

Best Value Procurement

City of Peoria

P11-0049

Utility Undergrounding Master Plan

Christine Finney

Buyer - City of Peoria





Best-Value Objectives

- Goal is to increase efficiency of procurement (both internally and externally)
- Outsource to experts (not just transfer risk...but minimize risk)
- Maximize performance
 - On time
 - No cost increases
 - High customer satisfaction (no complaints)
- Minimize Peoria's management, inspection, and decision making.
- The City will analyze the past performance and current capability of each firm and their critical team components (not price-based award).

Owner's Expectations





Process Comparison

Previous Process

Project Approach

Detailed scope by city staff
(20 pages)

Interviews

Group only

References

City contacted 3 by phone

Best-Value Process

Project Assessment

Vendor addresses specific
project (4 pages)

Interviews

Group and key individuals
interviewed separately

References

City contacts 3 by phone



Best Value Process

- Step 1 – Submittal Documents
- Step 2 – Committee Review and Shortlist
- Step 3 – Interview
- Step 4 – Analysis of Data and Final List Selection
- Step 5 – Pre Award Phase
- Step 6 – Award
- Step 7 – Weekly Monitoring and Final Close Out Rating



Submittal Documents

- Attachment A – Proposal Form (1-page)
- Attachment B – Reference Form (1-page)
- Attachment C – Project Assessment Plan (3 to 4-pages)
- Attachment D – Project Schedule (1-2 pages)

Attachment A Proposal Form



	STATEMENT OF INTEREST AND QUALIFICATIONS	Materials Management Procurement 9875 N. 85 th Ave., 2 nd Fl. Peoria, Arizona 85345-6560 Phone: (623) 773-7115 Fax: (623) 773-7118
Solicitation Number: _____		
ATTACHMENT A PROPOSAL FORM		
One original Proposal Form must be completed and sent to the City of Peoria. Please staple this to the original Reference form (Attachment B) and Project Assessment Plan (Attachment C).		
Project Team		
The Firm	_____	
The Project Manager	_____	
The Individual (See SIQ)	_____	
The Individual (See SIQ)	_____	
The Individual (See SIQ)	_____	
Schedule		
Project Duration (NTP-Final Payment): _____		
Note: This date should include the total time from the Notice To Proceed to final project payment. _____ (Calendar Days)		
Name of Company _____		
Printed Name of Firm Representative _____	Signature of Firm Representative _____	
Street Address _____	City _____	State _____ Zip _____
Phone _____	Fax _____	Date _____
Email _____		

11-09-2010 DZ

Attachment B Reference Information



	STATEMENT OF INTEREST AND QUALIFICATIONS		STATEMENT OF INTEREST AND QUALIFICATIONS	Materials Management Procurement 9875 N. 85 th Ave., 2 nd Fl. Peoria, Arizona 85345-6560 Phone: (623) 773-7115 Fax: (623) 773-7118
Solicitation Number: _____		Solicitation Number: _____		
ATTACHMENT B REFERENCE LIST		ATTACHMENT B REFERENCE LIST (continued)		
<p>HOW TO CREATE AND SUBMIT A REFERENCE LIST</p> <ol style="list-style-type: none"> <u>The reference list must contain different projects.</u> You cannot have same job. However, one person may evaluate several different jobs. The references for past projects must be of similar size and scope for solicited. The past projects must be <u>completed past projects</u> (no on-going or : The City will contact the references for additional information and if be contacted, there will be no credit given for that reference and you selection process. 		<p>Please list a minimum of three (3) owner references from similar completed projects within the past three (3) years whom the Materials Management Division may contact:</p> <ol style="list-style-type: none"> Company: _____ Contact: _____ Phone: _____ Address: _____ Description of Work: _____ _____ Annual Value: _____ Company: _____ Contact: _____ Phone: _____ Address: _____ Description of Work: _____ _____ Annual Value: _____ Company: _____ Contact: _____ Phone: _____ Address: _____ Description of Work: _____ _____ Annual Value: _____ 		
11-09-2010 DZ		11-09-2010 DZ		

Attachment B

Reference Information



HOW TO CREATE AND SUBMIT A REFERENCE LIST

- The reference list must contain different projects. You cannot have multiple people evaluating the same job. However, one person may evaluate several different jobs.
- The references for past projects must be of similar size and scope for the type of project being solicited.
- The past projects must be completed past projects (no on-going or substantially complete projects). Exception: if the project is for a DCR, the past projects can be for projects that have not been completed.
- The City will contact the references for additional information and clarification. If the reference cannot be contacted, there will be no credit given for that reference and your firm may be eliminated from the selection process.

