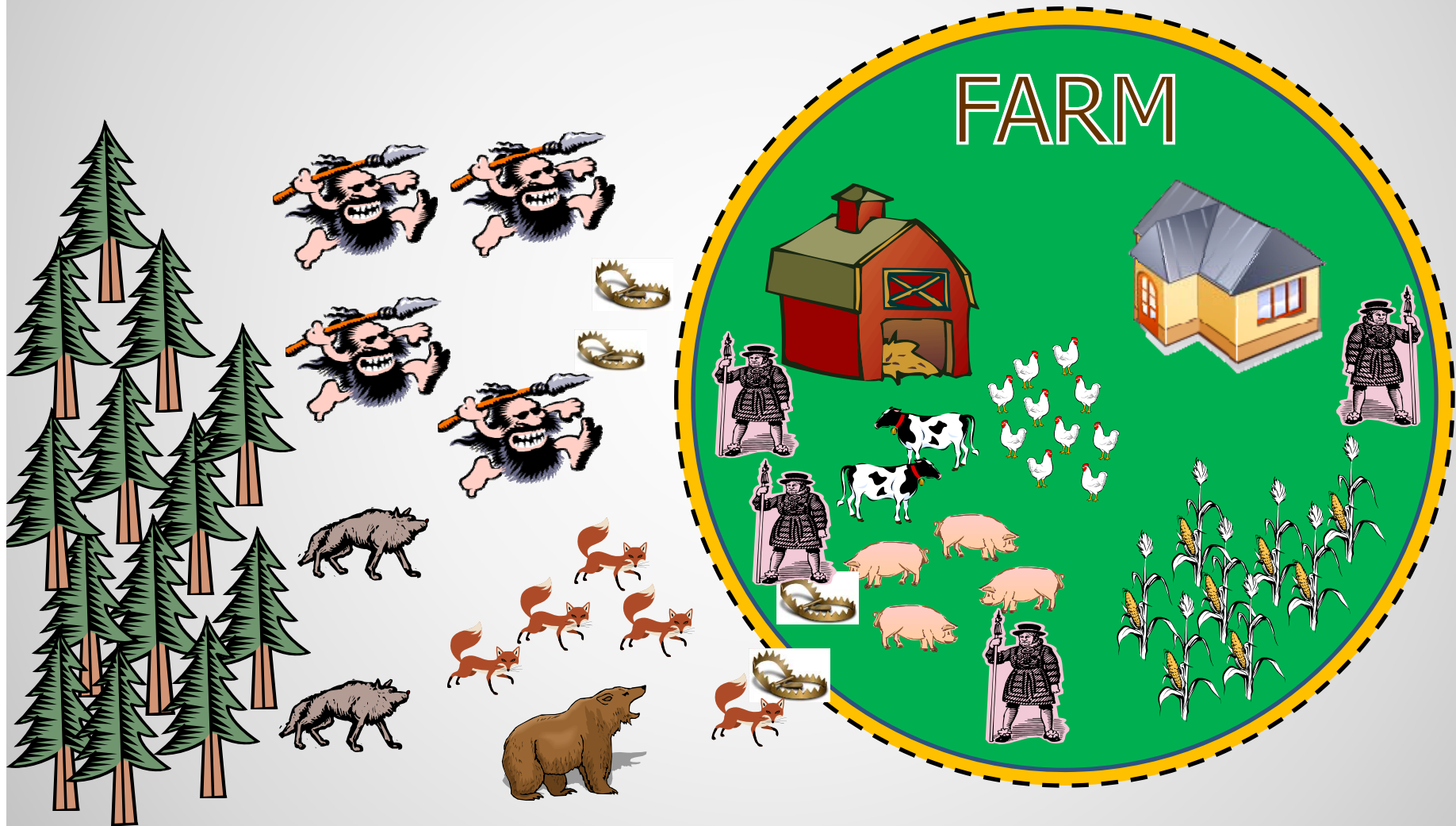
Don't  
Control



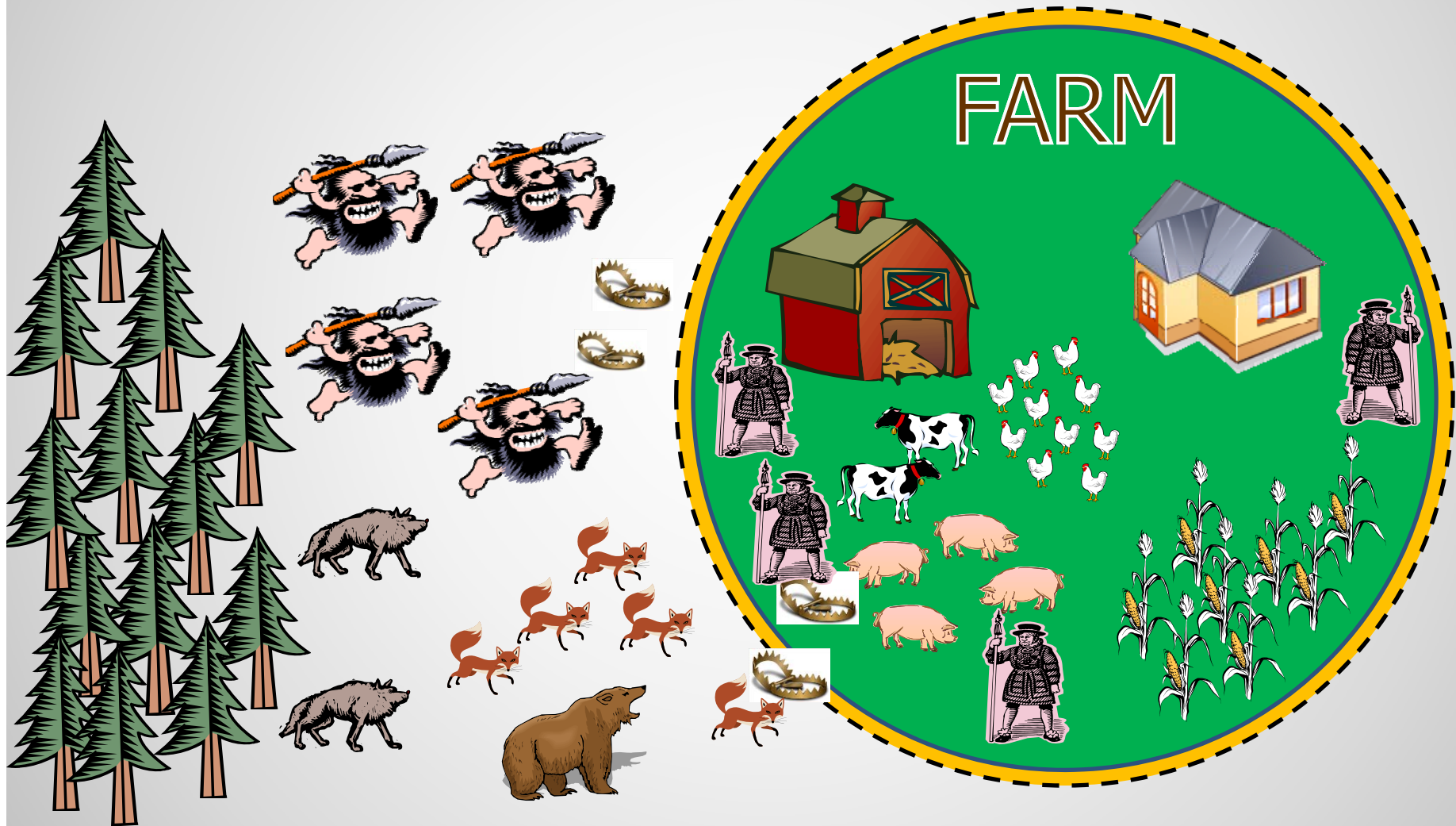
Control

Don't  
Control

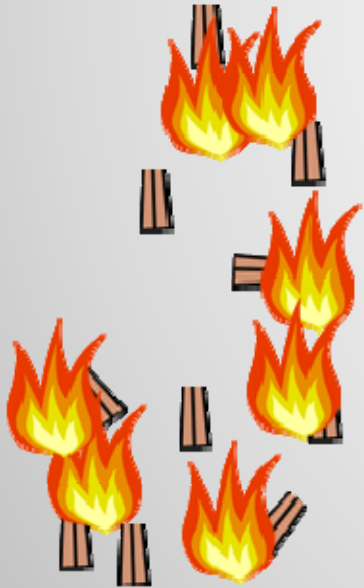
