

“Procurement Advisors”

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Project Planning and Procurement Strategy

- Conduct planning study to define the project need and consider alternative solutions
- Consider alternatives for procurement as part of planning study
- Engage independent procurement advisor to participate in preparation of procurement alternatives and integration into project implementation plan

Implement the Selected Procurement Strategy

- What information is required for Procurement?
 - Description of existing facilities and performance history
 - Facility design for capital improvements or new facility
 - Site information
- What level of design is needed?
 - DBO – Performance Spec, 15%, 30% Design?
 - DB – 30%+?
 - Traditional – 100%

Procurement Approaches and Strategy

- Request for Qualifications (RFQ)
- Request for Proposals (RFP)
- RFQ/RFP [Two Step]
- Hybrid Approaches
 - Request for Qualifications and Expressions of Interest (RFQEI)
 - Draft RFP (for comment)/Final RFP
 - Expanded RFP – Menu Approach

Choosing the Best Approach to Meet Your Needs

- Inventory available information
- Know where you are regarding definition of services, key terms and conditions of contract
- Set objectives
 - To test market place for qualified proposers
 - To establish a qualified proposer list
 - To seek technical and cost information without a formal proposal effort
 - To seek technical and cost proposals

Procurement Schedule

– Establish procurement objectives and strategy	1-2 months	
– Prepare/Release RFP	2-3 months	
– Pre-Bid conference, response to questions on RFP, Issue Addenda to RFP	Concurrent with Preparation of Proposals	
– Respondents prepare proposal	3 months	
– Proposal review and selection of Proposer for contract negotiations	<u>2 months</u>	
	Subtotal	8-10 months
– Contract negotiations	<u>1-6 months</u>	
	TOTAL	9-16 months

Why Do You Need to Engage an Advisor?

- Provide guidance and information that allows informed decision making (consultant often has advantage of experience with similar projects and circumstances and can “steer” client away from pitfalls)
- Provide independent advice, considering both the public and private perspective. This is valuable in setting attainable goals and achieving equitable risk allocation.
- Provide expertise and services to take “the load off” municipal staff for preparing RFP, evaluating responses and negotiating contracts
- Expertise assists communities achieve an “even playing field” in discussions/negotiations with proposers

Picking the Right Advisor

- What types of advisors are needed?
 - Procurement Advisor ~ management, engineering, financial
 - Legal Counsel
 - Others ~ Public Relations, Environmental
- How should the consultant team be organized?
- What role should advisors play?
 - Your call ~ Doer or Reviewer

Picking the Right Advisor (Continued)

- What qualities should you seek in an advisor?
 - Requisite skills and experience
 - Assignment/commitment of senior staff with whom you are comfortable
 - Strength of technical and business approaches to meet your objectives
 - No conflict of interest
 - Reputation with vendor community for fair procurements
 - Value

Advisor Costs

- How much will it cost?
 - 2 - 5% of constructed cost
- How do I pay?
 - Traditional ~ hourly basis, plus expenses
 - Include transaction costs with project financing
 - Reimburse from successful contractor