

Best Value

Less stress, more fun?

by

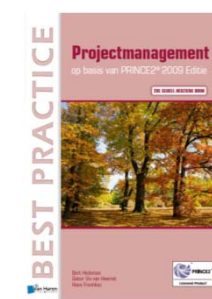
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02-11-2015

Best Value: less stress, more fun?

- Best Value achieves results by putting an emphasis on craftsmanship, transparency and accountability.
 - Best Value has been proven to be effective in procurement.
 - The question is, how can we translate these principles into the management of projects?
 - And do these principles conflict or just strengthen an agile way of working?
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- 35 year project management, of which 15 years in construction works
- Coach and trainer best practices project, programme and portfolio management
- Consultant implementing and re-energising project organisations
- Assistant professor Master Project Management University Utrecht
- Co-author several management books, such as:
 - Project management op basis van NCB versie 3
 - Project management op basis van PRINCE2
 - Managen van Agile-projecten



Agenda

- Principles Best Value
 - Best Value process cycle
 - Best value versus PRINCE2
 - Best Value versus Agile
 - Best Value: old wine in a new bottle?
 - Conclusions
 - Questions
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Principles Best Value

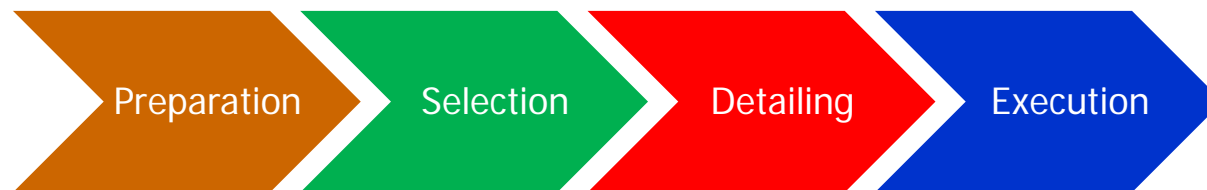
- Focus on best value in stead of lowest price
- Emphasize on craftsmanship, transparency and accountability
- Emphasize on a careful preparation in stead of control afterwards
- Focus on metrics in stead of information overload
- Focus on win-win > don't squeeze your 'partner' if you can

People determines the success

Decision taking is minimalised

Best Value process cycle

- Based on a most economically advantageous tender
- Make use of the expertise of the contractors and vendors
- Emphasize on a careful preparation in stead of control afterwards



Preparation

- Draft outline strategic plan
- Define deliverables and objectives
- Determine budget limit
- Assemble tender information
- Determine rating and selection criteria
- Draft tender guidelines for applicants



Tender



Selection

Selection based on price, performance and interviews

Qualitative aspects:

- Performance explanation: why are we the best party?
- Risk register: risks identified, risk responses taken and risk management applied
- Opportunity register: extra options with added value for the client
- Interviews with key members applicant

- Eventually a preselection if applicable
- Proposals scored objective and absolute
- Deviation from neutral backed up with verifiable metrics
- Scores filled in a most economically advantageous tender matrix



Select Contractor(s)

Detailing

- Only most economically advantageous applicant participates
- Selected applicant in the lead
- Plan project from start to finish
- Add options from change register if client asks for
- Specify contribution client
- Identify risks, risk measure and risk management
- Assign risks to natural risk owners
- Verification at the end based on verifiable metrics



Sign contract



Execution

- Detailed plan available
- Risk measures and risk management in place
- The contractor takes the lead, the client facilitates
- The contractor monitors his own work and will prove his performance
- Weekly progress report highlights on progress and risk development
- Only deviations will be discussed with the client



- Less change to exceptions
- Lower costs for monitoring and control
- Better performance
- More added value



PRINCE2 versus Best Value

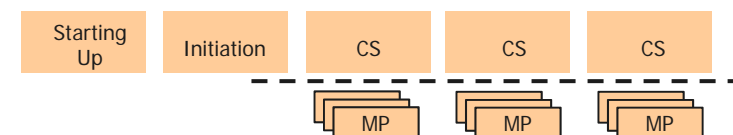
PRINCE2 principles

- Continued business justification
- Learn from experience
- Defined roles and responsibilities
- Manage by stages
- Manage by exception
- Focus on products
- Tailor to suite the project environment
- Split between management and delivering

Best Value principles

- Focus on best value
- Based on past experience
- Based on accountabilities
- Define detailed plan for Execution
- Only deviations will be discussed with client
- Focus on outcome
- Define detailed plan fit for purpose
- Contractor in the lead, client facilitates

Best Value fits PRINCE2



Agile versus Best Value

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- Individuals and interactions over processes and tools
 - People determines the success
 - Minimize the need for control
- Working software over comprehensive documentation
 - Focus on working output
 - Focus on metrics in stead of information overload
- Customer collaboration over contract negotiation
 - Focus on win-win in stead of lowest price
 - Emphasize on a careful preparation
- Responding to change over following the plan
 - Detailed preparation results in less change to exceptions

To work agile the execution plan has to focus on
what to deliver AND how to corporate

Best Value: old wine in a new bottle?

