



Rijkswaterstaat  
*Ministerie van Infrastructuur en Milieu*



Best Value Procurement –  
showcase project in road  
construction

Breakfast Seminar  
Oslo  
14-01-2016



Wilco Schouten  
Guus Riteco  
A1 Bunschoten-Hoevelaken



# Programme

- Project information
- Experience with BVP
- Questions
- Practical dilemmas



# Vocabulary

- Client: public organisation, contracting authority, principal, Rijkswaterstaat
- Vendor: supplier, economic operator, contractor, tenderer, bidder



# Introduction

## Project Manager Main Contractor Van Gelder/Mobilis:

- Wilco Schouten

## Project Manager Rijkswaterstaat

- Guus Riteco



Rijkswaterstaat  
Ministerie van Verkeer en Waterstaat





## Van Gelder Company

- Mission; professional and innovative contractor for the total scope of infrastructural projects. (Cables, Earth and Roadworks)
- Next year Van Gelder will celebrate their 100 year anniversary
- Annual turnover of € 320 mio. Netherlands (Denmark 1 project)
- 700 employees
- Concrete works together with TBI



# Rijkswaterstaat

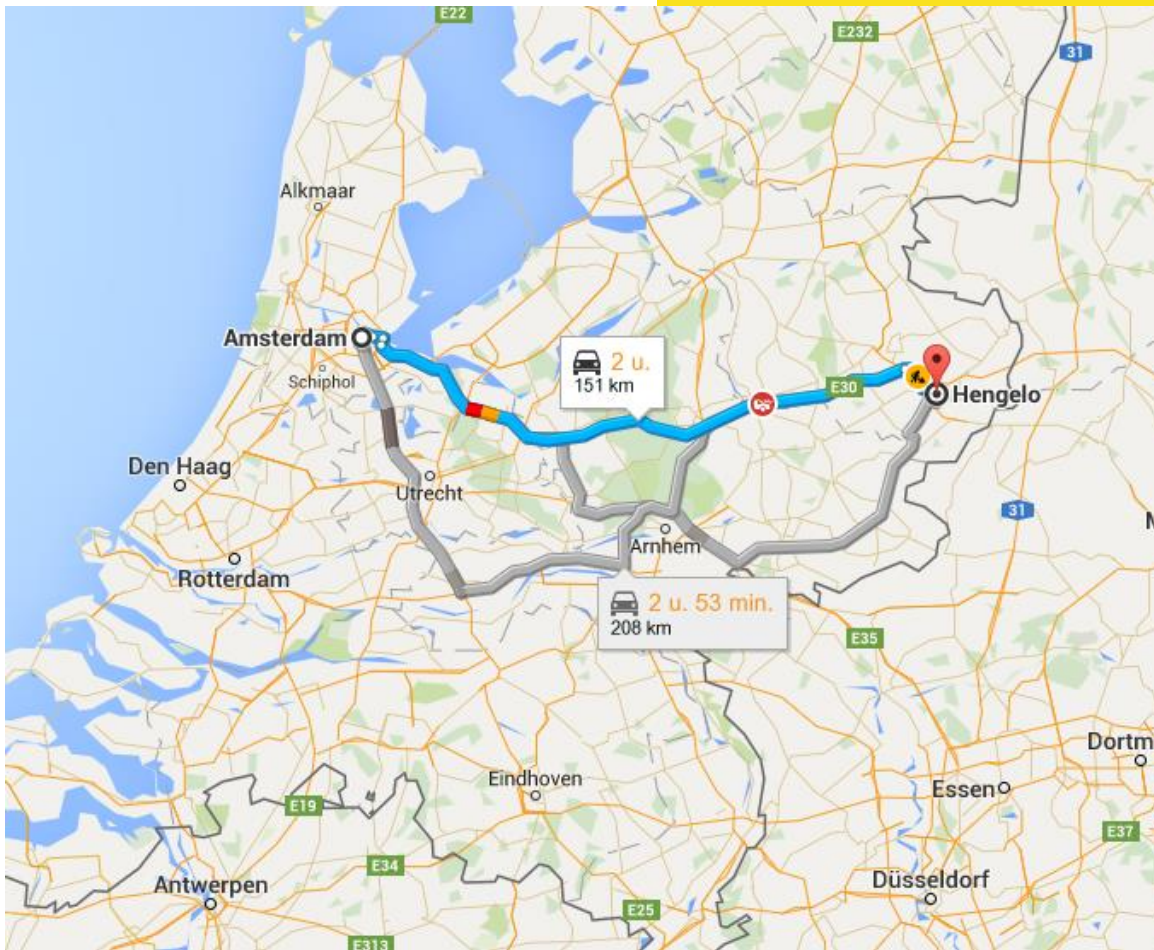
- Agency of Ministry of Infrastructure and the Environment
- Founded in 1798
- Around 9,000 employees
- Annual budget: 4 to 5 billion euros





