



Developing a High-Performing Statement of Work and Current Conditions

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University of North Carolina at Charlotte



Agenda

- **Refresher & Resetting**
- **Overview on SOWs**
- **Workshop**
- **Content & Structure of a High-Performing SOW**
- **The Importance of Current Conditions**
- **Summary & SOW Assessment Handout**

Refresher

...way back in February!

Understand the Industry

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

When work is plentiful, what kind of Client does a Good Contractor *want to send its Best People?*

What does a “Client of Choice” Look Like?

- Fair
- Transparent
- Open
- Values expertise & preplanning
- Does not micromanage
- Listens
- Consistent across the organization
- Wants their engineers & contractors to make a fair profit
- Pays on Time

Results of being a “Client of Choice”

- **Vendors want to work for you over other owners**
- **Vendors send you their best teams**
- **Vendors spend the time to put together an accurate proposal**
- **Your personnel know how to work with experts**

Solicitation Document

Solicitation

Contents

- Section 1 Scope of Work
- Section 2 Evaluation Criteria and Procedures
- Section 3 Administrative Requirements
- Section 4 Submittal Forms & Exhibits

1) Prepare & Advertise

Procurement Process

Solicitation

Contents

- Section 1 Scope of Work
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Vendors Submit Responses

Procurement Process

Solicitation

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Section 1 Scope of Work
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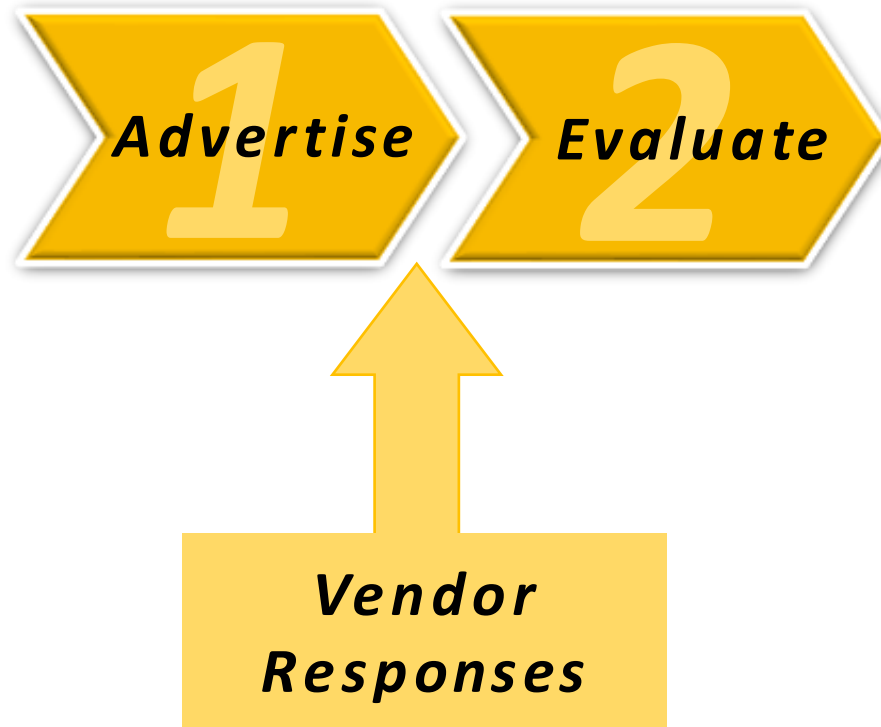
2) Evaluate Responses

Solicitation

Contents

- Section 1 Scope of Work
- Section 2 Evaluation Criteria and Procedures
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- Section 4 Submittal Forms & Exhibits

Procurement Process



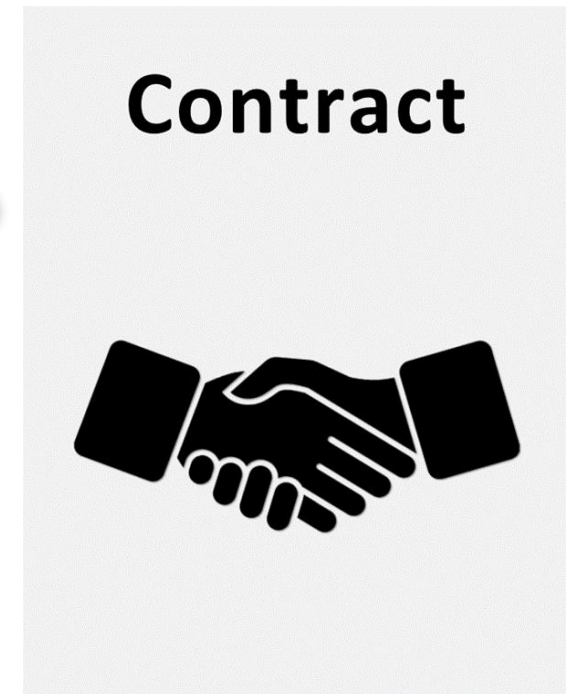
3) Award Contract

Solicitation

Contents

Section 1 Scope of Work
Section 2 Evaluation Criteria and Procedures
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Section 4 Submittal Forms & Exhibits

