

Becoming a Client of Choice:

Developing Savvy Facility Professionals in Procuring Design and Construction Services



Outline

- Evaluating design & construction team qualifications
- Fostering collaboration in the procurement process
- Clarifying project expectations BEFORE signing the contract

Mission

- Group of **researchers and educators**
- Integrate with **all parties** (owners & suppliers)
- Developed tools to **enhance** project delivery:
 - Procurement & Sourcing
 - Planning & Risk Management
 - Performance Measurements & Project Controls
 - Organizational Transformation



20+ Years | 100+ Owners

2,500+ Projects | \$11+ Billion Procured

Information Technology

Networking
Data centers
Hardware
COTS software
ERP systems

Help desk services
eProcurement

Facility Management

maintenance
landscaping
security service
building systems
industrial moving
waste management
energy management

custodial
conveyance
pest control

Health Insurance/ Medical Services

Manufacturing

Business/Municipal/ University Services

dining
multi-media rights
fitness equipment
online education
document management
property management
audiovisual
communications systems
emergency response systems
laundry

retirement fund
material recycling
bookstores
furniture

Construction/Design/ Engineering

Infrastructure	Renovation	DBB
Municipal	Repair	CMAR
Laboratory	Maintenance	DB
Education	Roofing	IDIQ
Hospital	Demolition	JOC
Financial	Development	Low Bid
Specialty	Supply chain	IPD

Google



TREMCO



uOttawa



Environment
Protection
Authority Victoria



Recent Facilities & Services Projects

- Dining (Multiple) (\$150k - \$1.2B)
- Cold Beverages (\$2-\$5M)
- Document Mgt/Printing (\$2.5M-\$4M)
- Bookstore (\$650M)
- Travel Management (\$15M-\$50M)
- Campus Network (\$52M)
- Identity Access Management System (\$2M)
- Retirement Fund Management (\$248M)
- Athletics Financial IT System (\$3M)
- Recycling & Waste Management (\$900k)
- Janitorial (\$25M)
- Security Services (\$25M)
- Peoplesoft HR, Financial, etc. (approx. \$850k per system)
- Security System IT (\$5M)
- Library System Master Plan (\$400k)
- Gym Equipment (\$250k)
- Sports Marketing (\$80M)
- Furniture (\$50K-\$20M)
- Construction Services (\$50K - \$30M)
- Parking Management System (Tech & IT) (\$2M)
- Elevator Maintenance (\$1.5M)
- Snow Removal (\$400K)
- Transportation Services (Athletics) (\$300k)
- Linen, Moving, IT Consultants, Finance Controls, Master Planning, Renovations, Pcard System, etc.

**Just because something is
written in a contract
does not make it so**

Proven Solution To Increase Odds of Success On ANY Project: **Hire & Work w/ Experts**

**(High Performing Individuals & Teams That
Actually Know How To Create Value & Mitigate Risk)**

This Is **Not As Simple**
As It Sounds

There Is A Fundamental
Problem With Our
Traditional Approach
To Project Delivery

Step 1: Issue our Scope of Work





Our Research...

- Hire Experts and Leverage their Expertise!!!
- Expertise lies within the individual people on the team
- People make the difference because only individuals can...
 - determine the effectiveness of the delivery method
 - properly plan and identify risk
 - bring innovation
- Non-experts can bring...



Evaluating Team Qualifications

Challenge With Using RFPs/RFQs...

Can Still Result In Low-Performance!



A problem has been detected and windows has been shutdown to prevent damage to your computer.

win2k.sys
DRIVER_IRQL_NOT_LES_OR_EQUAL

If this is the first time you've seen this stop error screen, restart your cmputer, If this screen appears again, follow these steps:

Check to make sure any new hardware or software is properly installed. If this is a new installation, ask your hardware or software manufacturer for any windows updates you might need.

If problems continue, disalbe or remove any newly installed hardware or software. Disable BIOS memory options such as caching or sahadowing. If you need to use Safe Mode to remove or disable componets, restart your computer, press F8 to select Advanced Startup options, and then select safe mode.

Technical information:

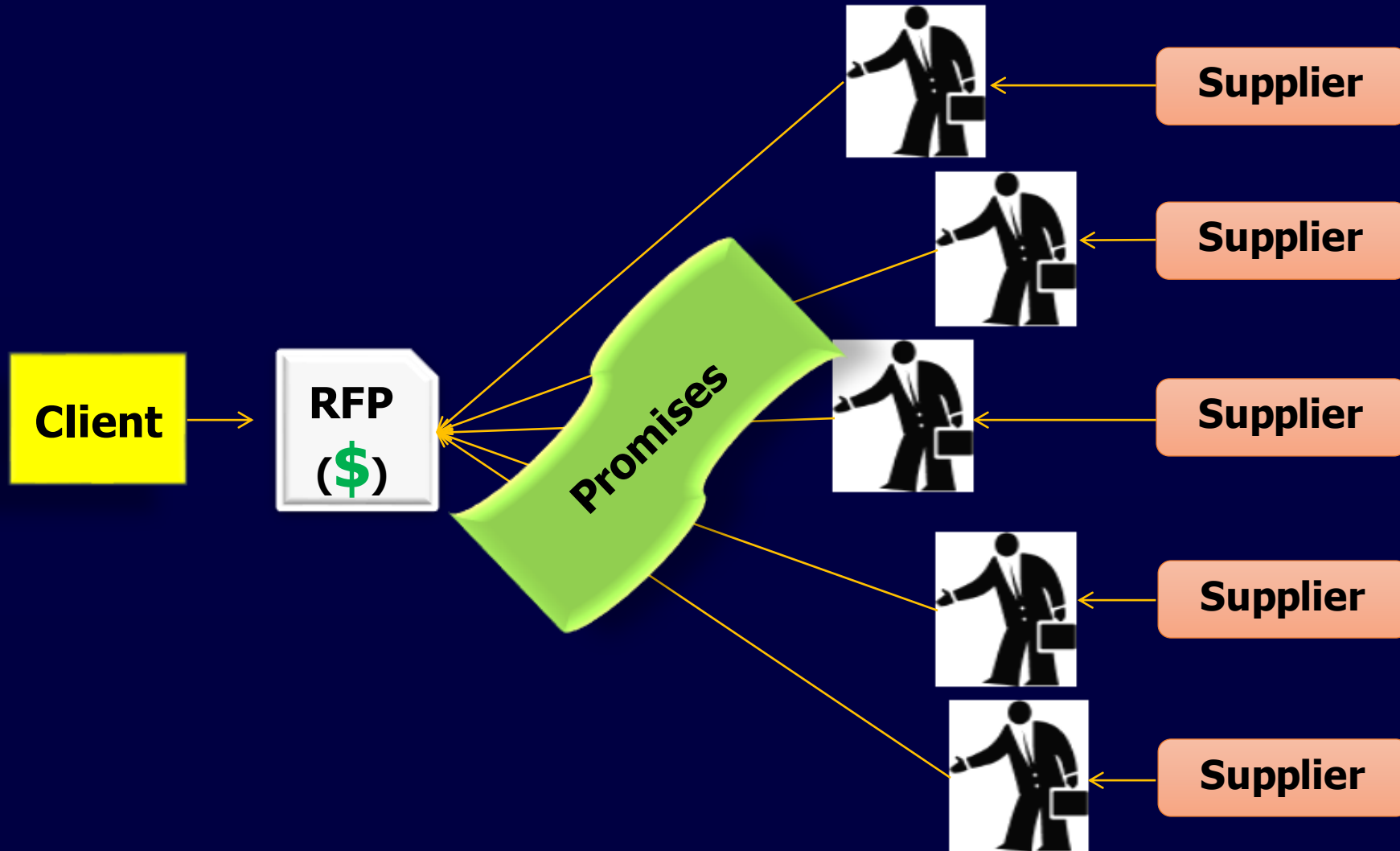
*** STOP: 0x0000001C (0x00000004,0x8054354FC0, 0x008200000,0X0070F0F)

Beginning dump of physical memory
Dumping physical memory to disk: 100
Physical memory dump complete.
Contact your system admin or technical support group for further assistance.