# Hiring an Expert Vendor



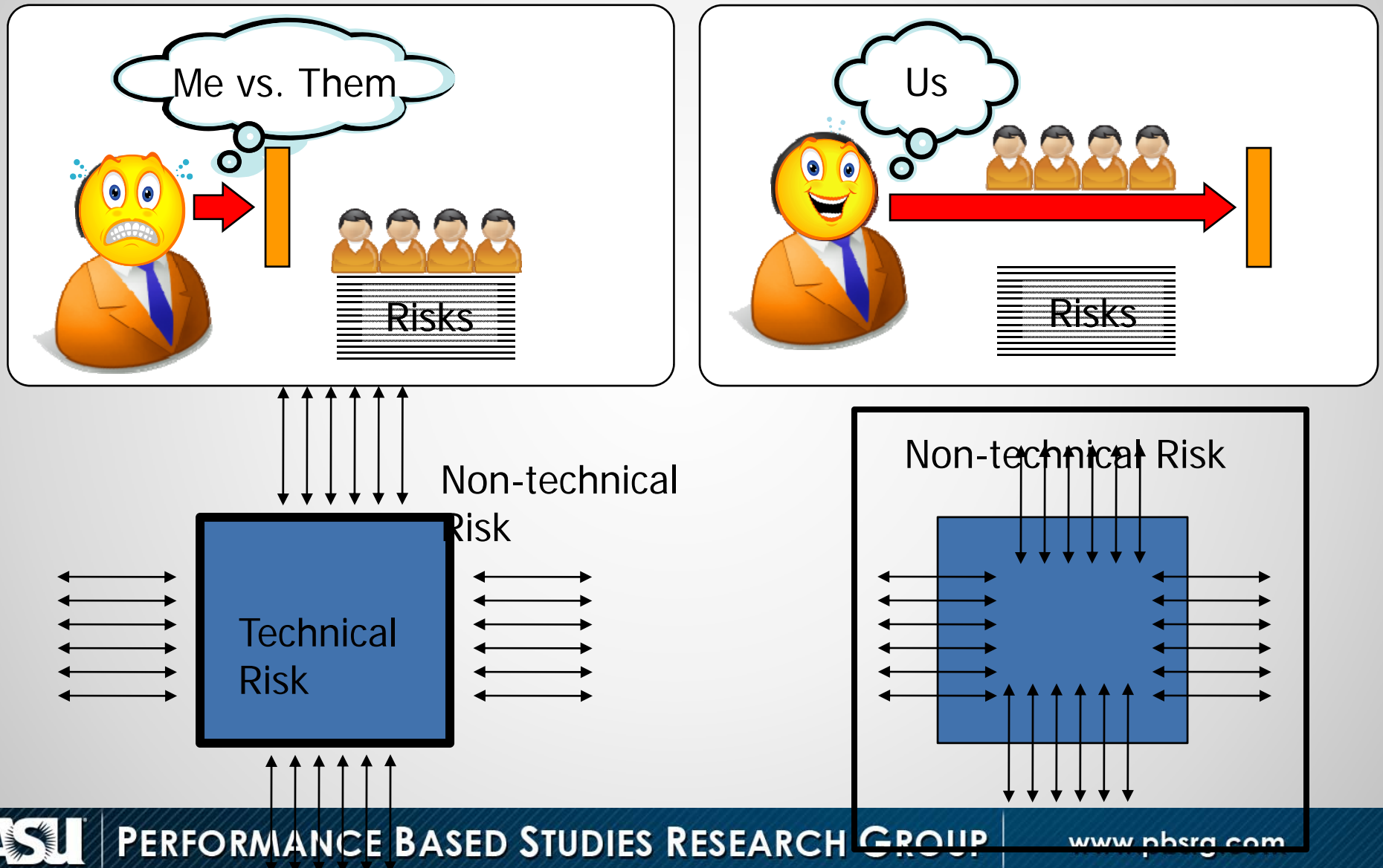
# Hiring an Expert Vendor



The Expert cannot stop tornadoes and resulting fire. That is why we have insurance.



Best Value PIPS Structure moves vendors from left side to the right side



# Set-Up Page

Do not edit the form using the **CUT/PASTE** feature!!!  
Please use the drop down for selection.