Procurement Process



3 Types of Solicitations

Based On

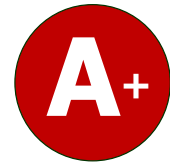
Award Factors

3 Solicitation Award Factors

1. Award based on **Cost only**



2. Award based on **Qualifications only**



3. Award based on **Cost & Qualifications**



Different Types of Solicitations

ITB
Cost Only



RFP
Best Value

Low \$

Value



High \$\$\$

Simple

Complexity



Complex

High

Expertise



Limited

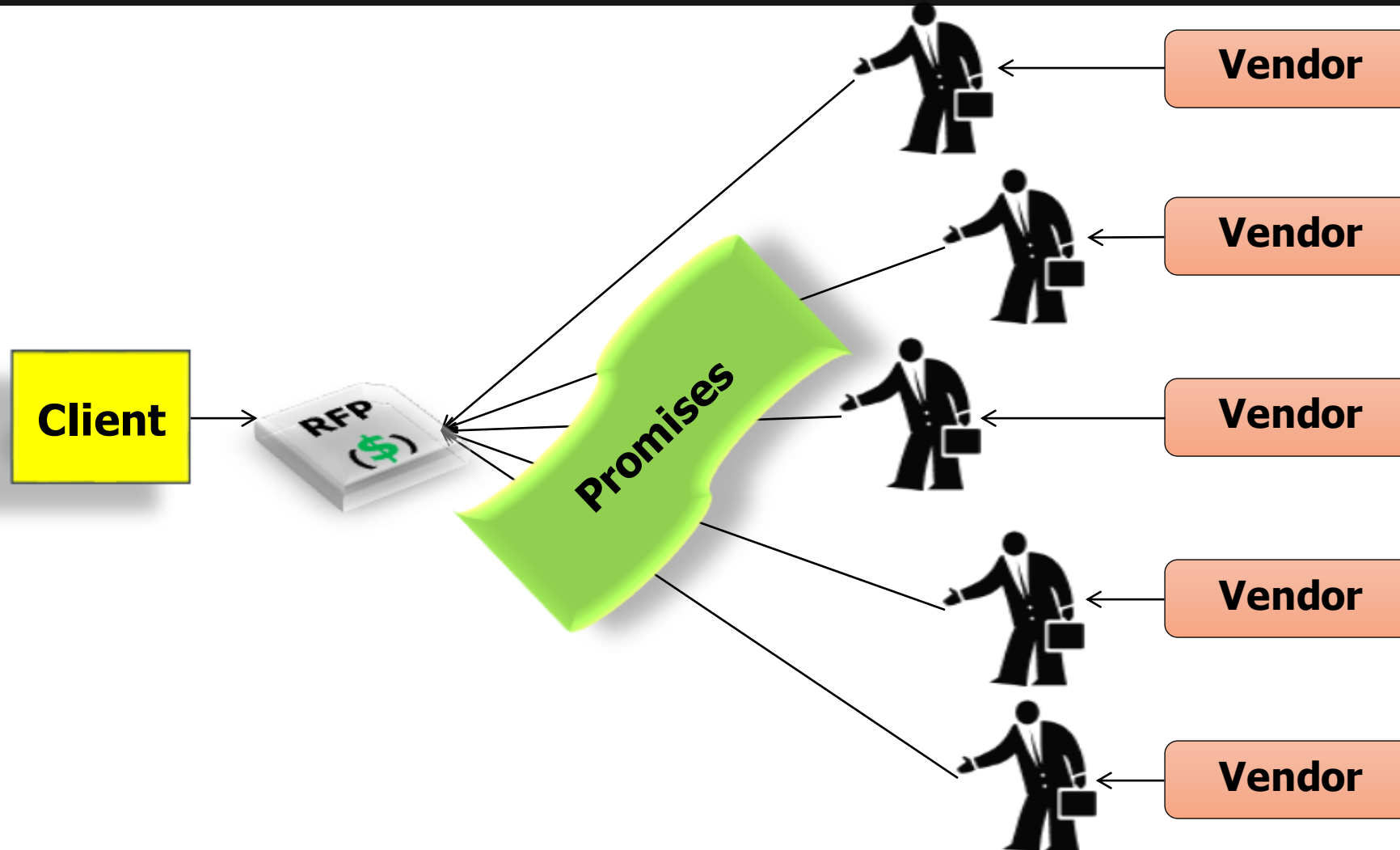
Low

Politics

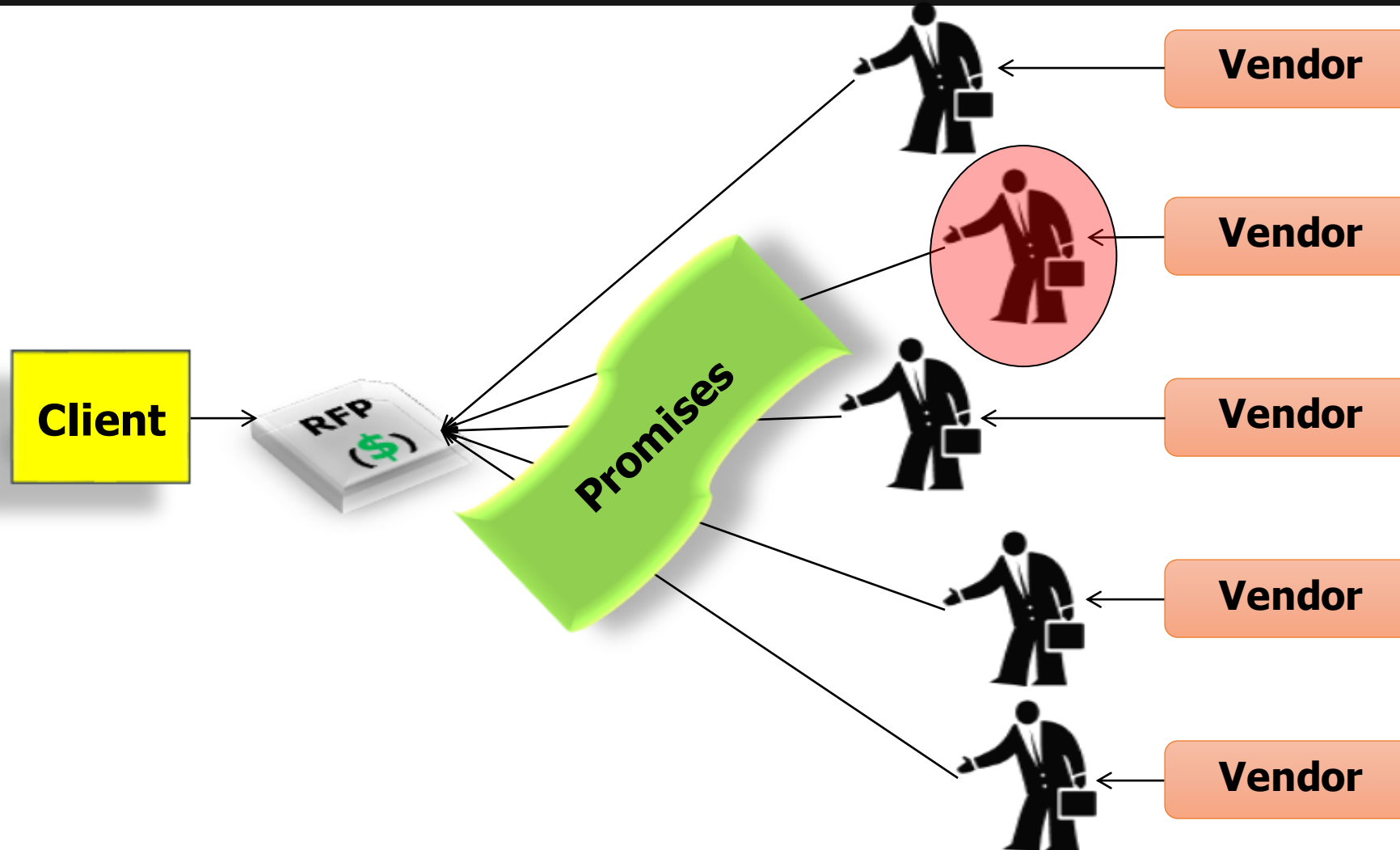


High

What we have seen...