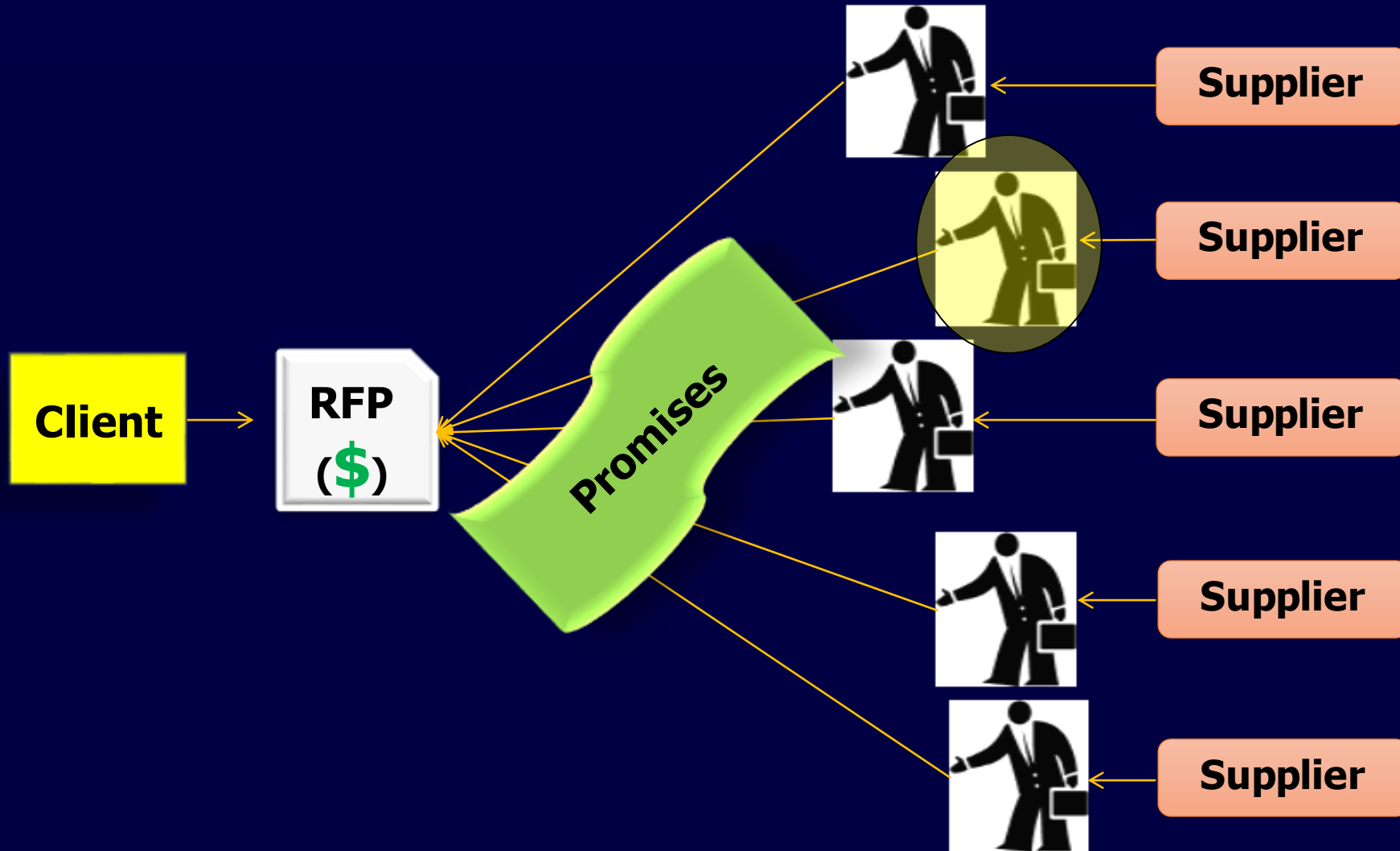
Challenge:

**How to Identify
the Best Team?**

What we have seen...



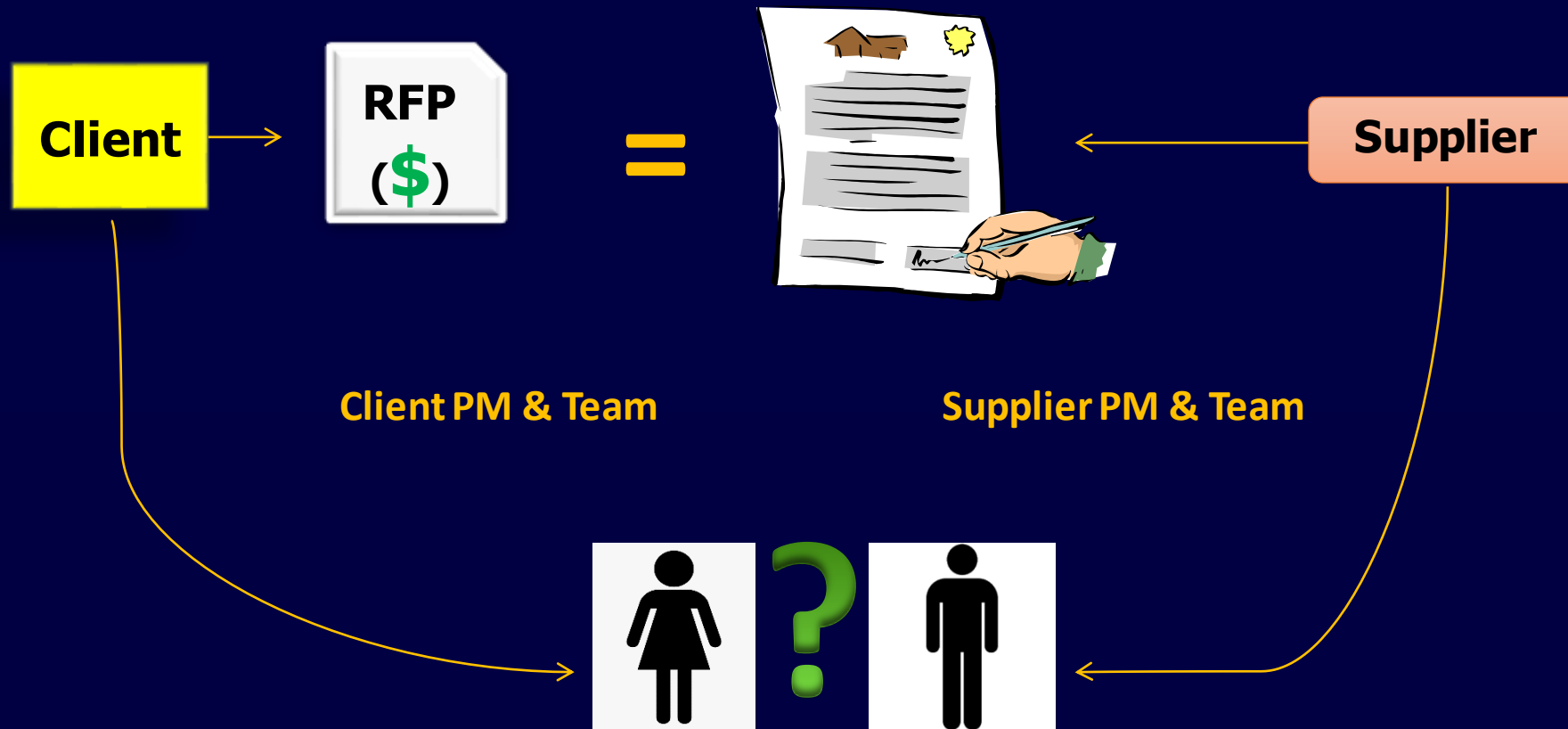
What we have seen...