Rijkswaterstaat  
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## A1 Amsterdam-Germany, near Amersfoort





## Problem A1 Bunschoten en Hoevelaken

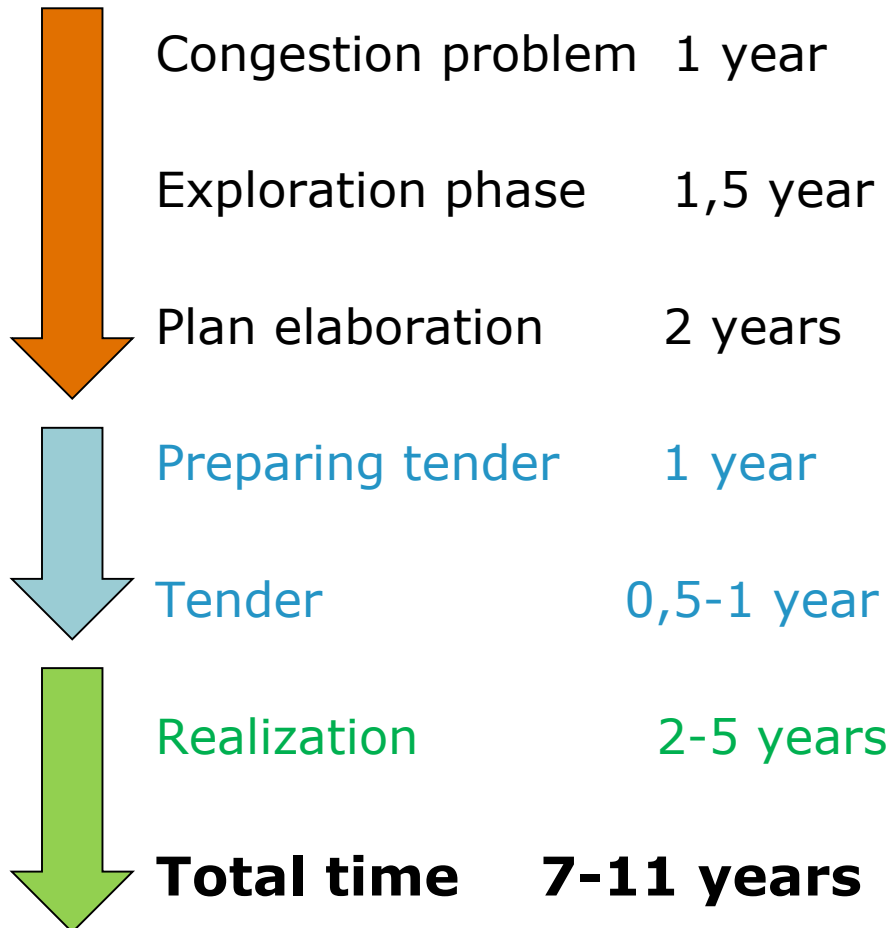
- Too much congestion
- Before 2 long term projects







## Traditional spacial planning of infra projects



## A1 project





# The project A1 Bunschoten-Hoevelaken

## Road widening

2 → 3 over 7 km

- Earthworks
- Build up of new road construction
- Re-new total asphalt top layer
- Portals and signals
- No traffic congestion during works

## New structure over rail track

- Build extension of structure
- Demolish existing structure
- Build new structure in between
- Raise to new level by 1.80 mtr







## Project goals

Deliverable (desired end result): A third lane on the highway A1

Projectgoals prioritized:

1. Stakeholder support
2. Delivery by 15-12-2015, or earlier
3. Reduce traffic congestion
4. Delivery within budget



## Why did we implement BVP?

- Risk reduce of parallelization
- Time-based project
- Greater value
- Curious projectteam



## How did we (vendor) implement BVP ?

- *training of our personnel on BVP-philosophy*
- *Using a company who is specialised in BVP to help us with two things*
  - *guide us in the philosophy*
  - *review our tender material from a professional distance*
- *Management really motivate our personal to really try to understand the philosophy*

