

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 1-9-12
Item No.: 12.C

Department Approval



City Manager Approval



Item Description: Park Renewal Program Best Value Procurement

BACKGROUND

The City Council authorized a \$19,025M Park Renewal Program (PRP) over a four year plan. It is the policy of the City to use procurement methods that deliver the best value for the community. It is anticipated that the PRP will require a multitude of professional services and contractors throughout the duration of this program. This PRP is extensive and it is very important that the most cost effective, efficient, functional way possible be chosen. The first step to implementation is to select a method of procurement. Three options have been identified and are as follows:

1. Low Bid - simply advertising for bids for a project and accepting low bid

Pros

- Most accepted/recognized/familiar method
- Less planning and upfront time
- Result may be more bidders
- Potential for lower up front project costs

Cons

- Allows for less flexibility
- Leads to change orders
- May not attract highest performing contractor
- Technical risk remains with owner
- Higher management time and costs for project oversight
- Higher risk of being over budget and not reaching project deadlines

2. Overall Best Value which is a hybrid developed by the City

Pros

- Does create performance measures
- Uses not only price criteria for selection

Cons

- Staff time
- Creating our own process/method/calculations

31 3. Best Value Procurement utilizing Arizona State University (ASU) a third party method
32 that was used for the Geothermal Project at the Skating Center.

33 Pros

- 34 • Accepted and tested method
- 35 • 98% performance record of on time and on budget
- 36 • Transfers risk to contractor
- 37 • Lower management inputs
- 38 • New approach for industry
- 39 • Becoming preferred method of high performing contractors
- 40 • Greater ability to minimize impact on users and operations
- 41 • Third party – increases transparency

42 Cons

- 43 • Upfront costs for owner and contractor
- 44 • Upfront time investment for owner and contractor
- 45 • May not obtain the lowest cost in the beginning

46 As the projects have been outlined and timing identified, the desired approach is to utilize
47 Arizona State University Best Value Process as used with the Skating Center geothermal project.

48
49 The official Best Value Procurement method requires ASU as an outside agency. This
50 service/method is anticipated to improve results, save dollars along the way and in the end. This
51 method did prove to work well with the geothermal project; saving staff and project time,
52 limiting cost overruns and change orders and produced an excellent project.

53
54 Included in your packet is a proposal from Arizona State University that staff will be prepared to
55 review with you at your meeting.

56
57 **POLICY OBJECTIVE**

58 It is the policy of the City to use procurement methods that deliver the best value for the
59 community.

60
61 **BUDGET IMPLICATIONS**

62 The total cost of utilizing Arizona State University for the four year program as outlined is
63 \$200,000 plus a \$15,000 license fee. The cost would be paid for out of the budgeted bond
64 proceeds for the identified planning and construction management costs.

65
66 **STAFF RECOMMENDATION**

67 Based upon the multitude and variety of projects and aggressive timeframe, staff recommends
68 that the City enter into an agreement with Arizona State University in the not to exceed amount
69 of \$215,000, including the license fee to implement the official Best Value Procurement Method
70 for the Park Renewal Program.

71
72 **REQUESTED COUNCIL ACTION**

73 Motion to authorize the City Manager and Mayor to sign an agreement with Arizona State
74 University in the not to exceed amount of \$215,000 to implement the official Best Value
75 Procurement Method for the Park Renewal Program as outlined with final City Attorney
76 approval.

77 Prepared by: Lonnie Brokke, Director
78 Attachments: A: Arizona State University Best Value Education Proposal



Performance Based Studies Research Group
Arizona State University



Revised date: November 30, 2011

Submitted To:

**City of Roseville Parks and Recreation
Jeff Evenson, RLA
Parks Superintendent
2660 Civic Center Drive
Roseville MN 55113**

Subject: Best Value Education Proposal

Submitted By:

Performance Based Studies Research Group
Arizona State University
P.O. Box 870204
Tempe, AZ 85282
Phone: 480-965-1252
Email: Jake.Smithwick@asu.edu and Sylvia.Romero@asu.edu
Web: www.pbsrg.com

SECTION 1 – OVERVIEW

The Performance Based Studies Research Group (PBSRG) is a non-profit research group at Arizona State University's School of Sustainable Engineering and the Built Environment. Since 1994, the PBSRG has researched and tested best value and leadership based concepts to develop organization and service models that increase efficiency and performance, while minimizing risk. The PBSRG is recognized as the worldwide expert in best-value and performance information systems. The PBSRG engages in the research, development, and testing of tools and methodologies to solicit, award, and manage all types of business services, including information technology, design, and construction. The Best-Value program educates and assists partners in becoming a more efficient organization through measurement, risk management, accountability, and transparency. The PBSRG also educates partners in both a selection process, and in the management of the vendor after the award has been made for all types of projects. This combination of pre-award and post-award functions makes the PIPS process unlike any other best-value tool.