What we have seen...



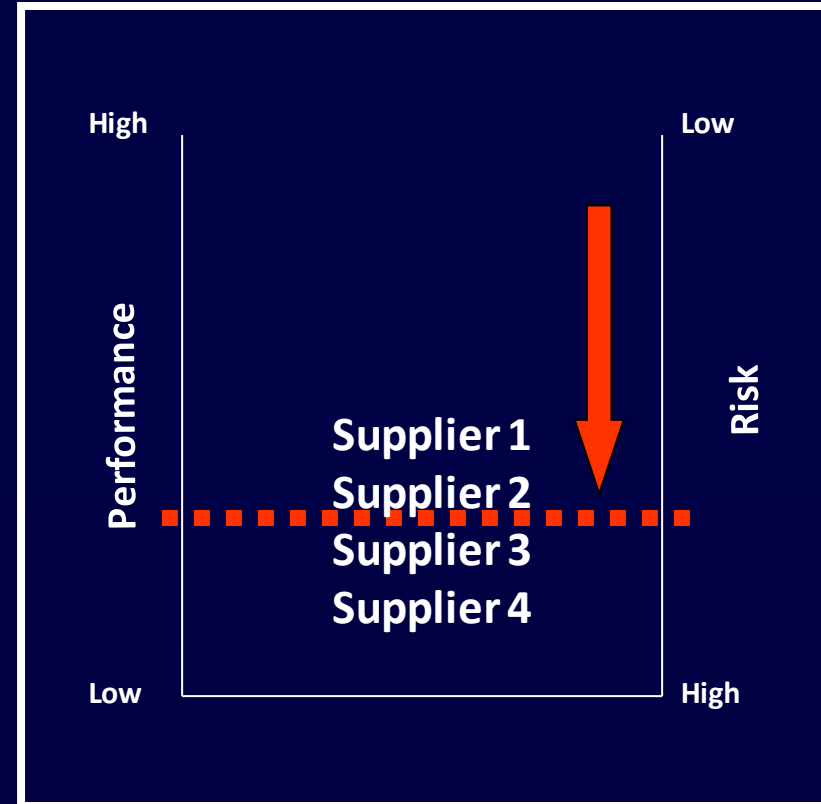
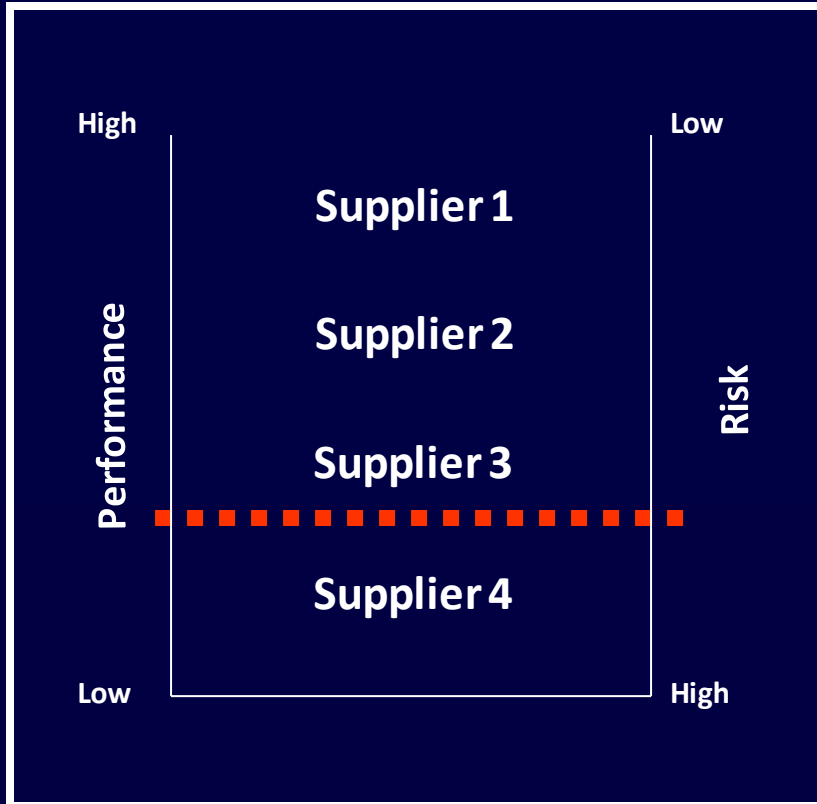
What we have seen...



Challenge:

Clients who are
Focused on Lowest Price

Impact of the Usual Approach



Problem with the Usual Approach

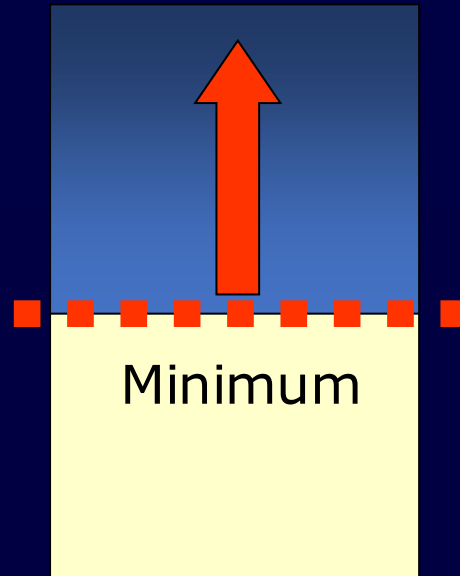
Clients

"The lowest possible quality that I want"

High

Performance

Low



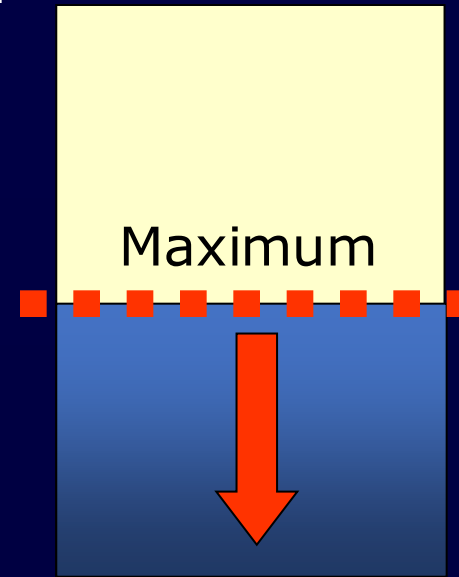
Suppliers

"The highest possible value that you will get"

High

Performance

Low



Challenge:

A “Hot” Market

=

Competition... Among Clients!

Client Dangers in a Hot Market

- **Higher probability of getting lower performance**
- **Previous good relationships can become strained**
 - “Market” gets blamed for the lower performance/issues
- **More entry and expansion**
 - Lower quality work being added
 - Less skill, less training
 - More delays, more rework
- **Client has more risk, more effort falls to internal client project management**
 - Client runs the project, makes more decisions
 - Client manages risk and feels they must own and lead through the risk
 - (Allows even lower performing Suppliers to operate in the system)
- **Fewer bidders (and they know it)**
 - Cost go up

Clients, or Buyers of Construction,
are in competition with each other
for the same limited pool
of skilled personnel

Activity: Who Should We Select?