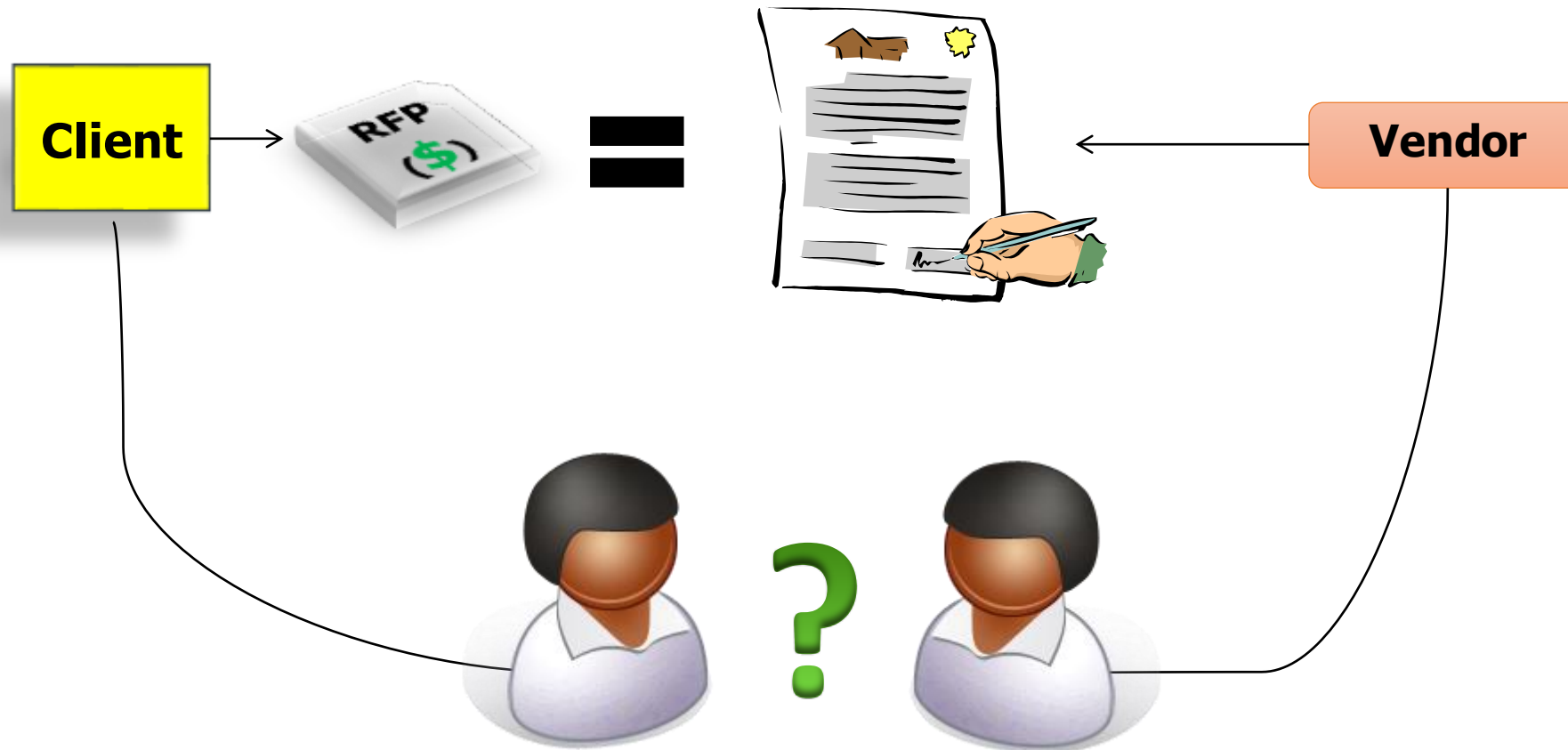
What we have seen...



What we have seen...



What we have seen...



Training Schedule & Topics

Date	Training Topics
Wednesday, October 28 @ 1pm – 3pm	Statement of Work (SOW) workshop
Friday, October 30 @ 1pm – 3pm	SOW details, Current Conditions, Criteria & Weights
Tuesday, November 10 @ 10am – 12pm	RFP Procedures, Preparing the RFP, Schedule
Tuesday, November 17 @ 1pm – 3pm	RFP Evaluation Matrix & Proposal Review
Thursday, December 10 @ 1pm – 3pm	Pre-qualification Programs, Disputes, Debriefing
Monday, December 14 @ 1pm – 3pm	Organizational Transformation & Change

Overview

Organizing a High-Performing RFP

RFP

Request for Proposal



Information Technology (IT)
Software Implementation Template

RFP Number: #####

RFP Release Date: MM/DD/YYYY

RFP Due Date: MM/DD/YYYY

Take A Quick Step Back...

RFP

Request for Proposal



Information Technology (IT)
Software Implementation Template

RFP Number: #####

RFP Release Date: MM/DD/YYYY

RFP Due Date: MM/DD/YYYY

*What is the
Goal
of the RFP?*

Goals of the RFP?

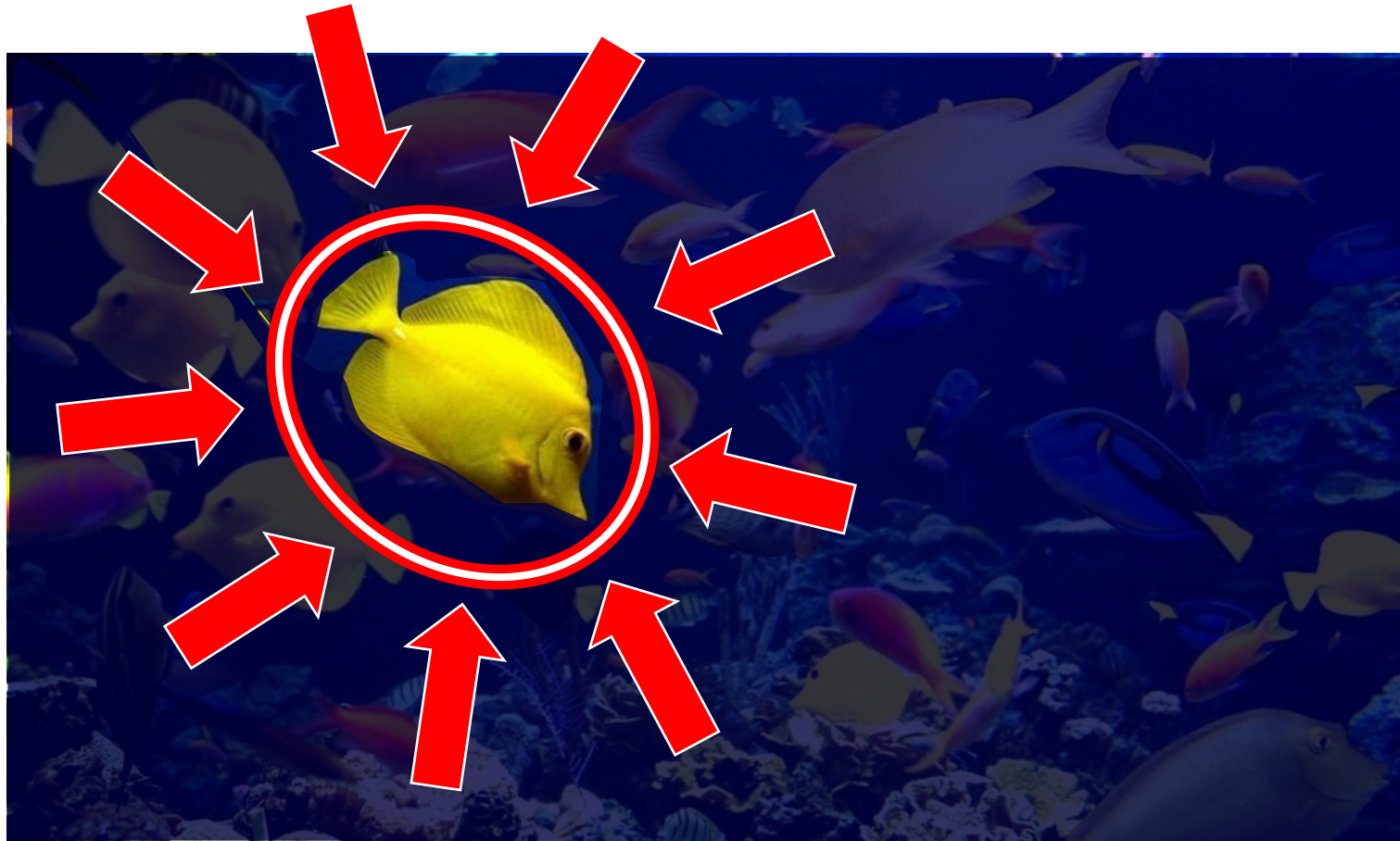
- **Make it difficult to determine your needs?**
- **Confuse vendors?**
- **Frustrate vendors?**
- **Increase the odds of missing a requirement?**