Attachment C Project Assessment Plan

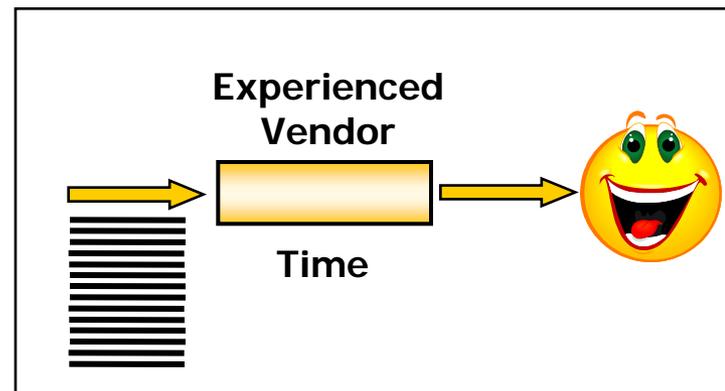
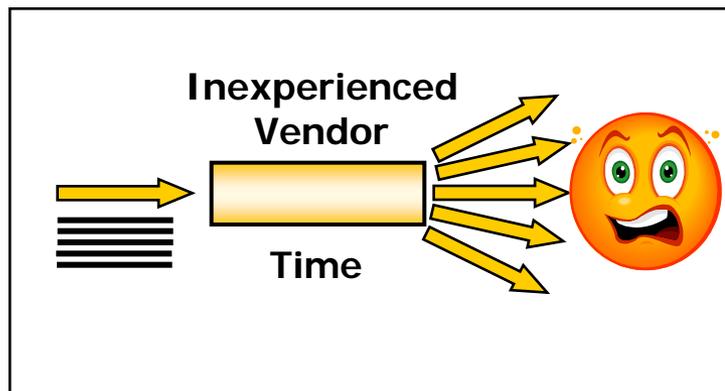


	STATEMENT OF INTEREST AND QUALIFICATIONS	Materials Management Procurement 9875 N. 85 th Ave., 2 nd Fl.
Solicitation Number: _____ A PROJECT ASSESSMENT PLAN SECTION 1 – SCOPE PLAN (Page 1 of 2) Font size should not be any smaller than 10 pt template will result in disqualification. (i.e., altering names/information that can be used to identify you may delete these instructions.)		STATEMENT OF INTEREST AND QUALIFICATIONS
ATT PROJECT ASSESSMENT PLAN This template must be used. SECTION 1 – SCOPE PLAN (Page 2 of 2) Font size should not be any smaller than 10 point template will result in disqualification. (i.e., altering names/information that can be used to identify you may delete these instructions.)	Solicitation Number: P11-0043 ATT PROJECT ASSESSMENT PLAN This template must be used. SECTION 2 - IDENTIFICATION & MINIMIZATION 10 point Times New Roman or Arial. Modifications to altering font type, adding colors, adding pictures, etc your firm. Do not exceed the 2-page limit for the Risk/Value-Added Plan. (You may delete these instructions.) Identify major risks associated with this project. You may add/delete the value tables below as necessary.	
11-09-2010 DZ	11-09-2010 DZ	11-09-2010 DZ
11-09-2010 DZ	11-09-2010 DZ	11-09-2010 DZ



Project Assessment Plan

- The PA Plan provides the vendor with an opportunity to differentiate themselves from their competitors.
- The City of Peoria is looking to hire a vendor that can minimize the greatest amount of risk to the City.
- All vendors have a certain level of vision, but highly experienced vendors should have the greatest vision (Pre-Planning).





PA Plan Format

- The PA Plan must **NOT** have **ANY NAMES** (such as contractor names, personnel names, project names, product names, or company letterhead). The PA Plans will be evaluated “blind” in order to minimize any bias.
- The PA Plan must NOT exceed **4 pages** (2 Pages for Scope, 2 pages for Risks and Value Added, then 1-2 pages for Project Duration Schedule)
- The PA Plan template must be used (vendors cannot modify the template) (i.e. do not change font size, font color, add graphics, etc)
- Do not include brochures or marketing information!
- No graphics or pictures allowed.
- The PA Plan contains 4 sections (Scope / Risks & Solutions Value Added Items / Project Duration Schedule)



PA Plan - Section 1 Scope Plan



Overview of the Scope Plan Section

- The purpose of the scope plan submittal is an opportunity for the vendor to differentiate themselves by giving a concise and well organized description of the project.
- The Scope Plan should be a succinct summary of the project and should be used to prove to the client that the vendor can visualize what they are going to do before they do it.
- The Plan should identify the major components, risks, and show vendors capability to predict, preplan, prioritize and minimize technical risks.