#1

Safeguarding the health and safety of our people and customers is our moral responsibility and essential to the success of our business. We have worked hard to establish a safety culture where our people instinctively take individual and collective responsibility for their own safety and that of those around them, and act accordingly

#2

From the
make su
hard to
feel uns
to creat

Who CLEARLY stands out?

operations, we
employees. We work
ion in which they
t we can continue

Who makes you feel really comfortable with their plan?

#3

Health and safety is a core value. We are committed to a global health and safety culture and world class health and safety performance. We know that integrating health and safety into everything we do minimizes risk to people and property.

Example of Solutions

Risk: *Owner's Budget (DB Residence Hall)*



**Generic Marketing Information
NOT a Plan**

**Will say whatever they think the client
wants to hear in order to get the job**

Example of Solutions

Risk: **Owner's Budget (DB Residence Hall)**



- Team 3's Plan

- The Owner's budget cannot accommodate the building program per the requirements. See the Value Added plan for options to reduce the cost and still met client objectives
- *From the Value Plan:* We have identified multiple Value Added options that enable us to meet the budget and still deliver the required number of beds (in order to maximize owner revenue streams):
 - Removal of underground parking – \$2,054,717 savings
 - Design efficiency opportunities: Adjust net-to-gross ratios in targeted areas of building program (hallways, common spaces). Reduction in building footprint results in significant material savings – net savings \$1,686,149
 - Reduction in certain finishes (wall panels vs. dry wall) – \$67,000 savings

Think about it... what are you TRULY interested in?

- They can tell me what could go wrong on this project
- How much it is going to cost
- They understand how to meet the needs of my end users

XPD

Expertise-Driven Project Delivery



Procurement
Fundamentals

**Open
Fair
Transparent
Value**

- **Alternative approach to traditional procurement and delivery**
- **Developed across 1000s of real procurements**
- **Maximizes: Openness, Fairness, Transparency, Value**
- **Demonstrates “Good Client” behaviors and attracts high-performers**

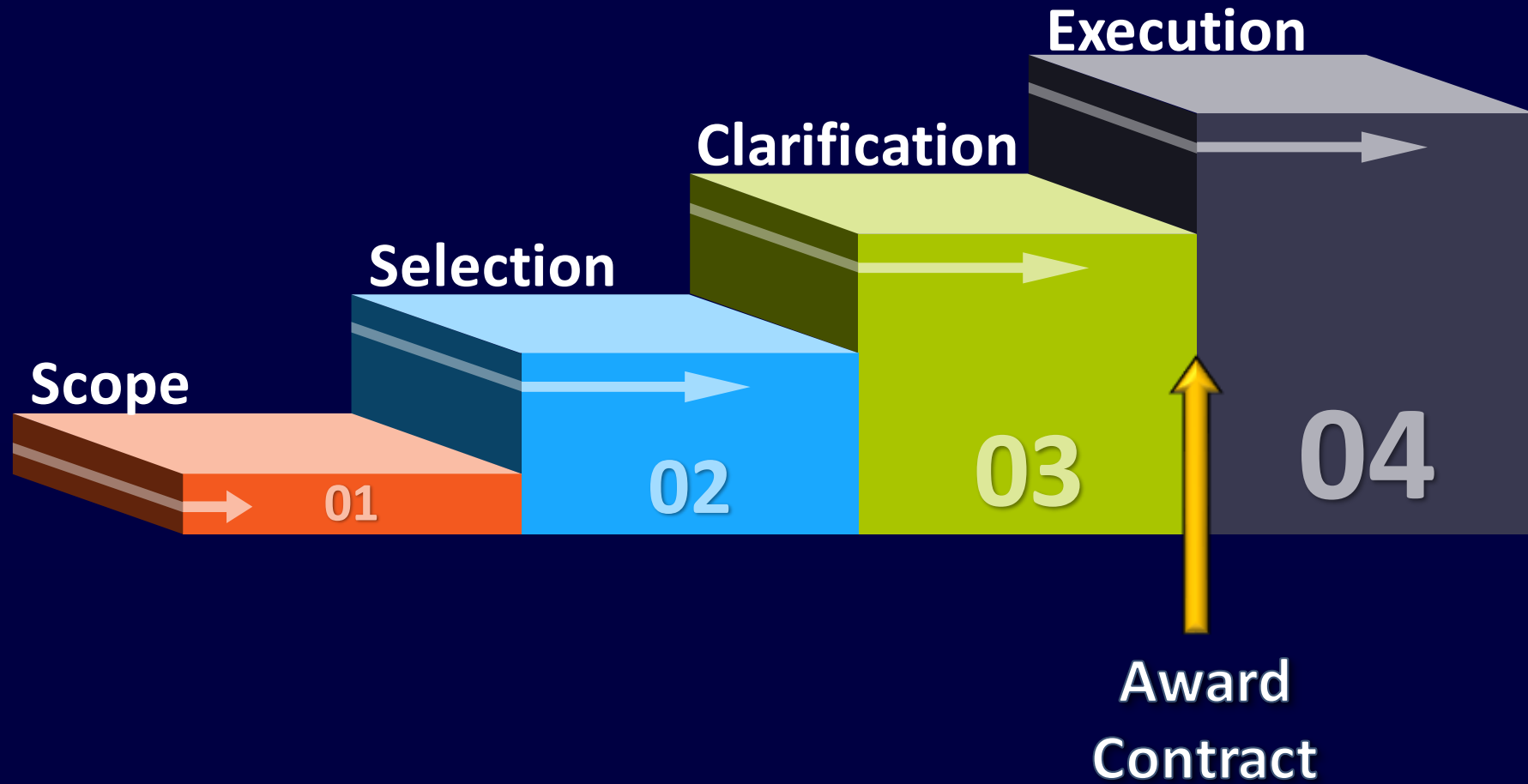
Major Findings Incorporated into our XPD Process

1. Compete Expertise: Risk and Value
2. Blind Evaluations – Make it Fair
3. Focus on the People
4. Keep it Short (Proposal Page Limits)
5. Plan Before you Sign