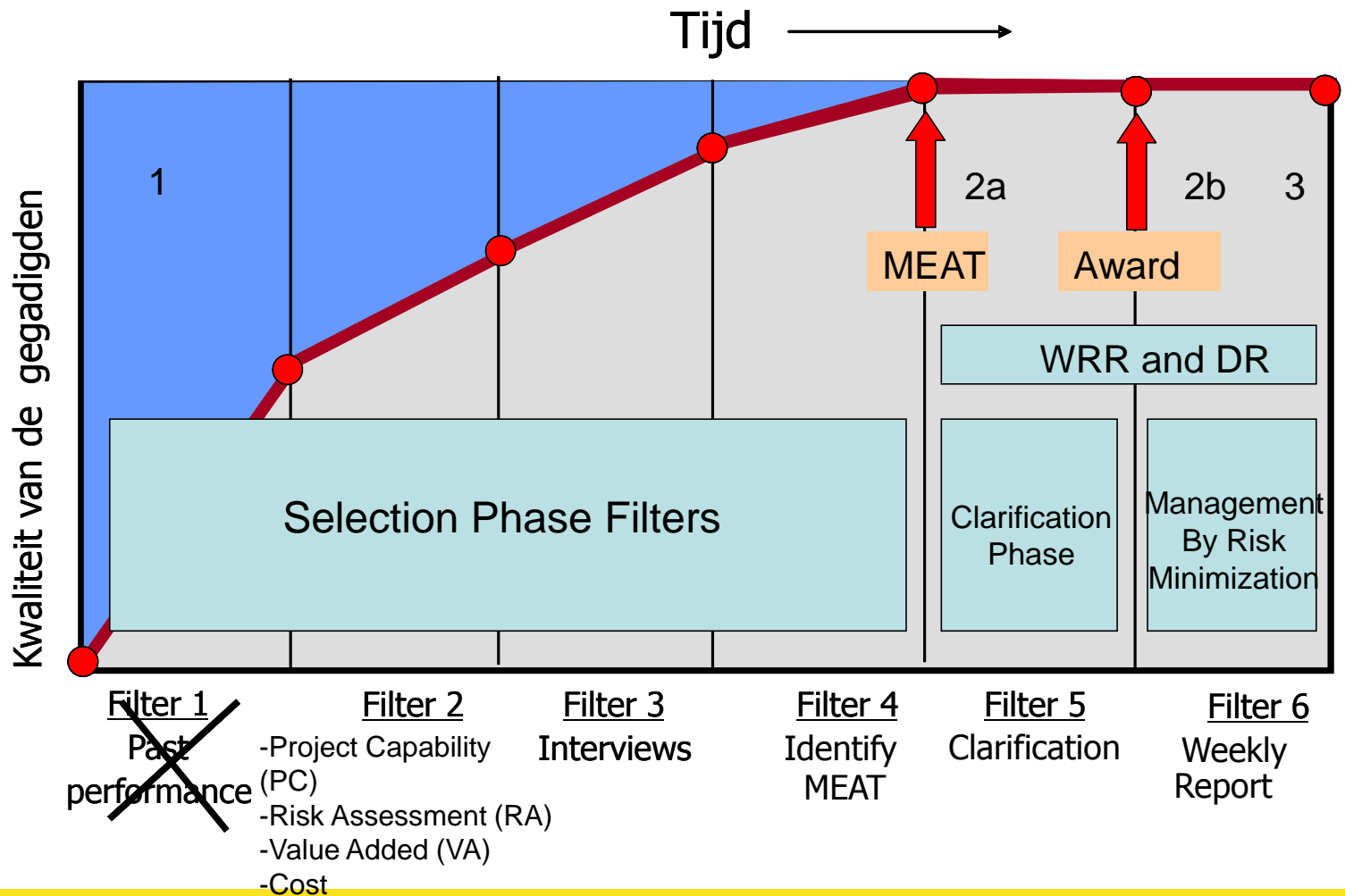


## How did we (client) implement BVP, till contract close?

- training of our personnel on BVP-philosophy
- contract, technical specs
  
- project goals
- ceiling price
- training of tenderers
  
- provision of information to tenderers
- detailed technical specifications
  
- evaluate proposals of tenderers
- discussions together to get objective assessments



# Filters







## Most Economically Advantageous Tender

<b>Ceiling price</b>		€	15.500.000	
				25%
Price				
Risk Assessment		€	3.100.000	20%
Project Capability		€	1.550.000	10%
Value Added		€	2.325.000	15%
Interviews		€	4.650.000	30%
Fictitious Deduction on price		€	11.625.000	75%