PA Plan - Section 2

Major Risks and Solutions



- Section 2 of the PA Plan is used to identify potential risks that may be encountered on the project.
- Risk is anything that impacts time, money, quality, or satisfaction. Risks can include things that you control and things that you do not control.
- The vendor should clearly address the following items:
 - Identify the major risks that are unique to this project
 - Explain why the risk is a risk
 - Address how the risk impacts time, money or satisfaction
 - Identify solutions to avoid / minimize the risk
- The risk/solution should be non-technical and contain no marketing



Things to Avoid

■ Marketing data:

- *Our company is known worldwide as a leader in quality construction.*
- *We will use our long history to make sure the project is a success.*
- *We will use state-of-the-art process to make it a success.*

■ Technical data:

- *The roofing system we propose has 200% elongation and 600psi tensile strength.*
- *The product will pass the ASTM-568a test.*
- *A 50-year system will reduce water by 17,500 gallons per foot.*

■ Transferring risk back to client:

- *We will work with the owner to resolve issues*
- *We will have team meetings / partnering meeting with the owner*

■ General risks and/or general solutions:

- *Safety and security is the biggest risk*
- *We will plan ahead to coordinate activities*
- *We will plan ahead to get permits*
- *We will order material early in the project*

Example of Risk

Risk: Concrete Escalation



■ PA Plan 1

- The owner can be assured all risks associated with material

NO MARKETING INFORMATION

escalations will be eliminated because we offer the benefit of an experienced project team that includes the most detailed, prequalified and extensive list of subcontractors and suppliers, from around the world.

■ PA Plan 2

- The cost of concrete has been rising drastically. Since this project requires a substantial amount of concrete, cost is a risk. To minimize this risk, we have secured and signed a contract with a local concrete manufacturer to prevent any increase in cost during the duration of this project.

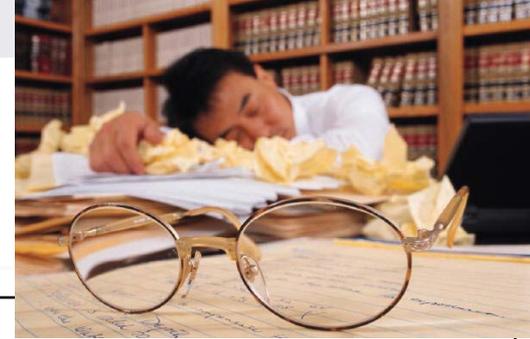


Example Risk: There is a lack of overall physical and visual access to the park site, this can create an unsafe environment.

- Solution 1- Create a design theme that will physically and visually enhance access through signage and imagery
- Solution 2- The park site is currently walled off at 93rd Drive. By taking down this wall as part of the design the park will be opened up to neighborhood views, which will increase security. A wide perimeter jogging trail will be designed to allow police to drive through the park, this too will increase security.

Solution 2 shows the vendors ability to think like the owner and identify potential issues that can be minimized during the design stage. There was the risk that the city could be creating a park that would attract illicit behavior. Solution 2 stated how these problems would be minimized

Evaluating Risks “Quality” vs “Quantity”



Major Risk Items

Risk 1:	Disruption of library staff
Solution:	We can identify the shelves we will be working on in advance
Risk 2:	A 2950 lumen lamp is not as bright as a 3150
Solution:	We will use a 3150 lamp
Risk 3:	The existing ballasts are hazardous materials
Solution:	We can dispose of them
Risk 4:	The existing lamps are hazardous materials
Solution:	We can dispose of them

Major Risk Items

Risk 1:	There are sprinkler pipes and heads only 12” above the light fixtures we will be retrofitting. If a head gets hit with a ladder, conduit, or lamp, it is possible that the sprinkler could go off and damage the books on the shelves.
Solution:	We have contacted a sprinkler contractor that will provide us with plastic sprinkler head guards. We will install these guards in the areas we will be working in.

Do Not Write An Essay!

404 Permitting Can Impact the Cost and Schedule



- The Phase 1 design will include contacting the Master Planned Community developer/engineer to determine if the WTP site was included in their Master Planned Community 404 delineation and permit. If the WTP site wash was delineated as Waters of the U.S. and is not an allowable disturbance under the Master Planned Community permit, the site will be designed to the 404 wash limits. If the WTP site was not included in the Master Planned Community 404 delineation, a separate WTP site delineation will be prepared and submitted to the U.S. Army Corps for review. If the WTP delineation results in the wash determined as Waters of the U.S., a Nation Wide Permit 39-Commercial and Intentional developments is applicable. The site plan layout will account for design constraints under the NWP39 requirements. This case may result in recoverable site area by designing storm drain facilities to convey the wash (or portion of the wash) bisecting the site. If the WTP site wash is not documented as Waters of the U.S., the 404 wash disturbance requirements will not apply. This case may result in recoverable site area by designing storm drain facilities to convey the wash bisecting the site.