Always Remember...Vendors Have Options!



You Want To Look More Attractive Than All Other Current Owners!!!



If You Look Dangerous....



So how do we attract more
High-Performing Vendors?

**Starts With
Your
Solicitation!**

RFP

Request for Proposal



**Information Technology (IT)
Software Implementation Template**

RFP Number: #####

RFP Release Date: MM/DD/YYYY

RFP Due Date: MM/DD/YYYY

RFP vs. SOW: How are they Related?

RFP

Request for Proposal



Information Technology (IT)
Software Implementation Template

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RFP vs. SOW: How are they Related?

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Information Technology (IT)
Software Implementation Template

RFP Number: #####

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RFP Due Date: MM/DD/YYYY

1 Statement of Work

2 Current Conditions

3 Proposal Requirements

4 Evaluation Procedures

5 Administrative Requirements

6 Proposal Forms

7 Attachments & Exhibits

Organizing a High-Performing RFP

RFP

Request for Proposal



Information Technology (IT)
Software Implementation Template

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1 Statement of Work

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What the Client
is Purchasing

Organizing a High-Performing RFP

RFP

Request for Proposal



Information Technology (IT)
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RFP Number: #####

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1 Statement of Work

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3 Proposal Requirements

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5 Administrative Requirements

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What the Client
is Purchasing

How the Client will
Evaluate and Select
the vendor


DEFINITION: Statement of Work (SOW)

- The Statement of Work (SOW) is an essential part of any solicitation.
- Describes what you are looking to purchase, acquire, or achieve.

Terminology

All are Included...

- **Statement of Work (SOW)**
- **Scope of Work (SOW)**
- **Specifications or Minimum Specifications**
- **Requirements or Minimum Requirements**
 - Business Requirements
 - Technical Requirements
 - Functional Requirements
- **Minimum Qualifications**



**SOW =
What you are
Hiring the
Vendor to do**

ITB
RFP
RFQ
SOI
RFSQ
SOQ
RFT
IFB

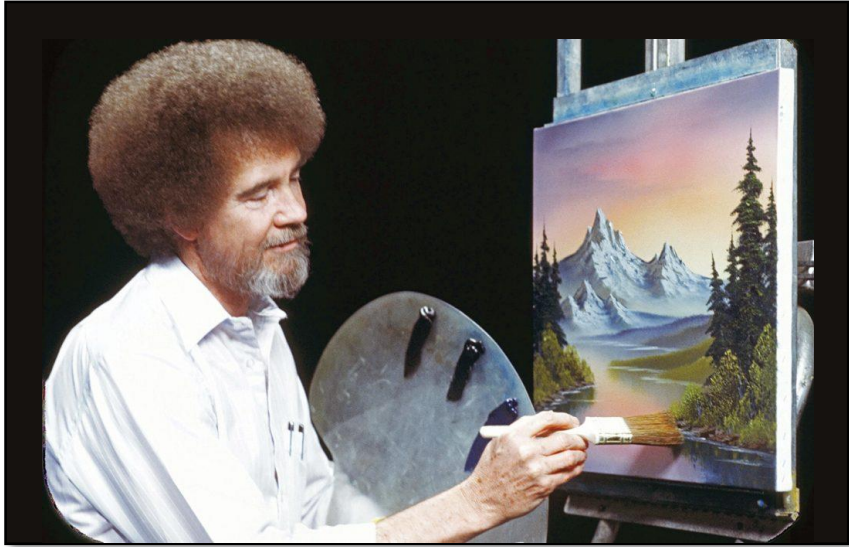
Solicitation

Contents

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Section 2 Evaluation Criteria and Procedures
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***Whatever
Type of
Solicitation
You Issue...
... A High-
Performing
SOW is
Crucial!***

The Goal of the SOW



- **Paint the picture of what success looks like**
- **Describe what it will take to make you 100% satisfied (what are the outcomes & achievements)**
- **A good SOW assures that all of the vendors propose a proper solution (that meets your needs)**

A hand in a dark suit jacket holds a car key with a black fob and a silver key. The background is a blurred image of a car, possibly a red one, with a blue overlay. The text 'Workshop' is written in yellow, and 'Purchasing a Vehicle' is written in white below it.

Workshop

Purchasing a Vehicle

Pull up the “SOW Workshop” Handout

Pull up the "SOW Workshop" Handout

SOW Workshop Form

TEAM MEMBERS:

--

VEHICLES:

SEDAN	1	Kia	\$14,000
	2	Honda	\$16,000
	3	Ford	\$21,000
	4	Chevy	\$23,000

TRUCK	13	Toyota	\$18,000
	14	Dodge	\$22,000
	15	Ford	\$15,000
	16	Chevy	\$28,000

SUV	5	Honda	\$19,000
	6	Toyota	\$29,000
	7	Dodge	\$29,000
	8	Chevy	\$38,000

VAN	17	Kia	\$22,000
	18	Dodge	\$24,000
	19	Chrysler	\$25,000
	20	Honda	\$35,000

LUXURY	9	Audi	\$35,000
	10	BMW	\$60,000
	11	Porsche	\$105,000
	12	Ferrari	\$125,000

FEEDBACK:

SCENARIO #1	SCENARIO #2	SCENARIO #3	SCENARIO #4	SCENARIO #5	SCENARIO #6	SCENARIO #7
Vehicles Selected (#):						
Level of Satisfaction with requirements (1-10) (10 = Extremely Satisfied & 1 = Extremely Dissatisfied):						

SCENARIO #8
1
2
3
4
5

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP	
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE			
SEDAN	1	Kia	Used	59,000		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		4				5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4			<input checked="" type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
LUXURY	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5 Stars	\$60,000
	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		2				5 Stars	\$105,000
	12	Ferrari	New	2			<input checked="" type="checkbox"/>		2				5 Stars	\$125,000
TRUCK	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5			<input checked="" type="checkbox"/>	5 Stars	\$15,000
	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$28,000
VAN	17	Kia	Used	47,000	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>			5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

Summary of Objectives

- You will play the role of a **salesperson** for a Car Dealership.
- Your task will be to identify the **'best' vehicle** for a customer based on your current inventory of vehicles.