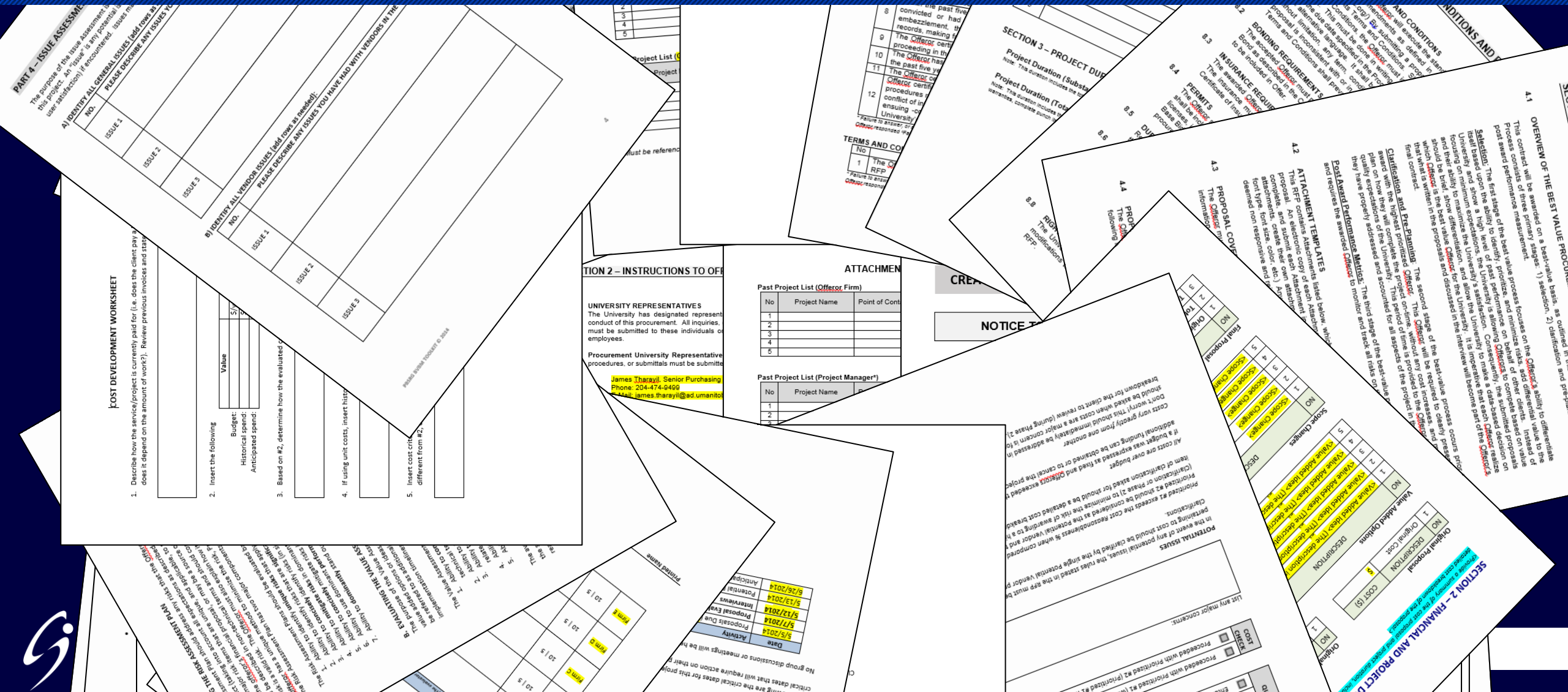
All have associated training, processes, and tools/templates

Solution

Expertise-Based Project Delivery (XPD)



Templates, Tools, and Processes



Awarding To Expertise

XPD



The Written Proposal

Best Practice Requirement

- The evaluated proposal documents

MUST NOT contain

any names that can be used to identify who the Proposer is.

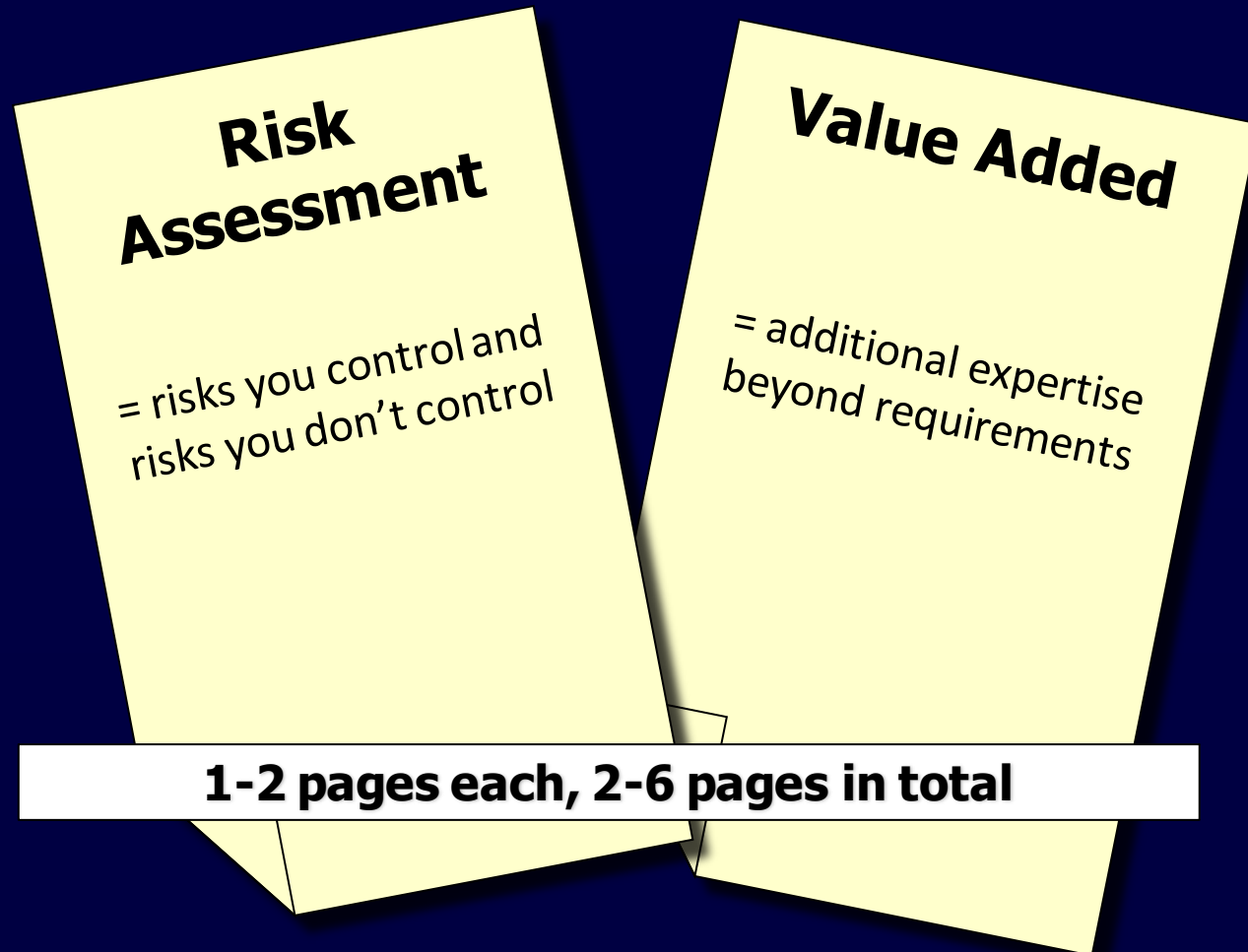
- Including: company names, personnel names, project names, or product names.



Example of Differentiating Expertise:

Risk & Value as Written Submittals

Blind Evaluations: standard templates, no modifications, and no names.



Risk Assessment

- Identify and prioritize all major risks
- Risk = Time / Money / Satisfaction
- Controllable vs Non-Controllable



Risk Assessment Template

Typical Risk Assessment Template

SCHEDULE 8	
Project Capability Part 2: Risk Assessment	
<p>This template must be used – a separate document in MS Word is posted for use. Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). You <u>may</u> add/delete additional rows to identify additional risks, solutions, and value added options, but do not exceed the 2-page limit. (You may delete these instructions.)</p>	
<p>Schedule 8 Project Capability Part 2: Risk Assessment (Major Risks)</p>	
<p>All cost impacts associated with these risks/solutions must be included in your base cost.</p>	
Risk 1:	
Why is it a Risk?	
Solution:	
Risk 2:	
Why is it a Risk?	
Solution:	
Risk 3:	
Why is it a Risk?	
Solution:	
Risk 4:	
Why is it a Risk?	
Solution:	
Risk 5:	
Why is it a Risk?	
Solution:	
Risk 6:	
Why is it a Risk?	
Solution:	
Risk 7:	
Why is it a Risk?	
Solution:	
Risk 8:	
Why is it a Risk?	
Solution:	

Risk Assessment Example



- **RISK:** Without adequate training, users may not comprehend how to use the new system.

- **VENDOR 1 Solution**

We will provide a thoughtful training plan that offers creative ways to drive change management and enhance learning retention. Our implementation approach also empowers the Client to deliver ongoing training assistance to the user community to keep utilization of the system effective.