PA Plan - Section 3

Value Added Options



- Section 3 of the PA Plan is used to identify potential Value Added Options that the Vendor feels may apply to this project.

- Value Added Options may:
 - Increase/Decrease cost
 - Increase/Decrease project duration
 - Increase/Decrease quality
 - Increase/Decrease customer satisfaction
 - Increase/Decrease maintenance

- All Value Added Options must clearly address why the item adds value to the client, or why it should be considered.

- The City will accept/reject VAO prior to award

Value Added Options

Must Explain Why It Adds Value



-  *Deduct 10% if you substitute the T-2 system for the T-3. The T-2 system is 5% less brighter. (Too Technical)*
-  *If we change the adhered EPDM to 2-ply peel and stick, it would raise our cost by 25%. This is a new system and as far as I know has not been installed in Minneapolis. This would be an experimental roof, and we would not want our reputation damaged if problems arise.*

Value Added Options

Must Explain Why It Adds Value



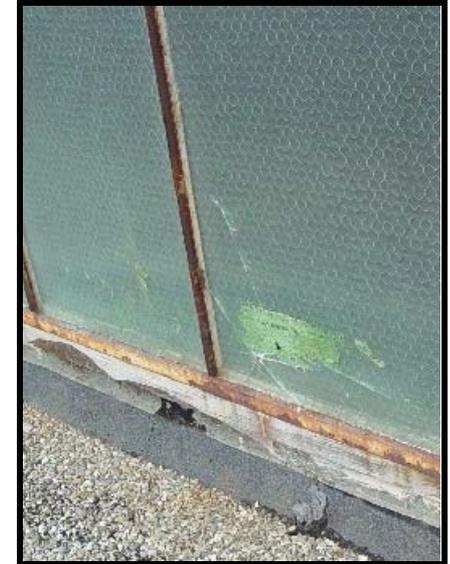
- *The building requires three different types of roofing systems (asphalt, shingles, and single-ply). For an additional 5%, we can use one high-performing manufacturer to provide and warranty all three systems. There is no additional impact to schedule, but the Client will have one company providing the warranty on the entire building.*
- *The current design calls for a substantial number of cast-in-place box culverts. This requires us to create forms (which may be difficult in specific locations), and then we will have to wait for the concrete to cure. If we can use pre-cast culverts we can save approximately 10% and reduce overall schedule by 5%. Pre-cast culverts can be made to the same requirements as the cast-in-place culverts.*





Value Added Options

Must Explain Why It Adds Value



- Reroofing this building will not stop all water leaks. The majority of the leaks are caused by cracks in the parapet walls, broken/missing glass, and poor caulking. For an additional \$20K and 3 weeks in schedule we can replace and repair all of these items.

Attachment D Project Duration Schedule



	STATEMENT OF INTEREST AND QUALIFICATIONS		Materials Management Procurement 9875 N. 85 th Ave., 2 nd Fl. Peoria, Arizona, 85345-6560
		STATEMENT OF INTEREST AND QUALIFICATIONS Solicitation Number:	Materials Management Procurement 9875 N. 85 th Ave., 2 nd Fl. Peoria, Arizona 85345-6560 Phone: (623) 773-7115 Fax: (623) 773-7118
<p><i>This template is a placeholder only.</i></p> <p style="text-align: center;">ATTACHMENT D PROJECT DURATION SCHEDULE (Design and AE Only)</p> <p><i>This template is a placeholder only.</i></p> <p>Overview of the Project Duration Schedule (1-2 Pages) Provide a detailed Ganitt style project schedule (1-2 pages, 8.5 X 11 only), which clearly conveys milestones, design activities, equipment pre-purchase, permitting processes, City approval process, construction and project close-out. Assume a design and pre-construction phase Notice to Proceed date of (see SIQ). Delineate clearly the two project efforts showing any points of inter-dependence and their respective completion dates. The 1-2 page project schedule is in addition to the 4 page project assessment plan. <i>You may delete these instructions or attach a separate page(s) for the Project Duration Schedule.</i></p>			