Workshop Form

	SCENARIO #1	SCENARIO #2	SCENARIO #3	SCENARIO #4	SCENARIO #5	SCENARIO #6	SCENARIO #7
Vehicles Selected (#):							
Level of Satisfaction with requirements (1-10) (10 = Extremely Satisfied & 1 = Extremely Dissatisfied):							

SCENARIO #8	
1	
2	
3	
4	
5	

Evaluation Form

TEAM MEMBERS:

VEHICLES:

Category	ID	Brand	Price
SEDAN	1	Kia	\$14,000
	2	Honda	\$16,000
	3	Ford	\$21,000
	4	Chevy	\$23,000
SUV	5	Honda	\$19,000
	6	Toyota	\$29,000
	7	Dodge	\$29,000
	8	Chevy	\$38,000
LUXURY	9	Audi	\$35,000
	10	BMW	\$60,000
	11	Porsche	\$105,000
	12	Ferrari	\$125,000
TRUCK	13	Toyota	\$18,000
	14	Dodge	\$22,000
	15	Ford	\$15,000
	16	Chevy	\$28,000
VAN	17	Kia	\$22,000
	18	Dodge	\$24,000
	19	Chrysler	\$25,000
	20	Honda	\$35,000

FEEDBACK:

	SCENARIO #1	SCENARIO #2	SCENARIO #3	SCENARIO #4	SCENARIO #5	SCENARIO #6	SCENARIO #7
Vehicles Selected (#):							
Level of Satisfaction with requirements (1-10) (10 = Extremely Satisfied & 1 = Extremely Dissatisfied):							

SCENARIO #8	
1	
2	
3	
4	
5	



Breakout Rooms

- **Reminder: you can share screens in the breakout**
- **Please take a screenshot of the scopes before heading into breakout rooms.**
- **When you are done – you can re-join main room.**
 - A poll will be launched in the main room to submit your choice.

SCENARIO #1

- I need to purchase a vehicle.
- What is the best deal that you can offer me?
- I will be back at the end of the week to purchase the vehicle!

OBJECTIVE: Identify the vehicle you selected for this customer

Scenario #1:

- I need to purchase a vehicle.
- What is the best deal that you can offer me?
- I will be back at the end of the week to purchase the vehicle?

Vehicles Selected (#):

Level of satisfaction with stated requirements (1-10)
(10 = Extremely Satisfied & 1 = Extremely Dissatisfied):

SCENARIO #1



CATEGORY	MAKE	TYPE	MILEAGE	COLOR					SEATS	OPTIONS			SAFETY	MSRP
				W	B	R	S			BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE		
SEDAN	1	Kia	Used	55,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4				5 Stars	\$14,000
	2	Honda	Used	60,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4				5 Stars	\$18,000
	3	Ford	New	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4			<input type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input type="checkbox"/>				5	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input type="checkbox"/>				7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$29,000
	8	Chevy	New	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$38,000
LUXURY	9	Audi	New	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>			5 Stars	\$60,000
	11	Porsche	New	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2				5 Stars	\$105,000
12	Ferrari	New	2	<input type="checkbox"/>				2				5 Stars	\$125,000	
TRUCK	13	Toyota	Used	74,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$15,000
	16	Chevy	New	24	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$28,000
VAN	17	Kia	Used	47,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>		<input type="checkbox"/>	5 Stars	\$24,000
	19	Chrysler	New	17	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$35,000

POLL RESULTS



Most Common Feedback...

- *What does “best-deal” even mean?*
- *Open-ended SOW = free for fall, price-gauging, etc.*
- *Some teams will pick most expensive option / Others pick the cheapest*
- *Many teams are frustrated and annoyed and didn't really spend much effort?*

Clarify Assumptions...

- The Salesperson can only offer **1 vehicle**
(**cannot** offer multiple options)
- The Salesperson really wants to make the deal
 - (**would rather not 'lose' the deal** or see client purchase a vehicle from the dealer across the street)

SCENARIO #2

- Here are my expectations:
 - Need a new vehicle, not used
 - Need 5-star safety rating
 - Would like it to be black or silver
 - Would like Back-Up Camera
 - Probably an SUV (3 kids plus 2 adults)

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE		
SEDAN	1	Kia	Used	59,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4			<input checked="" type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
LUXURY	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5 Stars	\$60,000
	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$105,000
12	Ferrari	New	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$125,000	
TRUCK	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5			<input checked="" type="checkbox"/>	5 Stars	\$15,000
	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$28,000
VAN	17	Kia	Used	47,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

SCENARIO #1	SCENARIO #2
Vehicles Selected (#):	
Level of satisfaction with stated requirements (1-10) (10 = Extremely Satisfied & 1 = Extremely Dissatisfied):	

POLL RESULTS



Feedback...

- **Most Common:**
 - SUV Dodge @ \$29k
 - SUV Chevy @ \$38k
 - VAN Chrysler @ \$25k
- Which cost option **should** the dealer pick (if you can only pick one)?
- It was clearly helpful to have **more** information?
- What was **missing**?

Feedback...

- **Be clear on your expectations:**

- Need a new vehicle, not used
- Need 5-star safety rating
- Would like it to be black or silver
- Would like Back-Up Camera
- Probably an SUV (3 kids plus 2 adults)

Mandatory Requirements?

Desired Items?

SCENARIO #3

- Here are some of my expectations:

- Need a new vehicle, not used
- Need 5-star safety rating
- Do not want a red-colored vehicle
- Would like Back-Up Camera
- Need at least 5 seats (3 kids plus 2 adults)
- Must be able to go/take it camping in the forest
- My maximum budget is \$27,000

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP	
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE			
SEDAN	1	Kia	Used	59,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4				5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4			<input checked="" type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>			5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
LUXURY	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5 Stars	\$60,000
TRUCK	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$105,000
	12	Ferrari	New	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$125,000
	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$18,000
VAN	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>			5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5				5 Stars	\$15,000
	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$28,000
VAN	17	Kia	Used	47,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>			5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

SCENARIO #1	SCENARIO #2	SCENARIO #3
Vehicles Selected (#):		
Level of satisfaction with stated requirements (1-10) (10 = Extremely Satisfied & 1 = Extremely Dissatisfied):		

POLL RESULTS



Discussion

- Was it helpful to have the budget?
- Was it helpful to know the purpose/goals/objectives of the vehicle?