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Best Value

- Most economically advantageous tender
- Outcome based instead of output based
- Preparation in stead of control afterwards
- Focus on metrics iso information overload
- Win-win
- Assign risks to natural risk owners

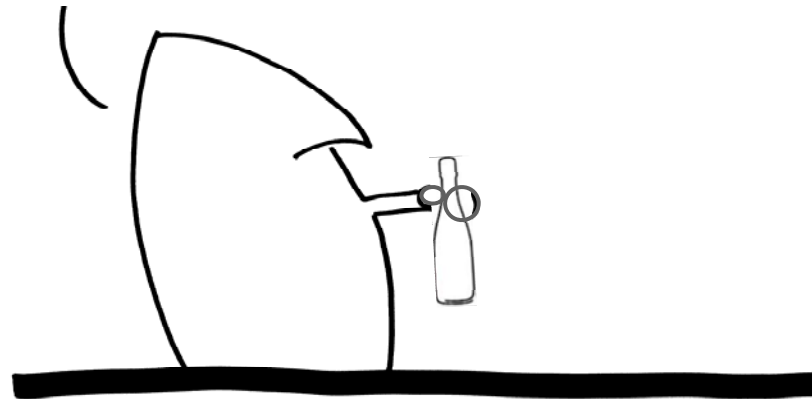
Old wine?

- As old as the hills
- Performance contract (70's)
- Internal quality control contractors (80's)
- Highlight reports (90's)
- Only accept offer if it is feasible in price and execution
- Don't squeeze them just because you can

No, but it is not easy

Best Value: old wine in a new bottle?

*Better than new wine
in an old bottle*



Old wine in a new bottle

Is less control feasible?



My own house

Is less control feasible?



My own house

Is less control feasible?

Betonrot dreigt bij HSL-tunnel Rotterdam

01-10-2015 | 20:25

Delen:      8 |  Print

Meerdere tunnels en andere betonnen bouwwerken van de hogesnelheidslijn (HSL) tussen Schiphol en België zullen zonder maatregelen de beoogde levensduur van honderd jaar niet halen. Bij de tunnel ten noorden van Rotterdam bijvoorbeeld komt dan een deel van de bewapening over twintig tot veertig jaar bloot te liggen.



Dat staat in een [onderzoek](#) dat donderdag naar de Tweede Kamer is gestuurd. De betonrot dreigt bij delen die blootgesteld zijn aan het weer (vorst en dooi).

Eerder was al geconstateerd dat het beton erg poreus is. De onderzoekers stellen onder meer voor het beton van een laagje te voorzien (coating).

Mosgroei

Het onderzoek werd gestart omdat er opvallend veel mos groeit op delen van de tunnel bij Rotterdam. Ook de spoortunnels Oude Maas en Dordtse Kil worden extra geïnspecteerd.

Het ministerie van Infrastructuur en Milieu bekijkt of de schade kan worden verhaald op de bouwbedrijven.

Don't squeeze them just because you can



Don't squeeze them just because you can



De grootste aanbesteding van Rijkswaterstaat ooit, de **wegverbreding van de A15** door het Botlekgebied, is uitgelopen op een financieel drama voor de bouwers.

Het A15-project is te groot en te complex. Het bouwconsortium, met daarin Ballast Nedam en Strukton, heeft tijdens de aanbesteding voor een te laag bedrag ingeschreven. Ook heeft het alle moeilijk te beheersen risico's op zich genomen, zoals het gevaar dat de circa duizend vergunningen die nodig zijn niet op tijd rond kwamen.

Die combinatie heeft desastreus uitgepakt. En opdrachtgever Rijkswaterstaat, zo klinkt het verwijt, "leunde achterover" tijdens de bouw. De financiële positie van Ballast Nedam is door de A15 zo wankel dat verdere tegenvallers het voortbestaan van het bedrijf bedreigen.

Conclusions

- Best Value approach is valuable for both parties
- Best Value is more an attitude than a procedure
- Best Value fits into modern project management methods
- Best Value can be combined with an agile way of working

- > Set internal guidelines for attitude and behaviour
- > Focus execution plan on what to deliver AND how to cooperate

Less stress and more fun!

~~The End~~

The beginning