11-09-2010 DZ

11-09-2010 DZ

Attachment D

Project Duration Schedule

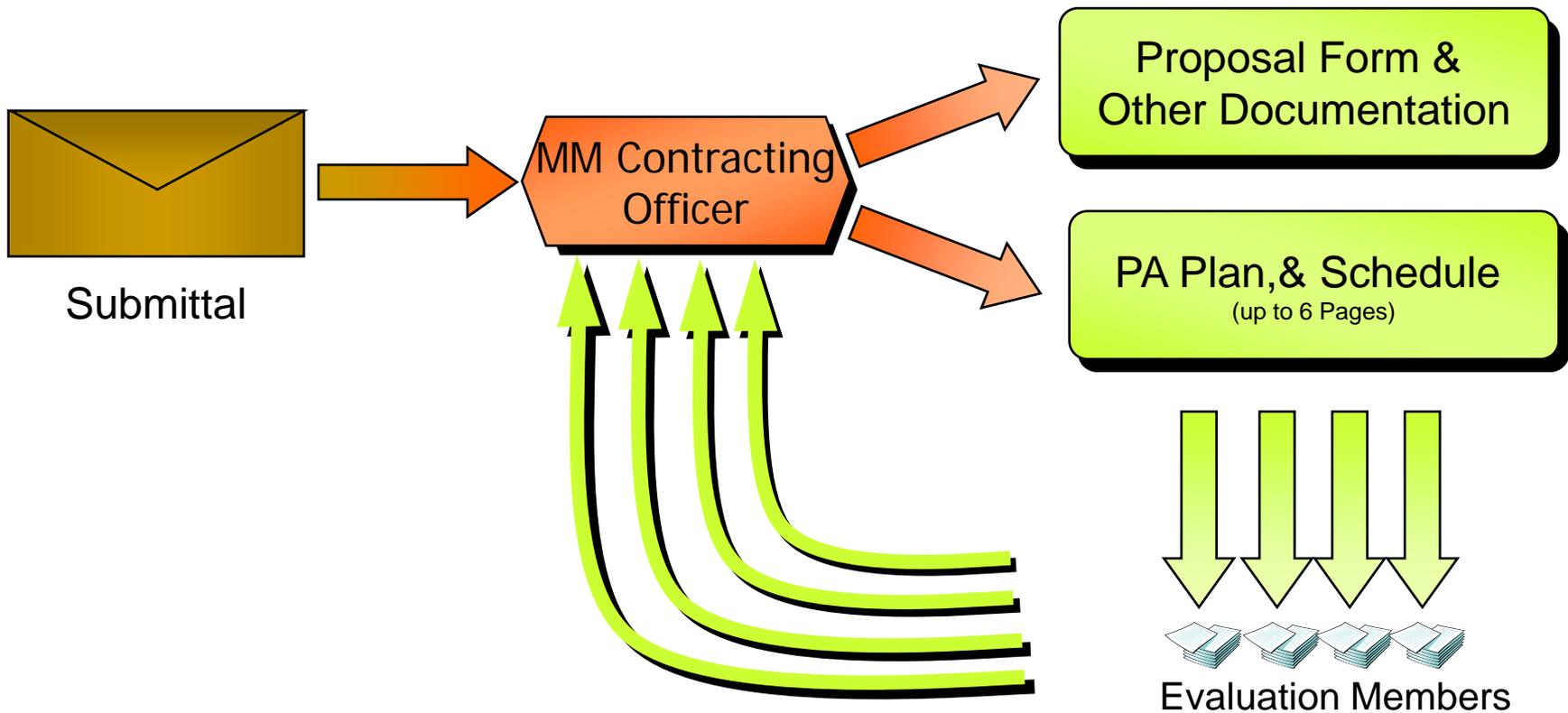


- 1-2 page Project Duration Schedule
 - Gantt style project duration schedule for design only that conveys major milestones, design activities, permitting processes and City approval processes.

- The document shall NOT contain any names or information that can be used to identify who the Vendor is.

- All submittals including the project schedule must be 8 ½ X 11 black ink only, no graphics or pictures.

