

# Best Value Procurement

City of Peoria

P11-0004

Job Order Contracting for

**COMMERCIAL  
REHABILITATION  
PROGRAM**

**Lisa Houg**

Contract Officer – City of Peoria



9-2-2010  
JOC



# 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.

# Owner's Expectations





# Submittal Documents

- Attachment A – Proposal Form (1 page)
- Attachment B – Reference List (1 page)
- Attachment C – Project Assessment Plan (4 pages)
- Attachment D – Subcontractor Selection Plan (1 page)
- Project Schedule (1 page)
- Design Rendering (1 page)

# Attachment A Proposal Form



## STATEMENT OF INTEREST AND QUALIFICATIONS

Solicitation Number: P11-0000

Materials Management  
Procurement  
9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 772-7118

### ATTACHMENT A PROPOSAL FORM

Name of Job Order Contractor (Firm): \_\_\_\_\_  
 Program Manager (Individual) \_\_\_\_\_  
 Project Superintendent (Individual) \_\_\_\_\_  
 Estimator (Individual) \_\_\_\_\_

Individual project bonding capacity: \$ \_\_\_\_\_  
 Total bonding capacity: \$ \_\_\_\_\_  
 Amount of bonded contracts currently in process: \$ \_\_\_\_\_

The Project Assessment Plan must NOT contain any information that may identify the Contractor or critical team members.

-----

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Printed Name of Contractor Representative

\_\_\_\_\_  
Signature of Contractor Representative

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City / State / Zip

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Fax

\_\_\_\_\_  
Date

\_\_\_\_\_  
E-mail Address

# Attachment B

## Reference Information



- 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).
- The City will contact the references for additional information. 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 B Reference List



## STATEMENT OF INTEREST AND QUALIFICATIONS

Solicitation Number: P09-0000

Materials Management  
Procurement  
9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6580  
Phone: (623) 773-7115  
Fax: (623) 773-7118

### ATTACHMENT B Reference List (continued)

Please list a minimum of three (3) owner references from similar projects completed within the past three (3) years whom the Materials Management Division may contact:

1. Company: \_\_\_\_\_  
Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_  
Description of Work: \_\_\_\_\_  
Contract Value: \_\_\_\_\_
2. Company: \_\_\_\_\_  
Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_  
Description of Work: \_\_\_\_\_  
Contract Value: \_\_\_\_\_
3. Company: \_\_\_\_\_  
Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_  
Description of Work: \_\_\_\_\_  
Contract Value: \_\_\_\_\_

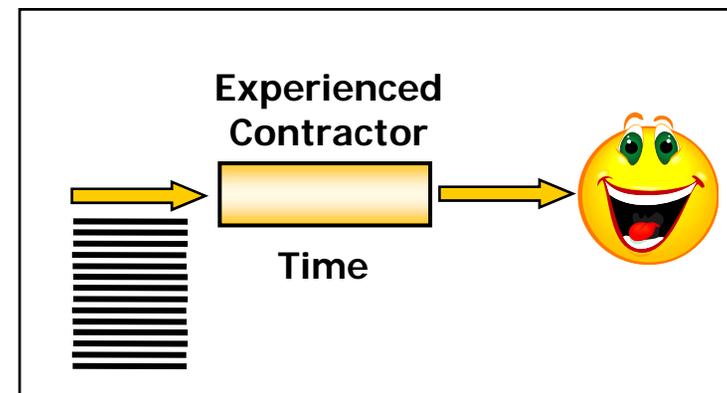
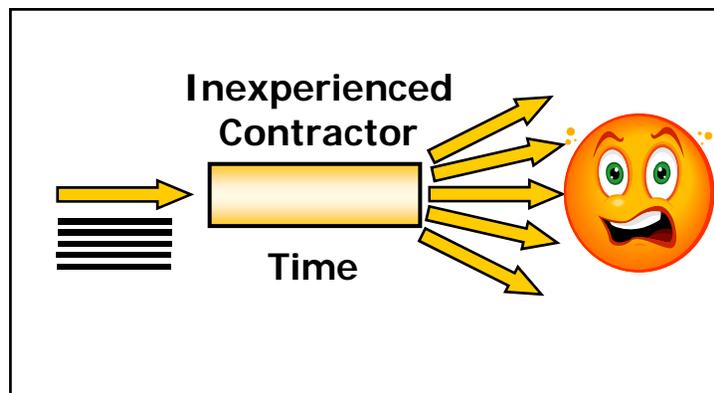
07-28-2010 DZ





# Project Assessment (PA) Plan

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





# 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 includes 2 pages for Scope Plan, 2 pages for Risks and Value Added, 1 page for Subcontractor Selection Plan, 1 page for Project Duration Schedule and 1 page for the Design Rendering.
- The PA Plan templates 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!





# PA Plan – Scope Plan

## *Overview of the Scope Plan Section*

- The purpose of the scope plan submittal is an opportunity for the contractor 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 contractor can visualize what they are going to do before they do it.

# PA Plan – Major Risks and Solutions



- 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 contractor 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



### ■ RA Plan 1

- The owner can be assured all risks associated with material 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.

### ■ RA 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 of Risk

## Risk: Noise from Demolition

---



### ■ PA Plan 1

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

### ■ PA Plan 2

- We have planned the demolition during off hours and weekends. This will have a slight impact on our cost (less than 1%), but we feel the impact to customer satisfaction justifies this. We will also install rubber sheets on the floors to diminish noise and vibrations. Both solutions can be done within your budget.