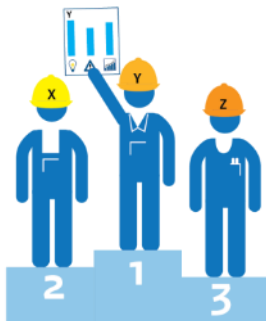
## Tender results, quality score

	<b>Comb 1</b>	<b>Comb 2</b>	<b>Comb 3</b>	<b>Comb 4</b>	<b>Comb 5</b>
Risks	4	4	8	4	4
Project capability	4	8	6	8	6
Value added	6	10	8	6	6
Interview PM	6	8	4	4	2
Interview OM	10	8	6	6	4



## Tender results, total score

million Euro	Comb 1	Comb 2	Comb 3	Comb 4	Comb 5
<b>Price</b>	<b>11,378</b>	<b>11,380</b>	<b>11,428</b>	<b>12,993</b>	<b>14,019</b>
<b>Total Value added</b>	<b>1,759</b>	<b>1,476</b>	<b>1,080</b>	<b>0,293</b>	<b>1,400</b>
<b>EMVI Price</b>	<b>9,259</b>	<b>6,936</b>	<b>10.857</b>	<b>17,381</b>	<b>15,256</b>



Uitkomst

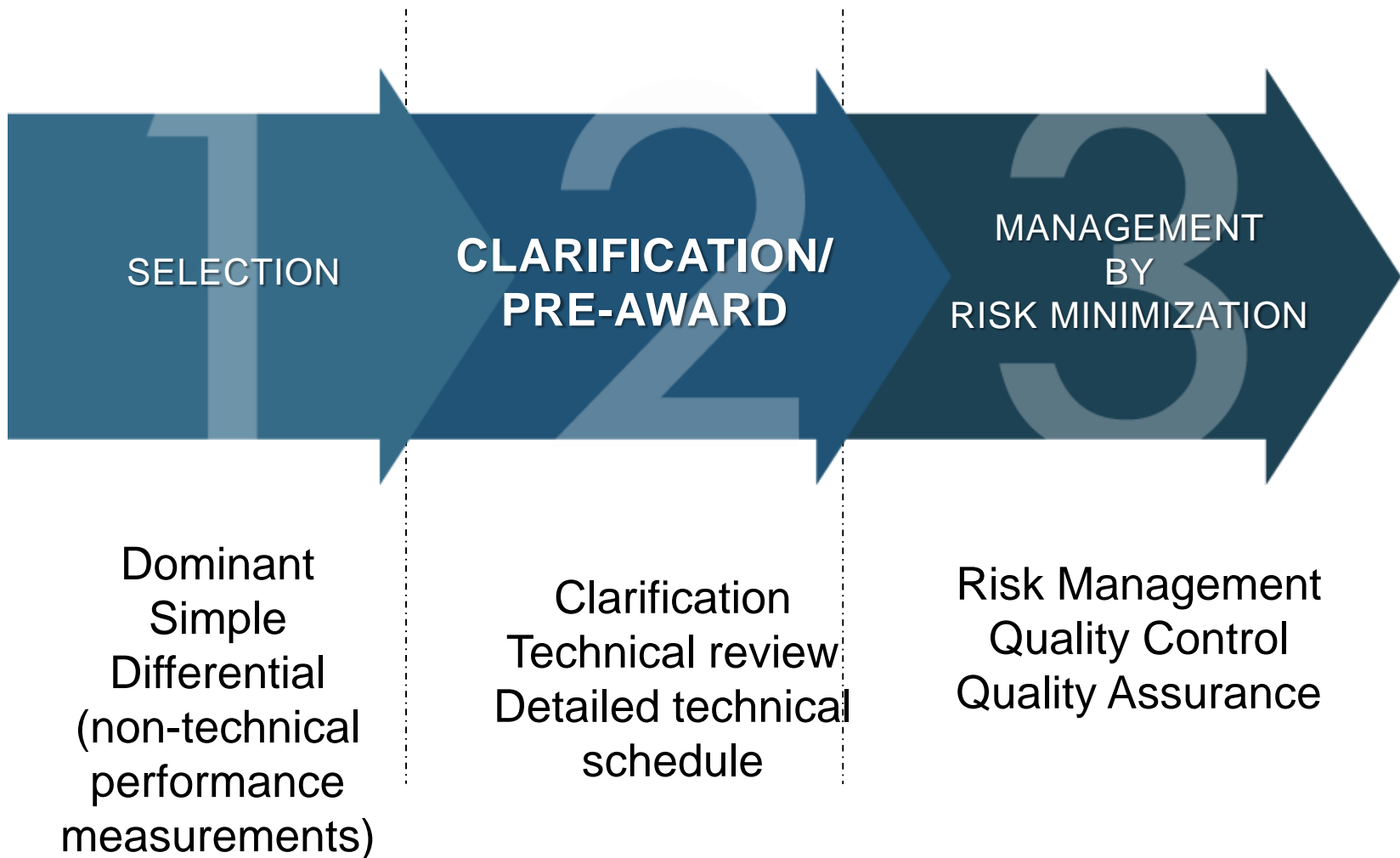




# Tender solution Van Gelder Mobilis A1

High score on:

- Stakeholders management
- Traffic flow, extra capacity within a few months
- Early delivery
- Good price, comparable with 2 other bids
- Interviews : they had a plan !
- Value added and capability documents ++





## Clarification phase

- Clarification of statements
- Vendor in the lead
- Vendor shows his plan in more detail
- Discuss about the KPI's
- The way of cooperation client and vendor
- Distinguish risk for client and vendor
- What's in and what's out of the scope



## How did we (client) implement BVP, after contract close?

- training of our colleagues on BVP-philosophy
- discuss our behaviour within RWS-team
- discuss our behaviour with Vendor
- think from project goals and risks
- we use our expertise **on demand**



## How did we (vendor) implement BVP, after contract close?

- Training of our personnel on BVP-philosophy
- Management motivate our personal to really try to understand and live the philosophy; it had to be a succes!
- Using a company who is specialised in BVP to help us with two things
  - guide us in the philosophy, throughout the execution of the project
  - evaluate every weekly report and a general evaluation every Q
- Discuss our behaviour both internall as externall; KPI BVP behaviour score
- Steering on riscs





## Experience Best Value Procurement I

- + vendor takes more responsibility and initiative
- + focus on same project goals for client and vendor
- + interview with key players distinctive
- Contract still too much detail



## Experience Best Value Procurement II

- Client can't let go, wants to control
- Risk in relapse into traditional instructive behaviour  
"this change order, this is not part of BVP approach"
- ++ Vendor introduces KPI on "BVP-behaviour"
- ++ Vendor switches mindset to "leading" instead of "following".