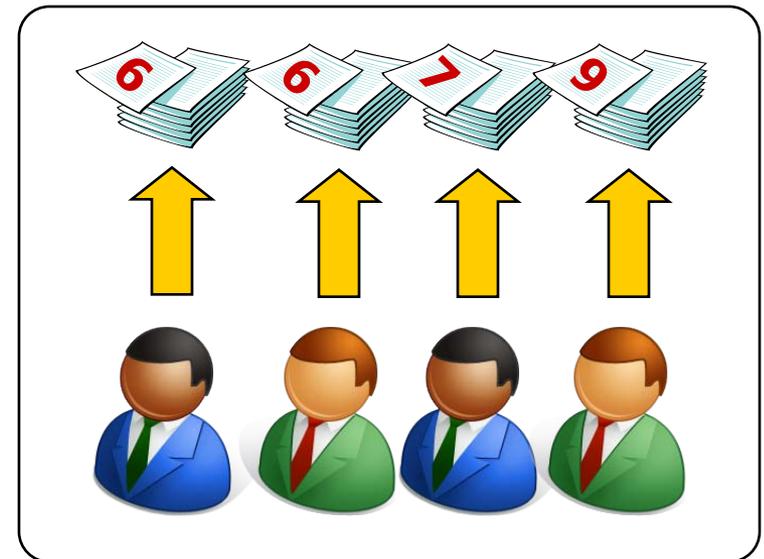
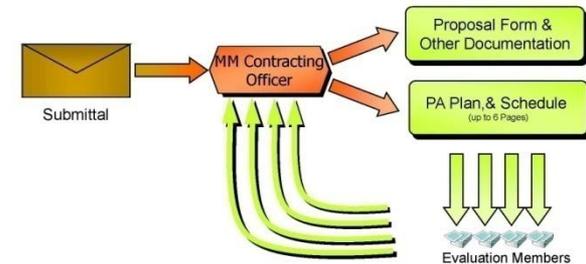
How The Submittal Process Works



Rating Process



- Evaluation committee shall not receive any identifying information to review
- Evaluation Committee shall only receive coded PA Plans
- Evaluation Committee will rate the plans individually (not a group rating)
- Plans will be rated comparatively to one another (no preset criteria)





PA Plan Summary

- The PA Plan is 4 pages maximum
- The PA Plan must NOT contain any names.
- The PA Plan becomes part of the final contract.
- The PA Plan provides a high performing vendor an opportunity to prove their expertise & prove they are not a commodity.
- You must use the attached PA Plan Template
- The vendor should identify major risks to this project and unique solutions that minimize the risks. You are the expert...minimize risk (cost, time, quality)

SOQ Requirements

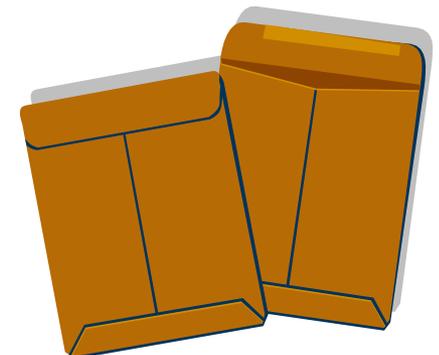


1. Attachment A – Proposal Form
 - (1 Page / Name okay)

2. Attachment B – References Form
 - (1 Page / Name okay)
 - Reference list is submitted with the package to Materials Management on or before the due date

3. Attachment C – Project Assessment Plan
 - 4 Pages / No Names!!! (2 pages for Scope - 2 pages for RA/VA)

4. Attachment D – Project Duration Schedule
 - 1-2 page Project Duration Schedule



Interview



- The City will interview all of the **critical individuals** proposed on this project (and may ask for additional individuals if necessary)
- The City will interview the individuals **separately** and as a group
- Generally, interview times should last 15 minutes per individual.
- A standard set of questions will be generated and asked to each individual. The City reserves the right to clarify any answers (or ask additional questions to clarify an answer). The City may request clarification of statements made in the vendors PA Plan.

Interview



- All proposed team members MUST be available for interview on the date specified in the solicitation. No substitutes or proxies will be allowed. Individuals who fail to attend the interview will not be given a score which may jeopardize the firm's competitiveness.
- For this project, Firms may bring up to two additional team members at their discretion to the interview. These additional team members will only be allowed in the interview during the Firm's 15-minute presentation and will not be interviewed or scored. The purpose of this is to allow Firms to bring in up to two team members whom they feel are important to this projects success.

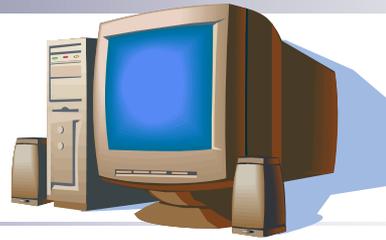


Criteria & Weights

- **Pass/Fail** = Responsive (All requirements in proper format)
- **45 %** = Interviews
- **25 %** = Project Assessment Plan (Risk / Value Added)
- **25%** = Scope Plan
- **5%** = Project Duration Schedule
- **Pass/Fail** = References



Modeling



- The City of Peoria uses a simple linear data model to score and rank the vendors. The model uses raw data scores with a 1-10 rating, then normalizes those scores to a 100 point basis, then multiplies by the weighted percentage for the final score and ranking. Example: $8.1 = 81 \times 45\% = 36.45$.