# Example of Solutions

## Risk: Getting water to the site



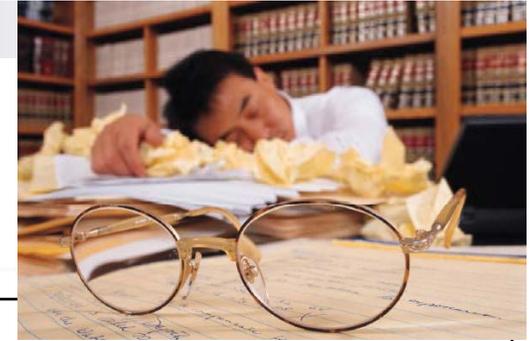
### ■ PA Plan 1

- Coordination with [water company] is critical. We will coordinate and plan with [water company] as soon as the award is made to make sure that we get water to the site to irrigate the fields.

### ■ PA Plan 2

- We will coordinate and schedule the water with [water company]. However, based on past experience there is a high risk they will not meet the schedule. We will have temporary waterlines setup and ready to connect to the nearby fire hydrant to irrigate until [water company] is ready. We will also have water trucks on-site if there is problems with connecting the lines. Both solutions can be done within your budget.

# Evaluating Risks “Quality” vs “Quantity”



## Major Risk Items

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

## Major Risk Items

<b>Risk 1:</b>	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.
<b>Solution:</b>	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 - Value Added Options

- The PA Plan is used to identify potential Value Added Options that the Contractor 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.



# 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.*
-  *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 the overall schedule by 5%. Pre-cast culverts can be made to the same requirements as the cast-in-place culverts.*



# PA Plan - Subcontractor Selection Plan/Project Schedule/Design Rendering



- 1-page Subcontractor Pre-Qualification plan describing your subcontractor pre-qualification process as required per ARS 34-603
- Avoid marketing or common statements
  - *We have a list of best contractors*
  - *We will review the subcontractors experience*
  - *We will select the best-value / best price*
  - *We will prequalify subcontractors*
- Project Duration Schedule that conveys major milestones, design activities, permitting processes and City approval processes.
- Design Rendering similar to Exhibits.



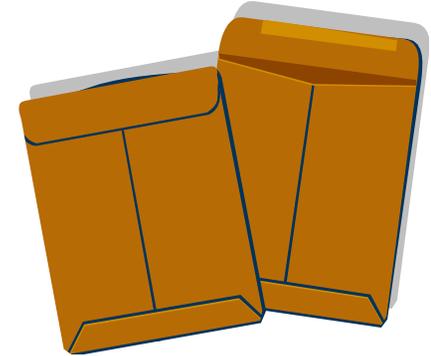
# PA Plan Summary

- The PA Plan is 7 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 contractor an opportunity to prove their expertise & prove they are not a commodity.
- You must use the PA Plan Templates.

# SOQ Requirements



1. Attachment A – Proposal Form
  - (1 Page / Names okay)
2. Attachment B – Reference List
  - (1 Page / Names okay)
3. Attachment C – Project Assessment Plan
  - Scope Plan, Risks & Solutions and Value Added Options (2 pages for Scope - 2 pages for RA/VA)
  - Subcontractor Selection Plan ( 1 Page)
  - Project Schedule (1 Page)
  - Design Rendering (1 Page)





# 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
- 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 PA Plan.
- 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.



# Criteria & Weights

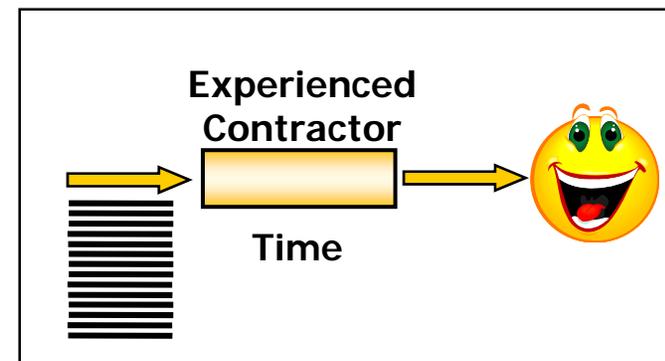
- **Pass/Fail** = Responsive (All requirements in proper format)
- **25 %** = Project Assessment Plan (Risks/Solutions and Value Added)
- **25%** = Scope Plan
- **5%** = Subcontractor Selection Plan/Project Schedule/  
Design Rendering
- **45%** = Interviews
- **Pass/Fail** = References





# Pre Award Phase

- Performed by only **1** contractor (the potential best-value)
- The objective is for the contractor to:
  - Preplan the project
  - Minimize risk before the project begins
  - List of all risks that the contractor does not control, along with a plan to minimize the risk
  - List of all client actions / tasks that the contractor 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 contractors final rating.



# Contract Award



- Upon successful completion of the Pre Award Phase, the City will proceed to issue and Award.
- Final award does not require Council approval but individual Jobs issued by the City may 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.
- Contractor must submit the report every week (Friday).
- Contractor final project rating will be impacted by the accuracy and timely submittal.
- The report does not eliminate or replace any traditional weekly reports or progress meetings.
- Report allows the contractor to track and document all client decisions or risks outside of the contractors 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 September 22, 2010
- Notification of Shortlist October 5, 2010
- Interviews October 18, 2010
- Final List October 20, 2010
- Pre Award Meeting October 25, 2010
- Council Award Not Required

# Comments / Questions



Lisa Houg

[Lisa.Houg@peoriaaz.gov](mailto:Lisa.Houg@peoriaaz.gov)