- **VENDOR 2 Solution**

We have devised a training program that we have successfully executed on our past 7 implementations. We place users in a 1hr training (we will provide users with laptops that have the system pre-loaded), and follow up with a brief exam. Any user that scores below an 80%, we will then target them for additional hands on training. This approach has lead to an overall adoption rate of 95% in less than 3 months.

Risk Assessment Example

- **RISK:** The University has stated that the new construction to the cafeteria can be completed on-time. Any construction delays to the main cafeteria will impact our ability to generate food/dining revenue.



- **VENDOR 1 Solution**

From our experience, 30% of all major campus renovations are delayed by a minimum of three months. To mitigate the loss in revenue, we will:

- Bring in sophisticated mobile trailers (which will provide high-end meals, along with fast food options for students on-the-go)
- We will place these trailers around high traffic areas, and we will install signage around campus to generate awareness.

At a similar University that had experienced construction delays, we were able to use these trailers to generate revenue during the 4 month delay.

Risk Assessment Example



- **VENDOR 1**

RISK: The local water company must have the water turned on by June in order for us to water the newly installed recreational fields (or the grass will die).

SOLUTION: We will coordinate and plan our schedule with the water company as soon as the award is made to make sure that we get water to the site to irrigate the fields.

- **VENDOR 2 Solution**

RISK: The local water company must have the water turned on by June in order for us to water the newly installed fields (or the grass will die). On past projects, the water company has failed to meet the schedule 90% of the time.

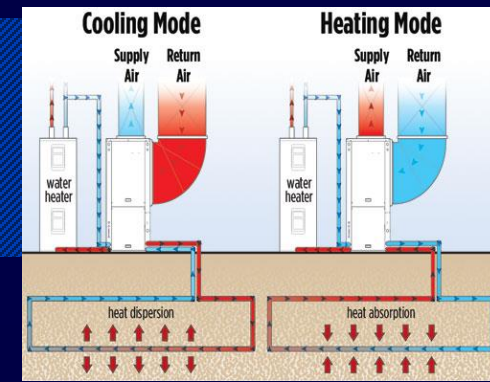
SOLUTION: To minimize this risk, we will coordinate our schedule with the water company as soon as we are awarded the project. If they fail to meet our schedule, we can connect temporary waterlines to the nearby fire hydrants, or we can also rent water trucks to irrigate the fields.

Documenting Past Performance

Risk Description:	Inadequate flood protection.
Description:	Our hydraulics analysis may show that solutions from previous studies do not provide adequate flood protection and hydraulic capacity for the drainage way. This would change the design parameters. This negatively affects our design budget and delivery schedule.
Strategy:	<p>We will amend the breach analysis to include the proposed project in addition to the hydraulics analysis of the corridor to identify the appropriate hydraulic capacity needs and flooding potential.</p> <p>Client satisfaction of 100% on 20 Hydrology projects within the last 4 years. 42,450 miles of Hydrology analysis, 49,500 miles of flood hazard mapping. On these projects, client satisfaction rating of 100% on schedule and budget management.</p>

Example of Solutions

Risk: *Design of Heating/Cooling System*



- Team 1's Plan

- We will use our 20 years of experience in working with mechanical systems to minimize the risk of the heating and cooling system design.

- Team 2's Plan

- We have identified the design of the heat/cooling system as a risk. It has not been used before in the area. Will ensure that the system performance and installation is verified in the pre-award period.
- We have bid using best rated mechanical contractor in the area (rated at 9.8 out of 10.0, next best rated 9.1)
- Mechanical contractor identified modifications to the design to improve output and sustainability of the system with the following impacts (mechanical system cost minimized by 15% - see VA#1)
- Mechanical system will be provided by one manufacturer, and will be commissioned by the manufacturer, contractor, and general contractor, who will take full responsibility of commissioning the system

Value Assessment Plan

- Opportunity to identify any added value
- This may include ideas or suggestions on alternatives in implantation strategies, timelines, project scope, equipment, goals, financing, etc.
- NOT included in the cost proposal.

Value Assessment Template

Typical Value Assessment Template

		SCHEDULE 9	
		Project Capability Part 3: Value Added	
<p>This template must be used – a separate document in MS Word is posted for use. Modifications to the format of this template may result in disqualification (i.e. altering font size, altering font type, adding colours, adding pictures, etc.). You <u>may</u> add/delete additional rows to identify additional risks, solutions, and value added options, but do not exceed the 2-page limit. (You may delete these instructions.)</p>			
<p>Schedule 9 Project Capability Part 3: Value Added Options</p>			
<p>All cost impacts associated with this value added options must NOT be included in your premium.</p>			
Item 1:	Impact:	Cost (\$)	
Item 2:	Impact:	Cost (\$)	
Item 3:	Impact:	Cost (\$)	
Item 4:	Impact:	Cost (\$)	
Item 5:	Impact:	Cost (\$)	
Item 6:	Impact:	Cost (\$)	
Item 7:	Impact:	Cost (\$)	

Example: Value Items



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 \$10,000 & 2 weeks in schedule, we can repair/replace all of these issues to minimize all water leaks.

Fostering Collaboration During Procurement

Traditional Presentation Process?



Key Personnel Interviews



- Interview the personnel individually not as a team
- 20-30 Minutes per person
- General Questions:
 - Background and experience
 - What differentiates you personally
 - What differentiates your key personnel

Key Personnel Interviews



- Conduct an actual 'interview' (not presentation)
- No notes, handouts, presentation material
- Interview 2-4 key personnel (primary and secondary)
 - **Project Manager & Site Superintendent**
 - **Lead Designer & Lead Architect**
 - **Project Lead & Integration Lead**

Whiteboard Exercise

XPD

- Layout the project/service from start to end
- Identify areas of greatest risk/concern
- What is the plan for those
- Anything that you need from us



“I have no idea why I am here today”... “My boss called me last night and told me to show up for this interview” - \$10 Million Project

“I did not participate at all in preparing our proposal” - \$3 Million Project

“I am not currently employed by this company, but if we win this project, they will then hire me” - \$25 Million Service Project

“I have never managed a project of this size/scope” - \$30 Million Project

“There is no risk on this project” - \$5 Million IT Project

“The greatest risk that I always face, is how to accomplish all of the things that our sales team promised we could do” – \$5 Million Cleanroom Design

LEDUC County Project Background

- Budget: **\$27M** | 3.3KM
 - Single largest project County has ever done
- 4-lane Highway + Water Main
 - 300,000m³ Earthwork
 - 46,000T Asphalt
 - 91,000T Aggregate
 - 110,000m² Subgrade
- Highest Ranked contractor:
 - \$1M in proposed cost-saving initiatives
 - Awarded 45% below budget