Project Setup Information	
Project ID / Task Order	
Project Title	
Location	
Region	
Contractor	
Designer/Architect	
Project Schedule/Budget	
All Phases in the Task Order	
Risk Management Plan Meeting Date	
NTP Date of Workplan	
NTP Date of Construction	
Workplan Completion Date	
Final Completion Date	
Total Task Order Duration	0
Awarded Workplan Cost	
Total Awarded Cost	
Total Awarded cost should compile all phase contracts (FFP).	
Final Completion Date & Total Awarded Cost is the same as WP completion date & Awarded WP cost, IF the phase awarded is Work Plan only.	

If you have any questions, please contact [mrmp@pbsrg.com](mailto:mrmp@pbsrg.com)

Contact Information	
Contracting Office (COE)	
COE Phone	
Facility Director	
FD Email	
Facility Manager	
FM Phone	
Project Manager	
PM Phone	
Regional Project Integrator	
Regional PI Phone	
QA Representative	
QA Phone	
QA Email	
Contractor POC	
Contractor POC Phone	
Contractor POC Email	
Designer/Architect POC	
D/A POC Phone	
D/A POC Email	
MEDCOM POC	Charleszetta "Charlie" Jay
MEDCOM POC Phone	210-221-8620
MEDCOM POC Email	Charleszetta.Jay@AMEDD.ARMY.MIL

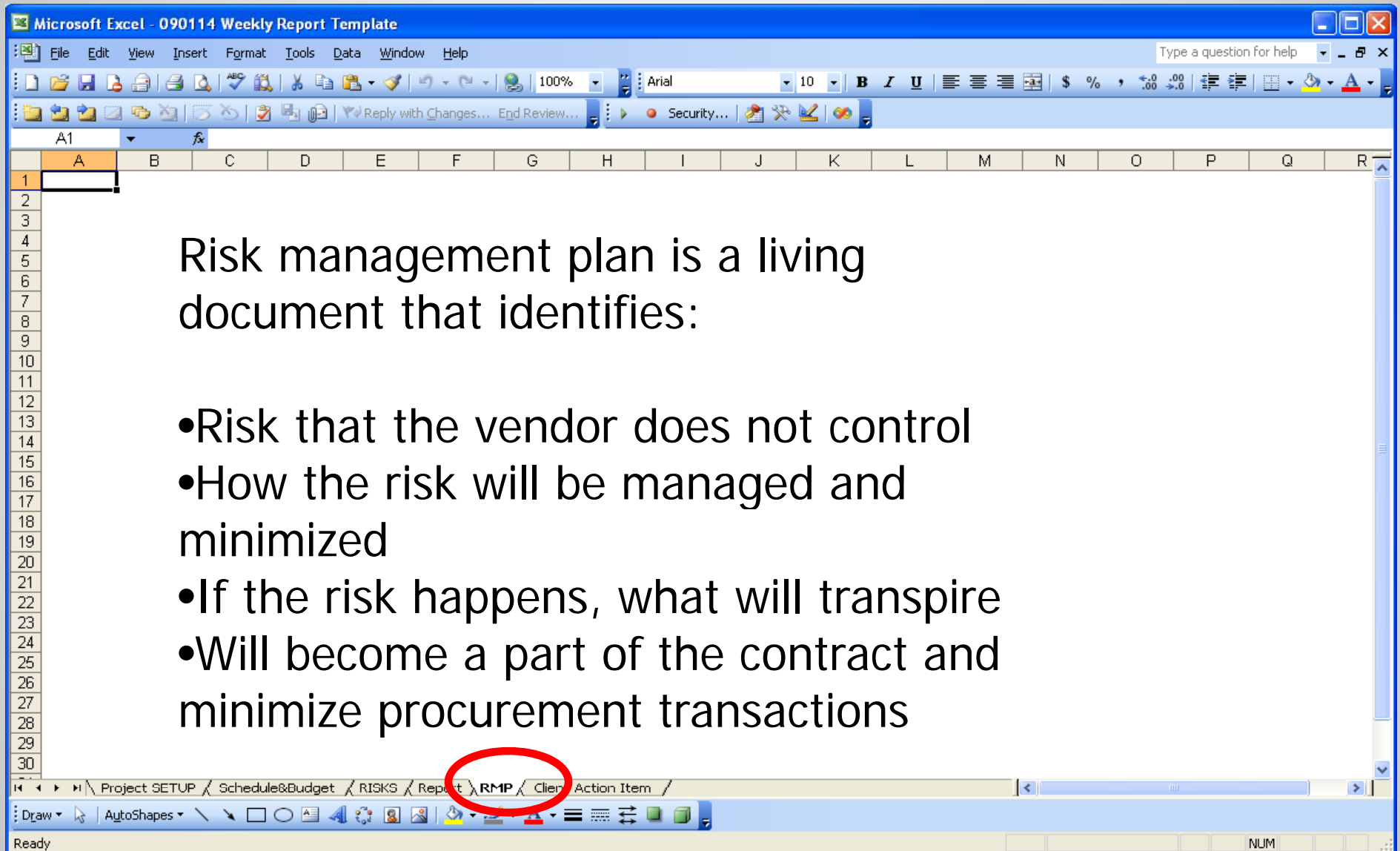
Project Setup Schedule&Budget Risks RMP Report