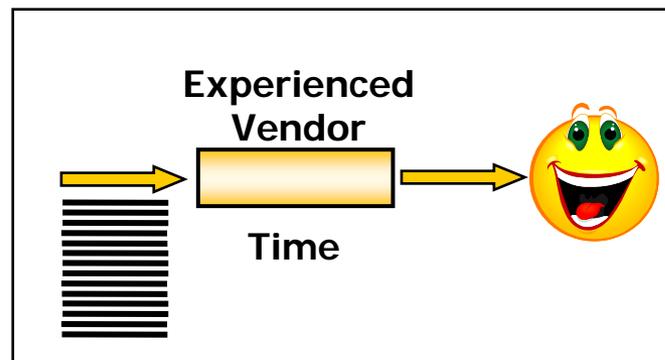
Example:

No	Criteria	Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score	Weight
		Vendor A	Vendor A	Vendor B	Vendor B	Vendor C	Vendor C	
1	Responsiveness	Pass	Pass	Pass	Pass	Pass	Pass	Pass/Fail
2	Interview Score	8.1	36.45	7.8	35.1	8.3	37.35	45%
3	Scope Plan	5.6	14	6.1	15.25	7.8	19.5	25%
4	RA/VA Plan Score	9.1	27.30	9.7	29.10	9.5	28.50	30%
5	References	Pass	Pass	Pass	Pass	Pass	Pass	Pass/Fail
			77.75		79.45		85.35	100%
	Final Ranking		3		2		1	
			Vendor A		Vendor B		Vendor C	



Pre Award Phase

- Performed by only **1** firm (the potential best-value)
- The objective is for the firm to:
 - Preplan the project
 - Minimize risk before the project begins
 - List of all risks that the firm does not control, along with a plan to minimize the risk
 - List of all client actions / tasks that the firm requires from the client (name, due date)
 - Coordinate / preplan the project before the project begins
- The Client does not want to be surprised after award is made. If the Client is surprised, this will impact the firms final rating.





Pre Award Phase

- Step 1: Pre Award Kick Off Meeting
 - Watch a detailed tutorial of Pre Award Phase
 - Review all vendor risks and City concerns

- Step 2: Pre Award Period
 - Preplan project
 - Coordinate
 - Minimize all risk
 - Identify risk that vendor does not control

- Step 3: Pre Award Final Meeting
 - Review the Pre Award Document
 - Not a Q&A meeting

Contract Award



- Upon successful completion of Pre Award Phase, the City will proceed to issue an Award
- Final award does not require Council approval.



Weekly Reporting System

- Excel Spreadsheet that tracks only unforeseen risks on a project
- Client will setup and send to contractor once Award/NTP issued
- Vendor must submit the report every week (Friday).
- Vendors final project rating will be impacted by the accuracy and timely submittal of the WRS
- The report does not eliminate or replace any traditional weekly reports / progress meetings
- Report allows the vendor to track and document all client decisions or risks outside of the vendors control. The report also allows the City to document the performance of every project.

Final Rating



- After the project is complete, the client will evaluate the project.
- The Final Rating will be heavily impacted by:
 - Change orders
 - Project delays
 - Poor quality
 - Owner surprises
 - Complaints
 - Ability to accurately fill out and submit weekly report
- The final rating will be used towards future City of Peoria projects and could modify the teams evaluation up or down.
- Projects that take longer than 1-year to complete, will get yearly reviews until project is complete.