Need a new vehicle, not used
Need 5-star safety rating
Do not want a red-colored vehicle
Would like Back-Up Camera
Need at least 5 seats (3 kids plus 2 adults)
Must be able to go/take it camping in the forest
My maximum budget is \$27,000

SCENARIO #4

- Here are some of my expectations:

- Prefer a new vehicle, not used
- Would like a 5-star safety rating
- Would prefer a red vehicle
- Would prefer a sedan or SUV
- I plan to use the vehicle to take my small boat to the lake on occasion
- I generally only have 1-2 people in the vehicle, but may have a few more when going to the lake
- Do not want a van
- A maximum budget of \$75,000

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP	
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE			
SEDAN	1	Kia	Used	59,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
LUXURY	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$60,000
	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$105,000
TRUCK	12	Ferrari	New	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$125,000
	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$15,000
VAN	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$28,000
	17	Kia	Used	47,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

POLL RESULTS

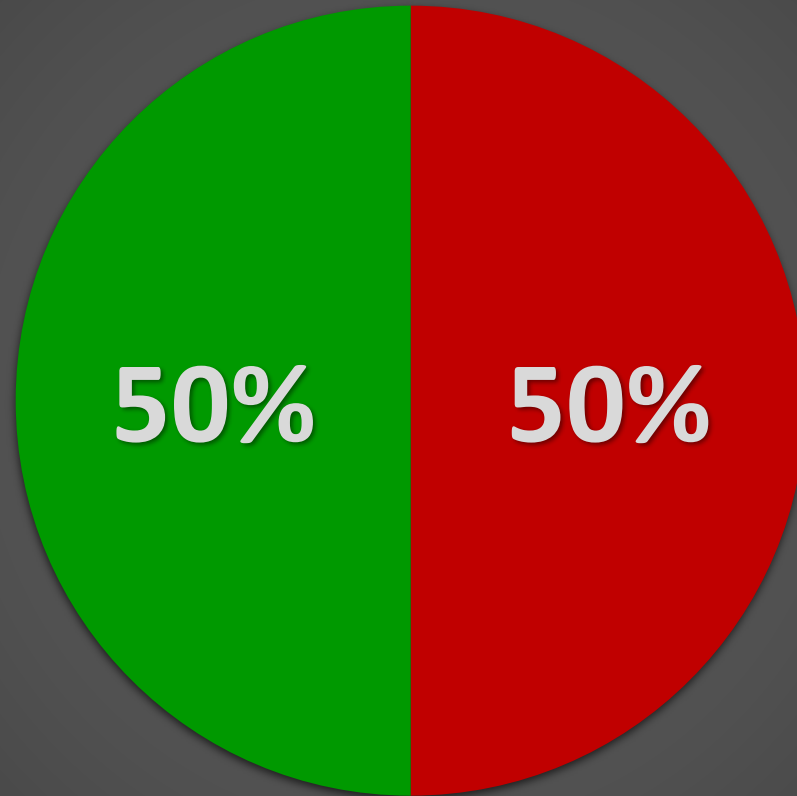


Discussion...

- **Was it helpful to know the purpose/goals/objectives of the vehicle?**
- **Is it OK to release your budget when you have more money than you need?**
- **Will you always get price-gauged?**

Research Shows That...

YES



NO

Procurement...

- **Generally, most professionals have been trained/educated to not share the budget.**
- **Most common response:**
- *“If we give them our budget, they will all raise their price”*

SCENARIO #5

- Here are some of my expectations:
 - Need a truck
 - Must be a new vehicle (not used)
 - I will be using this to tow my construction trailer
 - Must have back-up camera
 - Would prefer a lighter color (white or silver)
 - I have a maximum budget of \$20,000

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE		
SEDAN	1	Kia	Used	59,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4			<input checked="" type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>			7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
LUXURY	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5 Stars	\$60,000
	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$105,000
	12	Ferrari	New	2			<input checked="" type="checkbox"/>	2				5 Stars	\$125,000
TRUCK	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5			<input checked="" type="checkbox"/>	5 Stars	\$15,000
	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$28,000
VAN	17	Kia	Used	47,000	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>			5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

POLL RESULTS



Discussion

- **Does client have enough money to meet all expectations?**
- **What are the options?**
- **What would happen if you didn't release the budget?**

What Happens if we **DON'T** Share the Budget:

- **Vendors can't offer solutions to a problem they don't know**
- **Increases the chance of significantly delaying the procurement (or even cancelling the project) (“blame game” and frustrations - prices are too high and we don't have options!”)**
- **Slows everything down!**

What Happens if we **DO** Share the Budget:

- **Helps all Vendors better understand the intent and scope**
- **High-Performing Vendors can help minimize this risk**
- **Helps you learn why the budget is “off” (vendors can explain in detail by their estimate differs from your budget)**
- **Speeds things up (you have options, ideas, and “proof” of why you need more money)**

SCENARIO #6

- Here are some of my expectations:
 - Must be a Nissan Truck
 - Must have a tow package
 - Must have back-up camera
 - Must be white
 - I have a maximum budget of \$30,000

CATEGORY	MAKE	TYPE	MILEAGE	COLOR				SEATS	OPTIONS			SAFETY	MSRP
				W	B	R	S		BACKUP CAMERA	REMOVABLE SEATS	TOW PACKAGE		
SEDAN	1	Kia	Used	59,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$14,000
	2	Honda	Used	66,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4				5 Stars	\$16,000
	3	Ford	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4			<input checked="" type="checkbox"/>	5 Stars	\$21,000
	4	Chevy	New	13	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>			5 Stars	\$23,000
SUV	5	Honda	Used	39,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$19,000
	6	Toyota	New	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$29,000
	7	Dodge	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$29,000
	8	Chevy	New	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$38,000
LUXURY	9	Audi	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000
	10	BMW	New	12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		5 Stars	\$60,000
	11	Porsche	New	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$105,000
TRUCK	12	Ferrari	New	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2				5 Stars	\$125,000
	13	Toyota	Used	74,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$18,000
	14	Dodge	New	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$22,000
	15	Ford	Used	98,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5			<input checked="" type="checkbox"/>	5 Stars	\$15,000
VAN	16	Chevy	New	24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	5 Stars	\$28,000
	17	Kia	Used	47,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$22,000
	18	Dodge	New	23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>			5 Stars	\$24,000
	19	Chrysler	New	17	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$25,000
	20	Honda	New	19	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 Stars	\$35,000

W = White | B = Black | R = Red | S = Silver

POLL RESULTS



Discussion

- **Would this be acceptable in Public Procurement?**
- **Cannot specify a product (unless there is clear justification), must allow “or-equal”**

SCENARIO #7

- **I need to purchase a vehicle. I would like you to identify the best deal you can provide for a vehicle? Here are some of my expectations:**