SECTION 2 – SCOPE OF WORK

The objective of this effort is to educate, support, and collect research data on the City of Roseville, Parks and Recreation in changing their paradigm from a management-based organization (direction, control, inspection), to a best-value leadership-based organization (alignment, value, accountability, quality assurance). During the term of this agreement, PBSRG will continuously educate, mentor, and train the Parks & Recreation to run the best-value system Performance Information Procurement Systems (PIPS) and Performance Information Risk Management System (PIRMS). The PBSRG will perform the following functions:

1. Education

- The education services is for a 3 year plan starting in 2012
- On-site education for critical staff (minimum of 4 visits per year)
- On-site education for vendors to review the best value PIPS process (minimum of once a year)
- Education for the potential best-value vendor during the Pre Award Phase
- 3 reserved seats to the Annual Best-Value Conference (held in Tempe, AZ)
- 3 copies of the most recent addition of the Best Value Procurement books
- Option to continue education and mentoring for year 4 by PBSRG staff (see compensation section)

2. Best-Value Programming and Documentation

- Educate and assist with preparing documents and procedures based on compliance with the City of Roseville Parks and Recreation Procurement Policies
- Providing templates such as the RFI, RFP, and Evaluation Plan documents
- Educate and assist with incorporating all necessary best value language
- Educate and assist in preparing a project schedule (including the Best-Value processes)
- The core team members will have the opportunity for best value certification as operators or trainers, and may receive educational credits in conjunction with the implementation

3. Post Award Analysis

- Educate and assist the awarded vendor in managing and measuring their performance (additional services contract from the vendor may be required depending upon the nature of the service)
- Educate and assist the awarded vendor in documenting the service
- Assist both the user and vendor in submitting and analyzing Weekly Risk Reports that are used to provide weekly updates on the overall performance of the entire organization

4. Best-Value Implementation Overview

Educate and assist with the following:

A) Selection

- Project Schedule
- RFP Development
- Pre-proposal Meeting
- Proposal Evaluation/Rating
- Selection Modeling
- Interview Process
- Potential Best Value

B) Pre-planning/Pre-Award Phase

- Kick-off Meeting
- Risk Management Plan
- Summary Meeting (close-out)

C) Project Management

- Contract Close Out
- Director's Report
- Weekly Risk Report (WRR)

SECTION 3 – TERMS AND COMPENSATION

The term of this Agreement begins on December 1, 2011 and continues through November 30, 2014 (dates are subject to change due to acceptance and funding schedules). The agreement may be extended by written amendment, upon mutual agreement of the parties. The services described in Section 2, Scope of Work shall be billed as follows:

1. Payment Schedule Overview:

- Year 1 \$75,000 plus \$15,000 license fee
- Year 2 \$50,000
- Year 3 \$50,000
- Year 4 \$25,000 (optional)

2. License Agreement

In addition to the research scope of work there is a one-time license fee of \$15,000 for continued usage of the best value PIPS methods. The license fee entitles the use of the methods, ideas and templates in perpetuity for only the City of Roseville Parks and Recreation. The technology may not be shared with users or organizations outside of the City of Roseville Parks and Recreation. PBSRG will provide all future changes and updates. This license includes all services, training, support and expenses provided to the Parks and Recreation under this agreement. The invoicing schedule will be determined with ASU's contracts department and Parks and Recreation.

AzTE shall issue one invoice for the license fee anytime after execution of this agreement.

Arizona Technology Enterprise (AzTE)
SkySong
1475 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85257

3. Proposal Expiration

This proposal agreement expires in 30 days of proposal date which is November 30, 2011 unless extended by PBSRG due to finalizing the agreement with Parks and Recreation. Extension confirmation notification will be provided by PBSRG staff.