Schedule



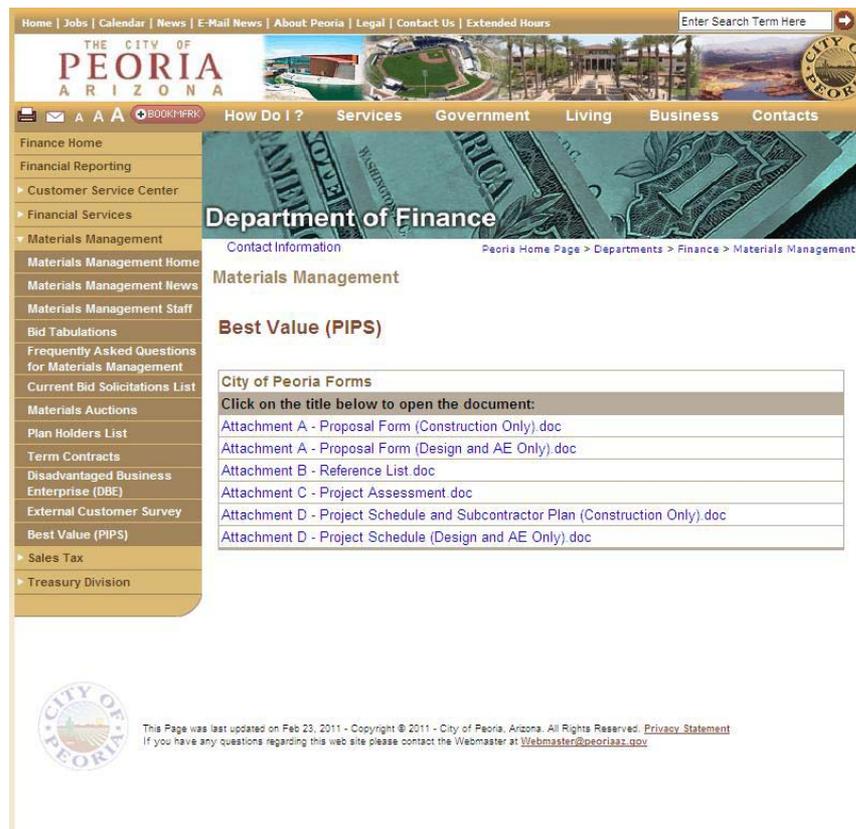
- Submittals Due March 8, 2011
- Notification of Interviews March 22, 2011
- Interviews March 31, 2011
- Final List April 4, 2011
- Pre Award Meeting April 12, 2011
- Award April 26, 2011

Peoria Website - Attachments



www.peoriaaz.gov/procurement

Click on Best Value (PIPS)



The screenshot shows the City of Peoria website's Procurement page. The header includes navigation links: Home | Jobs | Calendar | News | E-Mail News | About Peoria | Legal | Contact Us | Extended Hours. A search bar is present with the text "Enter Search Term Here". The main navigation menu includes: How Do I?, Services, Government, Living, Business, and Contacts. The left sidebar contains a "Finance Home" menu with items: Financial Reporting, Customer Service Center, Financial Services, Materials Management, Materials Management Home, Materials Management News, Materials Management Staff, Bid Tabulations, Frequently Asked Questions for Materials Management, Current Bid Solicitations List, Materials Auctions, Plan Holders List, Term Contracts, Disadvantaged Business Enterprise (DBE), External Customer Survey, Best Value (PIPS), Sales Tax, and Treasury Division. The main content area is titled "Department of Finance" and "Materials Management". Under "Materials Management", there is a section for "Best Value (PIPS)" with a sub-section "City of Peoria Forms". A table lists documents for download:

Click on the title below to open the document:
Attachment A - Proposal Form (Construction Only).doc
Attachment A - Proposal Form (Design and AE Only).doc
Attachment B - Reference List.doc
Attachment C - Project Assessment.doc
Attachment D - Project Schedule and Subcontractor Plan (Construction Only).doc
Attachment D - Project Schedule (Design and AE Only).doc

At the bottom of the page, there is a footer with the City of Peoria logo and the text: "This Page was last updated on Feb 23, 2011 - Copyright © 2011 - City of Peoria, Arizona. All Rights Reserved. [Privacy Statement](#) If you have any questions regarding this web site please contact the Webmaster at Webmaster@peoriaaz.gov"

Website Tutorials



WWW.PBSRG.COM

Click on "PIPS"
Click on "City of Peoria"

The screenshot shows the Arizona State University (ASU) Performance Information Procurement System (PIPS) website. The header includes the ASU logo and the text "ARIZONA STATE UNIVERSITY". Below the header, the main title is "PERFORMANCE INFORMATION PROCUREMENT SYSTEM" with the subtitle "A Best Value Selection System". Navigation tabs include "PIPS Overview", "Current PIPS Projects", "Testimonials & Results", and "Video Tutorials". The main content area is titled "CITY OF PEORIA, AZ" and includes a "Print this page" link. Under "General Overview", there is a paragraph describing the PIPS process and a photograph of a playground. Under "Pilot Projects", there is a table with three rows of project data.

No	Project	Type	Date	Awarded Cost	Status
1	Reconstruction / Renovations of City Hall	DB	7/25/07	\$12,700,000	In Progress
2	Pinnacle Peak Public Safety Facility	DB	7/25/07	\$3,000,000	In Progress
3	Municipal Court Expansion	DB	7/25/07	\$9,200,000	In Progress

Comments / Questions



Christine Finney

[christine.finney@peoriaaz.gov]