- The vehicle must come with synthetic engine oil
- The vehicle must have windshield wipers
- I was born in May
- I have 3 younger brothers
- My brothers live in the same State
- I work for an IT company
- I would like a new car, not used
- I generally work 40-45 hours per week
- I really like my current vehicle
- I get headaches from the smell of cigarettes
- Do you think I need a tow package
- My house has really cool carpet
- I do not want a red or yellow vehicle
- I have set aside extra funds for the 'right' vehicle
- Vehicle must have a 4-speed automatic or better
- The vehicle should get great MPG
- Vehicle must come with 2 sets of keys
- Vehicle must come with full tank of gas
- I am open to any color vehicle
- I've never been camping
- How do you take a shower in the forest?
- If I get a vehicle, is 5-star better than 4?
- Would like to purchase by end of the week
- Would really like a luxury sedan
- I think SUV's are really cool
- I currently drive a 4-door sedan
- I really like Thai food, but not sushi
- My maximum budget is \$29,000
- The vehicle must have Firestone tires
- The vehicle should have chrome wheels
- Would like the vehicle to have tinted windows
- The vehicle must have great lights for night driving

POLL RESULTS



Discrepancies

- I need to purchase a vehicle. I would like you to identify the best deal you can provide for a vehicle? Here are some of my expectations:

- The vehicle must come with synthetic engine oil
- The vehicle must have windshield wipers
- I was born in May
- I have 3 younger brothers
- My brothers live in the same State
- I work for an IT company
- I would like a new car, not used
- I generally work 40-45 hours per week
- I really like my current vehicle
- I get headaches from the smell of cigarettes
- Do you think I need a tow package
- My house has really cool carpet
- I do not want a red or yellow vehicle
- I have set aside extra funds for the 'right' vehicle
- Vehicle must have a 4-speed automatic or better
- The vehicle should get great MPG
- Vehicle must come with 2 sets of keys
- Vehicle must come with full tank of gas
- I am open to any color vehicle
- I've never been camping
- How do you take a shower in the forest?
- If I get a vehicle, is 5-star better than 4?
- Would like to purchase by end of the week
- Would really like a luxury sedan
- I think SUV's are really cool
- I currently drive a 4-door sedan
- I really like Thai food, but not sushi
- My maximum budget is \$29,000
- The vehicle must have Firestone tires
- The vehicle should have chrome wheels
- Would like the vehicle to have tinted windows
- The vehicle must have great lights for night driving

Discrepancies

- I need to purchase a vehicle. I would like you to identify the best deal you can provide for a vehicle? Here are some of my expectations:

- The vehicle must come with synthetic engine oil
- The vehicle must have windshield wipers
- I was born in May
- I have 3 younger brothers
- My brothers live in the same State
- I work for an IT company
- I would like a new car, not used
- I generally work 40-45 hours per week
- I really like my current vehicle
- I get headaches from the smell of cigarettes
- Do you think I need a tow package
- My house has really cool carpet
- I do not want a red or yellow vehicle
- I have set aside extra funds for the 'right' vehicle
- Vehicle must have a 4-speed automatic or better
- The vehicle should get great MPG
- Vehicle must come with 2 sets of keys
- Vehicle must come with full tank of gas
- I am open to any color vehicle
- I've never been camping
- How do you take a shower in the forest?
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Discussion

- **Is providing more information in the Statement always better?**
- **What happens if your requirements accidentally conflict?**

General Feedback...

Most common requests from the Dealerships:

- **Budget**
- **Schedule**
- **Background about intended use or purpose (family, luxury, work truck, etc.)**
- **Technical requirements**

Key Takeaways

Common Responses...

- Quality of Statement impacts level of **vendor frustration/satisfaction**
- Quality of Statement impacts how much **time & effort** vendors spend
- **Budget** is critical
- **Purpose** is just as important as technical specs
- **Not enough** information can frustrate vendors
- **Too much** information can be just as bad
- All you need is for one vendor to be **honest**, to get the best deal

Sharing the Budget

Should We Share the Budget?

- **Let's look at the scenarios and the data.**

Should We Share the Budget?

- Let's look at the scenarios and the data.

There are two possible scenarios:

- Scenario #1 = More Budget than We Need
- Scenario #2 = We Don't Have Enough Budget

Which is more common?

- Scenario #1 = More Budget than We Need
- Scenario #2 = We Don't Have Enough Budget

How often do we have
more money
than we need?

Scenario #1: More Budget than We Need

- **Not** the most common scenario
- Experience = our budgets are “tight” most of the time.
- Therefore, price gouging is more perceived than reality.

Scenario #1: More Budget than We Need

- But let's say we do have more money than we need.
- Price gouging is a possibility in these scenarios.

Scenario #1: More Budget than We Need

- **Potential Risk:**

Client's Budget (\$\$)



Vendor Proposals?



↑ (+\$ inflated cost?)

Client's Scope



Scenario #1: More Budget than We Need

- But let's say we do have more money than we need.
- Price gouging is a possibility in these scenarios.

Your Budget
\$100,000



1 = **\$99,999**



2 = **\$99,900**



3 = **\$99,975**



4 = **\$99,500**




5 = **\$99,986**

Think About...

- *What type of vendors would do that?*
- *What can throw-off this strategy?*
- *Who do low-performers care about?*
- *What is a low-performers greatest advantage?*



	1 = \$99,999
	2 = \$99,900
	3 = \$99,975
	4 = \$99,500
	5 = \$99,986

It Only Takes **1** Vendor To Be Honest!!!

Your Budget
\$100,000



1 = **\$99,999**



2 = **\$99,900**



3 = **\$59,975**



4 = **\$99,500**



5 = **\$99,986**

Can A “Low-Performer” Give You High Performance?

No

(by definition, they are a low performer)

If they cannot give you high performance, what is a low-performer's only other strategy?

Be cheap!

(Since they can't change their current level of performance, they must strive to be the cheapest)

What does the data say?

New Health & Education Building (DBB)

(1st time this organization ever shared their budget!)

- Budget: **\$21 Million**

- Average Proposal: **13% below budget (\$17½ to \$20M)**

Total Score

87

55

44

69

42

95

58

No	Criteria	Detailed Weight	Vendor 1	Vendor 2	Vendor 3	Vendor 4	Vendor 5	Vendor 6	Vendor 7
1	Lump Sum	30	\$ 18,044,000	\$ 18,043,000	\$ 19,675,000	\$ 17,490,000	\$ 18,570,000	\$ 17,778,000	\$ 17,710,000
2	Project Capability	10	6.4	1.6	1.6	5.2	1.0	8.0	2.8
3	Risk Assessment	15	6.6	4.0	4.6	2.0	3.6	8.0	2.4
4	Value Added	10	9.0	3.4	1.4	4.2	1.2	5.6	5.0
5	Interview - Project Manager	15	6.8	1.8	0.0	6.8	0.0	6.6	3.4
6	Interview - Site Superintendent	15	5.4	2.6	0.0	3.0	0.0	10.0	1.8
7	PPI Average Rating (all entities)	5	9.85	9.46	9.74	8.61	9.69	9.44	9.67

Research Does **Not** Prove That Providing Budgets Will Result In Higher Costs

In Summary...