Assessment

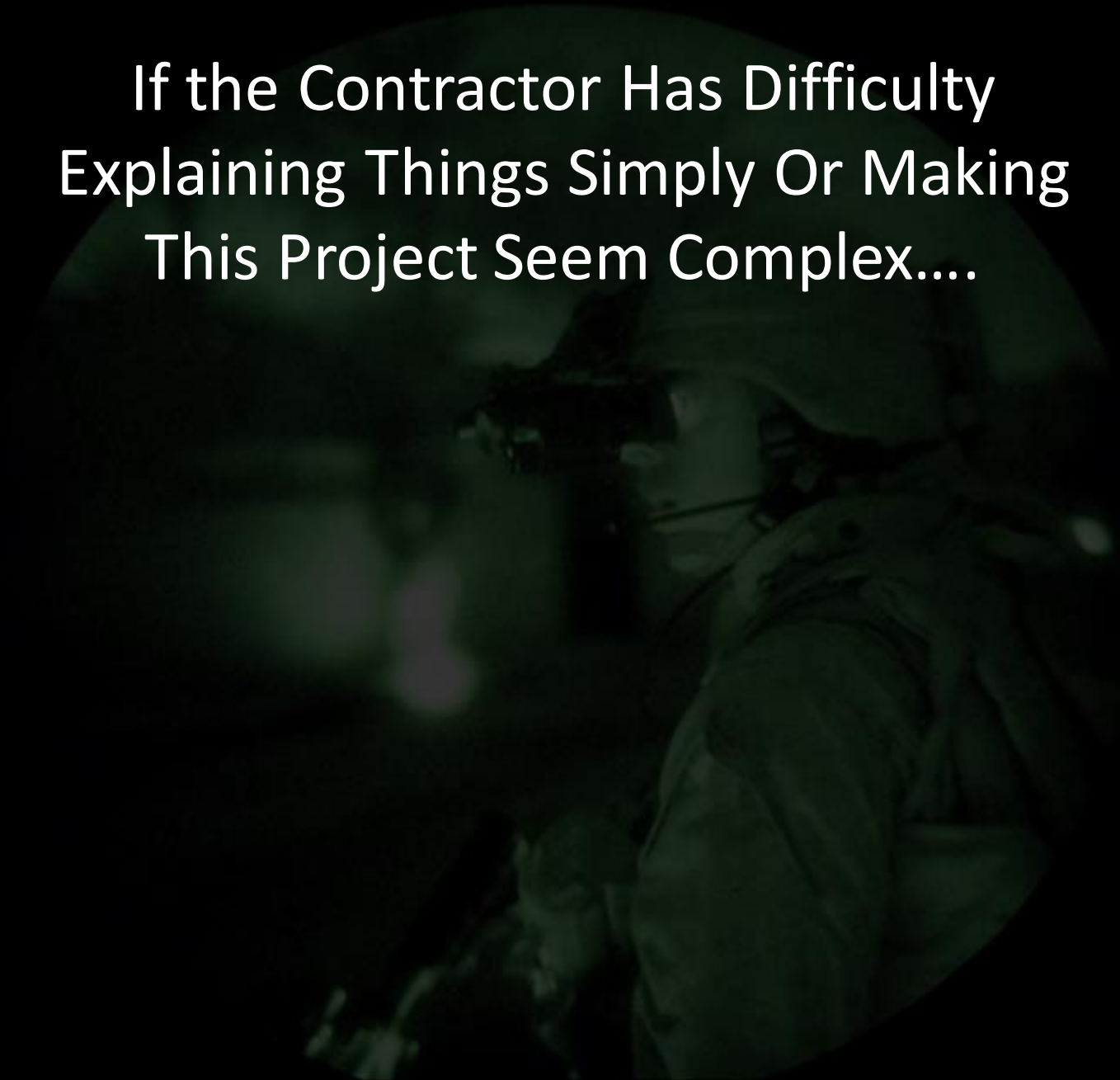


- After reviewing the site, the most important/immediate activity is to remove and clear all the trees from the site.
- There are environmental policies that prevent trees to be cleared or removed if birds have nested after April 15.
- If this is not accounted for, this can potentially delay the project through August 1.

Clarifying Project Expectations BEFORE Signing the Contract



If the Contractor Has Difficulty
Explaining Things Simply Or Making
This Project Seem Complex....



Planning Flow

Start



Very High Level

Major Client Risks/Concerns
Big Ticket Items/Deal Breakers
Verify Cost / Financial Info
Included in Proposal
Excluded from Proposal
Assumptions
Cost/Schedule Analysis
Pre Award Schedule



High Level

Client Risks/Concerns
Uncontrollable Risks
Response to All Risks/Concerns
Roles and Responsibilities
Value Added Ideas
Coordination / Pre Plan
Review Tech requirements
Align Expectations
Revisit the site



Mid Level

Detailed Demos
Technical Details
Performance Reports/Documentation
Project Documents / Deliverables
Fully Resource Loaded Work Plan
Review Interview Statements
Project Plan (staffing, communication, training, Implementation, organization change, business requirements)
Project Schedule
Contract

Finish

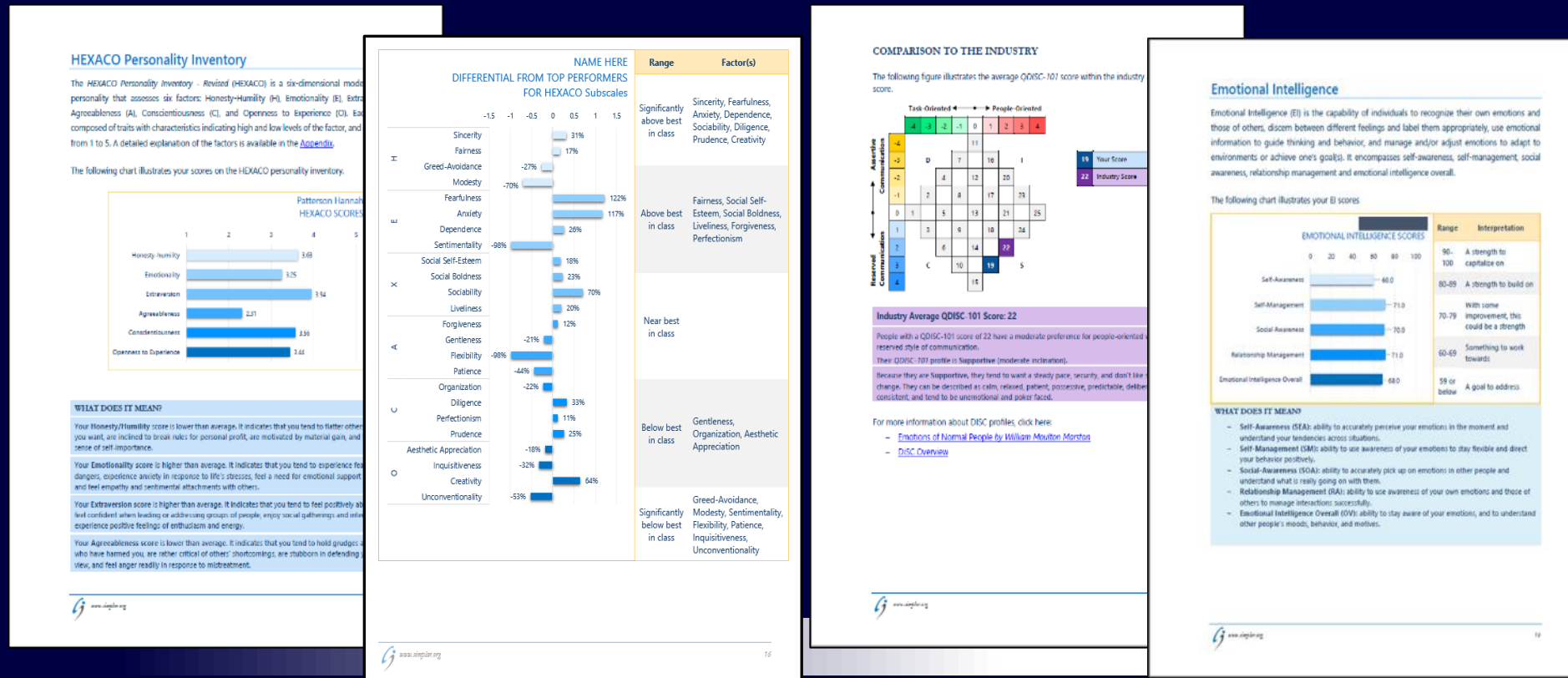
Leveraging Human Dimensions

What makes Experts different?



