

# The Best-Value XPD Approach

## Implementing the 'Next Practices' in Procurement

### Overview

The **Expertise-based Project Delivery (XPD)**<sup>™</sup> is a complete procurement and project delivery approach. Rigorously tested and refined over the past 2 decades, the **XPD**<sup>™</sup> approach has been utilized on over \$6 Billion in projects and services including: design & engineering, construction, IT software & hardware, business services, financial services, facility operations, and more. As many organizations struggle to consistently attract high-performing vendors, the **XPD**<sup>™</sup> approach utilizes innovative procurement techniques to attract higher quality teams and increase the probability of awarding your contracts to them.

### Key Personnel Drive Success

Research has found that successful projects and services have a common theme – the expertise and quality of the individuals (the actual people) that were assigned to the project or service. These critical individuals are far more important than the name of the company that signed the contract. High quality individuals are driven to be successful. The **XPD**<sup>™</sup> approach is highly focused on the expertise of the team that will be assigned to performing your project or service.

### Anonymous Proposals

Improving the 'fairness' of your procurement environment is essential in attracting higher quality vendors, and increasing the quality of proposals that are submitted. Many vendors believe that Owners have 'favorite' vendors, and that the award will be made to the same firm(s) that have consistently won in the past. This perception (whether real or not) impacts the number of vendors that propose, the quality of vendors that propose, and the quality of the proposals themselves.

In the **XPD**<sup>™</sup> approach, Vendors are instructed to provide anonymous proposal. No company names, staff/personnel names, product names, or past project names are permitted in the evaluated documents. This allows evaluators to score the documents based on the merits of the document itself, and not based on the company name.

This simple technique has shown to attract more firms, increase the quality of proposal contents, and improve the competitiveness of small and disadvantaged businesses.

### Limited Pages

As the frequency of poor performing projects or services increases, the natural reaction is to add more and more proposal requirements on future solicitations. Owners are now asking themselves, "How do we evaluate all of this material?" In many procurements, proposals can be 50-100 pages long, which can result in evaluators 'skimming' through the documents.

In the **XPD**<sup>™</sup> approach, the evaluated proposals are limited to 2-5 pages. This allows the evaluators to actually read the entire proposal, and also provides an advantage to the higher-performing firms. This approach has been tested on thousands of procurements of various sizes (up to \$1 Billion), and has proven to be highly successful.



### How This Works

#### Phase 1: Best Value Procurement

The primary goal of the best value **XPD**<sup>™</sup> approach is to clearly differentiate expert vendors from their competitors based upon price & performance criteria. What are the best criteria to differentiate vendor expertise? The data is clear: project performance is primarily driven by the capability of key individual project team members and their ability to identify, prioritize, and minimize project risk.

Streamlined criteria include vendor proposals that (1) precisely identify their project-specific capability, (2) identify and prioritize key project risks and associated solution strategies, and (3) assess any value added options that are offered. A process for interviewing each vendor's key team members is normally included, along with data-driven past performance information on those individuals and the vendor firm in general.

A key principle underlying best value procurement is that it is the responsibility of the each vendor to differentiate themselves from their competition. All evaluation criteria are optimized efficiently differentiate project-specific expertise while minimizing evaluation bias. Explicit templates and formats are provided. In order to facilitate a fair and transparent procurement process, a blind evaluation procedure is utilized where vendor proposals and pricing components do not contain any identifying information.

alignment of stakeholder expectations and helps minimize problems before they happen.

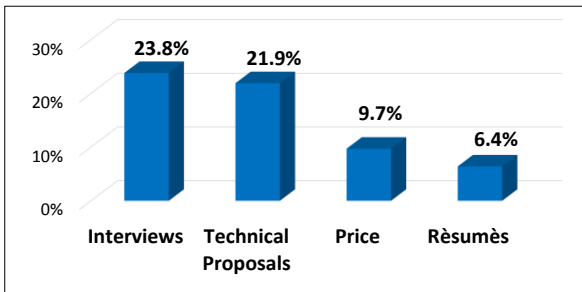
#### Impact of Pre-Award & Clarification

- Reduce Schedule Delays by **10%-70%**
- Reduce Cost Increases by **20%-70%**
- Increase Owner Satisfaction by **30%-80%**

#### No Contractual Changes

The best 'contract' is one that neither party ever has to read once an award is made. Partnering with a high performing team increases the probability of success, thereby minimizing the odds of invoking contract terms and conditions. The XPD™ approach focuses primarily on the selection. No changes or modifications are ever required to the standard Contract that the Owner has utilized in the past. Once again, the Owners current Contract or Agreement, will still be utilized on all XPD™ procurements.

**Differentiating Proposals:  
Average Range in Owner Evaluation Scores**



*To learn more about the XPD™ approach contact the Simplar Institute.*

#### Phase 2: Pre-Award & Clarification

Once the highest-rated vendor is identified, their project team leads a brief, yet rigorous, project planning process with the owner's team. The structured approach: (1) facilitates the vendor team's ability to lay out the optimal approach & schedule for delivering the project, (2) proactively addresses project risks and mitigation strategies, and (3) coordinates all support and resources the owner team is responsible for providing throughout the project's duration.

The Pre-Award Planning and Clarification process provides owners with greater comfort and clarity around what exactly they are buying. Yet the vendor also benefits by gaining the ability to optimize the project's delivery before the contract is even signed. The process results in greater