# Perception Vendor Best Value Procurement Philosophy

- Do what you promise, take and hold the lead
- Really explain what you are doing and then do so!!!  
This means that the client will begin to trust you
- All project members should focus on that
- Steer on behaviour both client/vendor; lesser problems





## Perception **RWS** Best Value Procurement

- Scepticism at the start, later on enthusiastic
- No trust at the start, first high performance of contractor
- Add value to each others approach
- Less personnel needed on client side

## Results

- Vendor did what was believed
- Stakeholders are satisfied
- Drivers are happy,  
no more traffic jam
- Appreciation of Minister





## Proud Minister, proud Vender and proud Client





Any questions

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## Practical dilemma I

### *Trust/Control*

Vendor offers an added value option to widen the flyover and provide for an extra lane on the shoulder  
Does the client trust the calculations?





## Practical dilemma I during clarification phase

Vendor offers an added value option to widen the flyover and provide for an extra lane on the shoulder  
Can the flyover cope with the extra (heavy) traffic?  
Vendor shows calculations made by their own experts that it is possible.

The viaduct is more than 50 years old.

Does the client trust the calculations?

How does the client know that the calculations are sound?

The client has to decide if it wants to award the added value option.

- What should the client do?
- What should the vendor do?





## Praktical dilemma II during clarification phase

*release/trust*

Stakeholder management  
Vendor in the lead  
Client likes to control

The main project goal is  
stakeholder support after all



What should the client stakeholder manager do?

What should the vendor do?



## Praktical dilemma II during clarification phase

*release/trust*

Stakeholder management is being done by the client before contract close.



Stakeholder manager **of the client** wants to introduce a panel of local people living nearby the project which will reflect on developments during realization. This impacts the work being done by the vendor. The client does not know what the approach of the vendor will be. They sure have an opinion about it!

The main project goal is to maintain and increase stakeholder support after all

What should the client stakeholder manager do?

What should the vendor do?



Thanks for your attention

???