Simplar Assessment Instrument

- HEXACO Personality Inventory
- Emotional Intelligence Appraisal
- QDiSC-101 Behavior Diagnostic



Aptitudes & Attributes: ***Identifying & Benchmarking***

- **Benchmarking Human Factors for High Performers**
- **Benchmarking Human Factors for High Performing Teams**
- **Benchmarking Organizational Performance and Production**
- **Early Identify Future High Performers**
- **Laser-Guided Talent Development**
- **Organizational Mapping**

Enhanced Decision Making

HiPerf PM

Honesty	3.78
Emotionality	2.84
Extraversion	3.45
Agreeableness	2.89
Conscientiousness	3.89
Openness	3.02
EQ	72
MBTI	ISTJ
DISC	D

Aptitude Match

“Susan”

Honesty	3.21
Emotionality	2.99
Extraversion	3.33
Agreeableness	2.75
Conscientiousness	3.71
Openness	2.9
EQ	71
MBTI	ESTJ
DISC	D

94%

“Larry”

Honesty	3
Emotionality	2.65
Extraversion	3.9
Agreeableness	3.56
Conscientiousness	4.12
Openness	2.12
EQ	68
MBTI	ISTJ
DISC	D

85%

“Bob”

Honesty	4.51
Emotionality	3.12
Extraversion	3.45
Agreeableness	3.32
Conscientiousness	2.99
Openness	2.56
EQ	78
MBTI	ISFJ
DISC	D

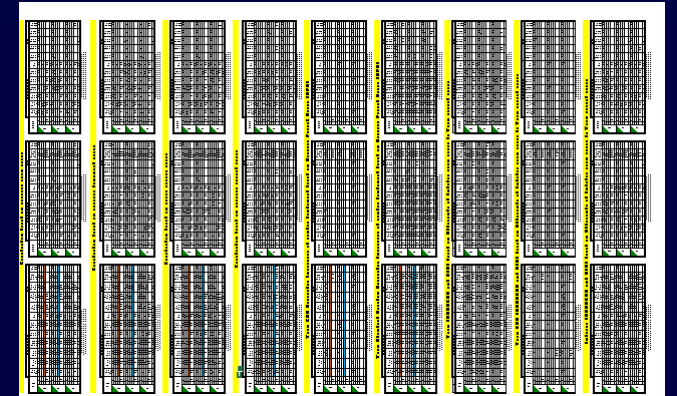
78%

Top Performer Attributes

- **Highly specific to the Job Function and Industry Sector!**
 - i.e. among Project Managers: High-Performers are different between GCs and Specialty Contractors
- **Benchmarks currently in progress:**
 - Additional **General Contractor** sectors & roles
 - Additional **Specialty Contractor** sectors & roles
 - **Apprentice Programs** within the trades
 - Public Works **Engineering Professionals** (owner-side)
 - **Facilities Management** professionals

Benchmarking High Performing Teams

- Team Performance is significant in Groupings and Spread
 - High Performing Teams have Tight (low variance):
 - Honesty-Humility
 - Emotional Intelligence
 - High Performing Teams have Loose (high variance):
 - Introversion-Extroversion



A little bit of science...

68%

Performance Increase

Summary



Tip For Preparing your Submission

1. Identify the Critical Project Team Members that have the greatest expertise for this specific project.
2. Have your team lay out the project approach... how would they would execute it based upon the scope?
3. Identify what challenges are involved within the plan (including scope clarity & assumptions)
4. If it was your project, what would you change to provide better performance/value/etc.?
5. *Then*, write the response using the Submittal Forms.

Proposal development tips: what to ask yourself when reviewing your proposal...

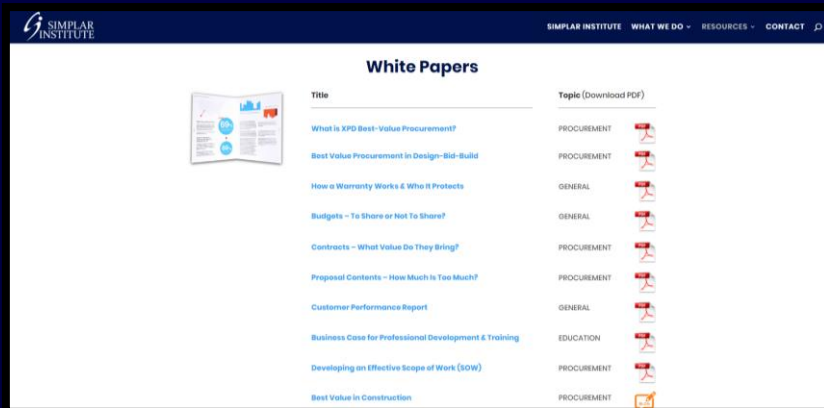
- Does this truly differentiate my submission? Or can my competitors say the nearly same thing?
- Is my submission project-specific? (does it pass the “copy-and-paste” test?)
- Have I considered the potential impacts? Based upon experience, what is the best case / worst case / most likely case?
- Am I explaining my recommendations & qualifications rather than overly selling & marketing?

Key Takeaways

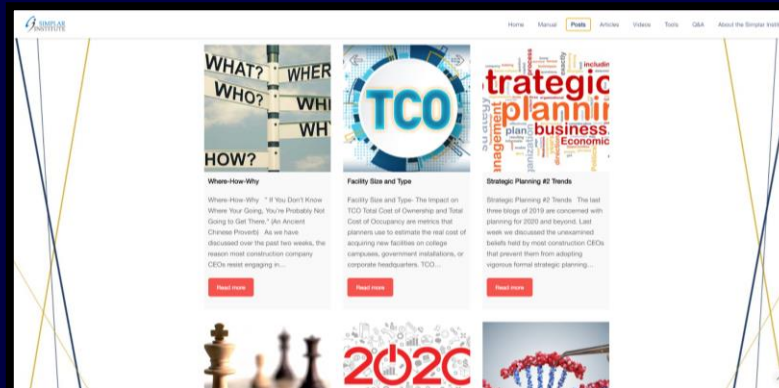
1. **XPD can help you quickly find a higher performer**
 - minimize page limits
 - focus on PEOPLE (not logos)
 - Risk + Value
2. **Use the interviews to get the heart of the issue**
 - treat it like job interview
 - use the whiteboard
3. **Clarify project expectations BEFORE signing the contract**

Simplar.com

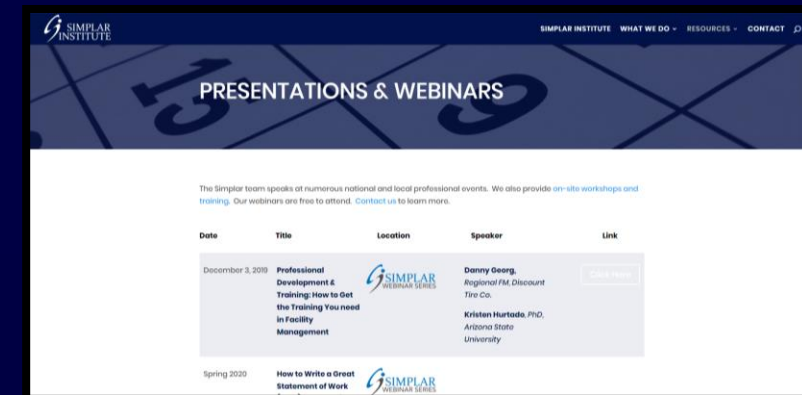
- On-site / Hands-On Training
- Project / Organizational Support of RFP & Project Delivery



Website / Papers



Blog



Webinar Series

jeff@simplar.com