## Track Expenditures in Terms of Deviations

[illegible]







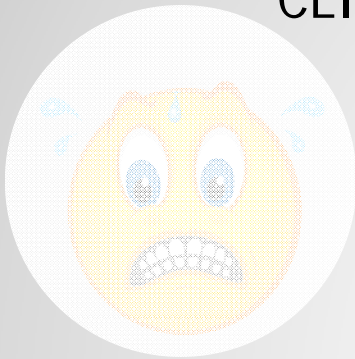
The screenshot shows the Microsoft Excel 2003 interface. The title bar reads "Microsoft Excel - 090114 Weekly Report Template". The menu bar includes File, Edit, View, Insert, Format, Tools, Data, Window, and Help. The toolbar contains various icons for file operations and formatting. The worksheet grid shows columns A through R and rows 1 through 30. A presentation overlay is positioned on the right side of the screen, containing text and a bulleted list. The text "Risk management plan is a living document that identifies:" is followed by four bullet points. The bottom status bar shows "Ready" and "NUM". The taskbar at the very bottom displays several open applications: Project SETUP, Schedule&Budget, RISKS, Report, RMP (highlighted with a red circle), Client, and Action Item.

Risk management plan is a living document that identifies:

- Risk that the vendor does not control
- How the risk will be managed and minimized
- If the risk happens, what will transpire
- Will become a part of the contract and minimize procurement transactions

# Paradigm Shift: Supply Chain/System Inefficiency

CLIENT



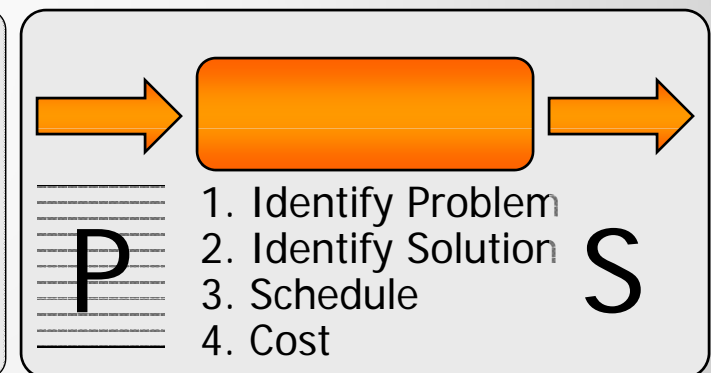
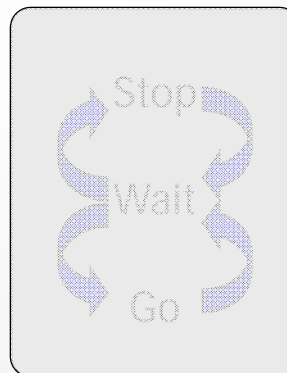
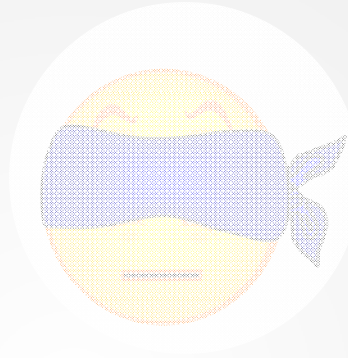
~~Decision Making~~  
~~Management~~  
~~Control~~  
~~Direction~~