- Analyzed **248 RFPs** that shared their Budgets
- Shared Budget = \$222 Million
- Average Proposals = \$143 Million (**36% below** budget)

Scenario #1: More Budget than We Need

- Not the most common scenario.
- Lots of reasons why price gouging may not occur.
 - Still have price competition.
 - Only takes 1 honest vendor to negate price gouging.
 - Low performers may be tempted, but their advantage is price.
- Data shows that price gouging does not occur very often.
- Budget information is only an advantage to High Performers.
- Vendors are much more likely to raise prices due to...
 - Their perceived level of risk
 - How much they need the work
 - **And their perception of the Client!**

Scenario #2: We Don't Have Enough Budget

Client's Scope

Client's Budget (\$\$)  (-\$ fake prices?)

Scenario #2: We Don't Have Enough Budget

- **Now the budget is critical – whole project is at risk!**

Scenario #2: We Don't Have Enough Budget

- **Now the budget is critical – whole project is at risk!**
 - What happens if we **do** (or **don't**) share the budget?

Scenario #2: We Don't Have Enough Budget

- **Now the budget is critical – whole project is at risk!**
- **What happens if we don't share the budget:**
 - Vendors can't offer solutions to a problem they don't know
 - Increases the chance of cancelling the project
 - “blame game” and frustrations (prices are too high and we don't have options!”)
 - Gives advantage to low performers who “promise” a low cost (initially)
 - Slows everything down!

Scenario #2: We Don't Have Enough Budget

- **Now the budget is critical – whole project is at risk!**
- **What happens if we do share the budget:**
 - **High-Performing Vendors can help minimize the risk.**
 - **Gives High-Performing Vendors a chance to stand out.**
 - **Helps all Vendors better understand the intent and scope.**
 - **Helps you learn why the budget is “off” (vendors can explain in detail by their estimate differs from your budget)**
 - **Speeds things up (you have options, ideas, and “proof”)**

Should We Share the Budget?

- **Yes!** It is a **best practice** because it...
 - Minimizes risk
 - Helps high-performing vendors stand out
 - Makes you a more attractive client
 - Is supported by the data
- **Of course, not every organization is comfortable.**
 - That is normal! Training & awareness helps!

Handout: The Budget

To Share or Not to Share? That is the Question!

The Budget

To Share or Not to Share? That is the Question!

Our recommendation

If your project has a budget, share it. Put it right into the RFP/solicitation docs. Not a budget range or approximation, but the actual budget. The amount of money you, as the client, actually have that you can actually spend. No tricks, no hidden contingency, but the actual number, raw and exposed. Let the vendors know how much money you have...

Share your budget

...but of course, you have to do this in the **right way**, and with the **right procurement process**, and with the **right training** for both your project team AND especially the proposing vendors.

Nevertheless, you may be thinking right now: "Share my budget? That's crazy talk!" Let us explain.

First, some context

Initially, the big fear most clients have in sharing their budget is: "Won't vendors artificially raise their prices to meet my budget? They'll turn my money into their profit!" But first ask yourself this: "How often do I have more money than I need? How often is my budget bigger than my scope?"

For most organizations the answer is almost always Never. But it does happen sometimes, so let's say that on 5% of your projects your budget isn't "tight." This means that 95% of projects have tight budgets, essentially more scope than budget. When this occurs, you are asking vendors for more scope than you are able to afford.

For those times when the budget is tight, let's look at both options:

The 95% of Projects

Option 1 What happens if I don't share the budget?

Problem #1: The budget is commonly the single biggest risk to the project. If it is not shared, your high performing vendors cannot use their expertise to help you minimize your biggest risk.

Problem #2: Withholding your budget, gives low performers an advantage. A low performer's only competitive advantage is that they're cheap (initially).

Taking the biggest risk out of consideration in your evaluations makes it more difficult for high performers to differentiate themselves and easier for lower performers to look more attractive. A "good deal" may just be the beginning of problems on your project.

Problem #3: If the prices come in too high, it causes frustration, the blame-game, the potential of canceling the project, etc.

It can lead to inappropriate scope shaving, "value-engineering," and aggressive negotiating. These all cause inefficiency and waste additional time & effort.

Advantage: The advantage is we don't have to worry about price gouging from vendors. But if you don't have enough money to begin with, this potential advantage doesn't exist.

Option 2 Benefits to Sharing the Budget

Advantage #1: High performing vendors can use their expertise to help you minimize your budget risk within their proposals. This may come in the form of cost-saving ideas, innovative scope alternatives, etc. It makes the proposals more valuable & your interviews more productive.

Advantage #2: It is easier for high performers to differentiate themselves in your evaluation process. High performing vendors can use their expertise to provide cost-savings and value-adding innovations. Any such ideas that are contained within a proposal will inherently need to be specific to your project. Thus, it even helps minimize the boilerplate nature of many proposals.

Advantage #3: It helps the vendors better understand the intent of your scope and purpose. A scope with a budget not only defines the needs and desires of the client, it does so within the framework of their constraints and resources.

Advantage #4: If your evaluations are set up properly, vendors can explain, in detail, why your budget and their estimated pricing differ.

Often, client project teams are under pressure to make a project happen, even when the project team feels the budget is inadequate. They try to convince their superiors that the budget is wrong, but often to no avail. The evaluation process can be used to help clarify reality and provide the project team with more, and better, cost information that can be used in discussions with supervisors and executives.

Problem: If you share your budget, and you have more money than you need, vendors may raise their prices up to your budget. But if 95% of the time you are tight on money, then this risk is not a possibility... it is largely imaginary.

In our experience, there are more advantages to sharing the budget.

The other 5% of Projects

If you share your budget and you do have more money than you need, then price gouging is now an actual possibility. The good thing is that it just takes one honest vendor to keep the competition in check. In other words, it only takes one vendor to submit a fair and realistic price to negate ALL potential price gouging of other vendors. Vendors know this and rarely artificially raise their prices based upon a client's budget. They are more likely to raise prices based upon perceived risk and how badly their company needs the work.

Vendors are always looking to gain evaluation points everywhere they can, which means a lower price. Price is still heavily weighted in Simplar's XPD selection process with additional cost controls and protections in place. You will never get "burned" on price if you run the right procurement process. In any solicitation process, it is optimal to share your budget 100% of the time.

The Reality

There is no real risk in sharing your budget. Only perceived risk. We recommend always sharing your project budget and using XPD.

The Simplar XPD approach gets you faster procurements, more competition, higher performance, and better project and service outcomes.

Sharing the budget is just one concept that the best clients use to get the best vendors with the best pricing. Simplar helps your organization become a "Client of Choice."

Review the major Pros & Cons of releasing the budget.

Look Ahead

Friday, October 30 @ 1pm

Details of an Effective SOW & Current Conditions

Thank You!



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