Public Procurement Strategies for Construction and Effectiveness

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Panel Convened November 2, 2016
Opening the doors of the University to nontraditional adult learners
Goal

To share relevant and actionable information (without duplicating unnecessarily what you heard in the previous webinar)
Outline

• My relevant experience
• The context of sustainable, building-related procurement
• The procurement cycle
• A performance-based scope of work
• Keys to success
• Your questions
My Relevant Experience

- Local Government Procurement Practitioner
- NIGP’s Director of Research and Education
- Education Mgr., World Bank Corporate Procurement
- Professor, Academic Program Manager, & SME

- Co-Generation
- Energy Performance Contracting
- Performance-Based Contracting, Generally
- Sustainable Procurement
- Beneficial Re-Use
The Context of Our Topic

The Strategic Management of Local Government

Sustainability as a Strategic Goal

Strategic, Sustainable Procurement as a Means to Achieve for this Goal

What Is
What Ideally Could Be
What Can Be
On-Site Capabilities
Off-Site Resources
The Body of Experience
Environmental Elements
# The Procurement Cycle

(Adapted from Rene Rendon’s Six Phase Model – for the full paper from which the content of this slide was adapted, see https://www.instituteforsupplymanagement.org/files/Pubs/Proceedings/GGRendon.pdf)

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<td>1. Determine and define the requirements (performance and other).</td>
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<td>2. Conduct market research and/or convene pre-solicitation conference.</td>
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<td>3. Develop preliminary WBS and SOW and/or specifications.</td>
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<td>4. Develop preliminary budget and cost estimates.</td>
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<td>5. Preliminarily consider contract type, assess risks, and identify t’s and c’s.</td>
<td>1. Determine contract type</td>
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<td>2. Determine construction delivery method.</td>
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<td>3. Develop proposal evaluation criteria and identify award strategy (low bid versus best value).</td>
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<td>4. Structure contract t’s and c’s</td>
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<td>5. Finalize WBS and SOW and/or specs</td>
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<td>6. Assemble the solicitation document (Use cross-functional teams.)</td>
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<td>1. Conduct pre-proposal conference, if required.</td>
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<td>2. Receive proposals</td>
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<td>3. Classify the proposals received as acceptable, potentially acceptable, or acceptable.</td>
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<td>1. Provide notice.</td>
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<td>2. Apply evaluation criteria to management, cost, &amp; technical components of acceptable proposals.</td>
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<td>3. Engage in discussions with the short-listed offerors.</td>
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<td>4. Execute the contract award strategy.</td>
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<td>1. Conduct pre-performance conference</td>
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<td>2. Measure the contractor’s performance.</td>
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<td>4. Manage and control contract changes.</td>
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<td>5. Measure and report the contractor’s performance (cost, schedule, performance).</td>
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<td>6. Review project milestones.</td>
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<td>2. Process final contractor payments.</td>
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<td>4. Conduct post-project audit/review.</td>
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<td>5. Capture, feed back, and share lessons learned.</td>
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A Performance-Based SOW – A Statement of Objectives (SOO)

The elements should include:

• The purpose/intent of the solicitation
• The required performance outcomes
• Other responsibilities of the contractor
• Constraints on how the contractor can perform
• Responsibilities of the public entity
• Incentives to be provided and/or that can be proposed
• Instructions re the content and format of proposals
• How the proposals will be evaluated
• How the contractor’s performance will be evaluated
(Performance) Outcome Objectives

These speak to:

- What the contractor must get done (not do)
- What the contractor must enable others to get done

The public entity may specify an applicable performance measurement standard, the minimum performance requirement based on that standard, and/or the measurement procedure or it may require the respondent to include one or more of these things in its proposal. It depends . . .
Performance Requirements in SOWs Can Take Other Forms

An obvious example: A public entity may specify that a particular machine or device to be used by the contractor to achieve a specified performance outcome objective must consume no more than a maximum number of units of fuel based on a consensus measurement standard applied using a consensus measurement procedure.
Keys to Success

These include, in no necessary order:

• Competent and reliable contractors/contractor teams
• The right mix of competent and reliable individuals on the government “side” of the contract in the right positions and doing the right things at the right times
• A qualified, independent proposal evaluation panel
• Consideration (during proposal evaluation) of the competencies and past performance of the:
  • proposed team as a whole
  • each member of the proposed team
  • each key individual proposed to be involved
• Timely, civil, appropriate, and equitable resolution of issues at the lowest possible level
• A commitment to quality and continuous improvement
Comments and Questions

• Now
• Later

The presenter can be contacted:
• by email at sbg3u@Virginia.edu
• by phone at (703) 536-1132