INEFFICIENCY



TOTAL COST: **\$\$\$\$\$**

VENDOR



PROFIT: **\$**

# Traditional Concepts

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- The wrong party is doing the talking
- User/consultants cannot scope and cost
- Project risk is being minimized through management, direction and control
- Vendors learn to be reactive
- Environment becomes price based
- Cost for delivering services is higher and value is lower

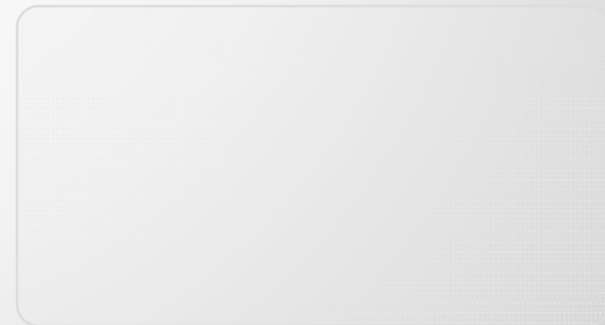
# Performance Information is a Vendor Practice

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## Performance Info

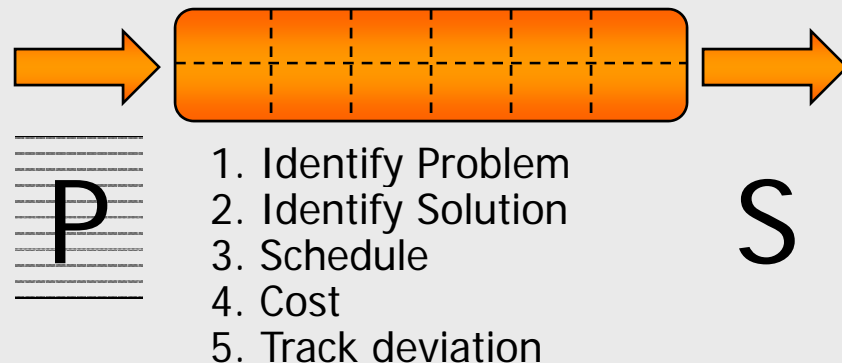
NO	CRITERIA	FIRM A
1	Overall customer satisfaction	9.8
2	Percent of roofs that have never leaked	99%
3	Percent of roofs that do not currently leak	100%
4	Average age of roof surveyed (years)	17
5	Total number of roofs evaluated	50



# Best Value Model: Vendor Model



- Increased Decision Making
- Increased Management
- Increased Control and Direction
- High Trust



# Latest Manuals

- IMT
  - IMT/KSM
  - Industry structure
  - Measurements
  - Observation; deductive logic
- PIPS: Best Value Standard
  - Case studies
  - Protests
  - Use of Performance Information
  - Changes over time (history of lessons learned)



# 2012 Best Value Annual Conference

Feb 13-17, 2012 in Tempe, AZ



Certification and Testing of vendor and client personnel.

Availability of videos (16 class and functions) to reinforce the paradigm shift.

Methodology to implement and educate the weekly risk report and risk management plan. Teaching aids and how to teach your personnel.

Industry partner programs: GSA, contractor model, entire 16 week video program on both IMT/best value PIPS

**Early Registration before Dec 15, 2011:**

**For more details visit us at:**

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



PERFORMANCE BASED STUDIES RESEARCH GROUP

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



# Best Value Rules



# Overview

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- This subchapter provides information pertaining to the framework, procedures and requirements for contract awards using a Best Value method, implementing the provisions of 61 O.S., Section 103 (E) of the Public Competitive Bidding Act of 1974.

# Best Value Overview

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- The purpose of these Rules is to establish a framework for awarding contracts using a Best Value competitive proposal method as directed by 61 O.S. Section 103 (E).
- Contract award using a Best Value approach is a fundamental paradigm shift from strictly price or qualification based competition. The Best Value competitive proposal is the acquisition mechanism of a larger system for project delivery.
- The Best Value Method selects vendors by differentiating them in terms of both performance factors and cost. Thereby identifying the vendor(s) that can provide the most value to the State.
- The goal of Best Value is, for each service delivery, to identify the construction vendor that is an expert, is efficient, can pre-plan the work and deliver the service with minimal deviation in the owner's expectations (cost, schedule and quality) and thereby provide the owner the greatest value for the lowest price.

# Explanation of Best Value

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- Definitions
- Components of Best Value Vendor Selection and Project Delivery:
  - Phase 1: Selection
  - Phase 2: Pre-Award/Clarification
  - Phase 3: Management by Risk Minimization
  - Post-Project Vendor Performance Rating

# Protest of Award

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- Reference protest process for construction contracts as set forth in CAP Rule 580:20-1-10.1

# Maintaining a Balanced Approach among Stakeholders

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- Industry Advisory Committee
  - The State Construction Administrator will establish an advisory committee comprised of volunteers from organizational stakeholders of the state construction program.
  - The purpose of the Committee is to assist with procedures, review case studies, recommend implementation strategies, promote education and promote continual improvement.
  - The committee membership will be comprised of delegates from organizations representing general construction contracting; specialty contracting, suppliers and designers
  - The committee may review complaints or concerns from stakeholders and recommend resolution.

# Third Party Oversight

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- The State Construction Administrator may arrange for program oversight by an independent research organization or university. Services provided by the third party may include:
  - Auditing the selection and project delivery processes
  - Preparing case study documentation on processes
  - Ensure correct application of Best Value principles
  - Ensure fairness of selection process and procedures
  - Provide educational support on theory, principles, application and updates

# State Transparency and BV Documentation

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- For successful outcomes, the Best Value operating environment must be transparent to all stakeholders. The following key components are a part of the system:
  - Solicitation must clearly state submittal requirements and scoring mechanisms
  - For each solicitation, the solicitation/acquisition schedule will be clearly defined and include a Pre-Bid Education meeting to review process and submittal requirements
  - Following a contract award, bidders/offerors will be provided a debriefing upon request; alternatively, a debriefing review may be provided for all participants as scheduled in the solicitation

# Confidentiality

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- Identities of individual bidders/offerors will not be revealed to voting members of a selection committee during evaluation of key submittals as identified in the solicitation until such time as the highest rated offerors are identified and advanced to the oral interview or award phase.
- To preserve integrity in the event a re-bid is necessary, contents of the individual offerors' submittals shall not be open to public inspection until such time as the contract award is made.
- The Division shall not make public contents of a submittal where the offeror has designated such content as proprietary or trade secret.
- Immediately following identification of the best value vendor and offer made to that vendor for contract award, the designated vendor shall be identified on the Division's web site.
- Immediately following contract execution, all selection process documentation not otherwise protected, will be available to the public for inspection. The following shall be posted on the Division's website:
  - Tabulation of evaluation scores
  - Tabulation of pricing

# State Best Value Training

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- The State will provide training at every Best Value pre-bid meeting
- One additional educational opportunity will be provided to vendors for solicitations > \$10M
- Periodic or annual Best Value training may be held for the vendor community to review Best Value theory, application, selection process, case studies, and updates to the State BV process.
- The State may provide additional training to vendors upon special request subject to availability. Training fees may be assessed to cover costs.
- The State will provide material that will be accessible to the vendors for additional Best Value training.

# Other Contract Requirements

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- Solicitations or Invitations for Bid will be issued by the Division according to the minimum requirements set by state law for the service type. [i.e. Consultant, CM, DB]
- Price quotes may not be requested or considered unless otherwise allowed by state law, i.e. Construction Management solicitations.
- Construction service solicitations and contracts shall comply with the requirements of the Public Competitive Bidding act of 1974 with respect to performance bonds, payment bonds, defect bonds and insurance.
- Solicitations for on-call, indefinite delivery and statewide specialty services resulting in multiple contract awards:
  - Top ranked vendors may receive awards as set forth by the solicitation and determined by the selection committee
  - Multiple firms may be invited to the Pre-Award period to facilitate multiple awards.
  - Ranking, price schedule and performance measures for awardees will be published by the Division as information to potential end users.
  - Authorized end users may utilize the available contracts according to procedures established by the Division for issuing proposal requests, making requisition and issuance of work orders.
  - Following completion of a work order assignment, the vendor's performance will be documented and added to the published performance line for future customer consideration.

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For Information and Questions  
Please Contact:

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[www.ok.gov/dcs](http://www.ok.gov/dcs)

[Mike\\_jones@dcs.state.ok.gov.us](mailto:Mike_jones@dcs.state.ok.gov.us)

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