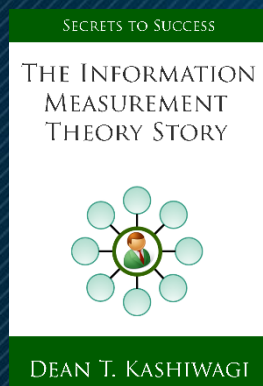
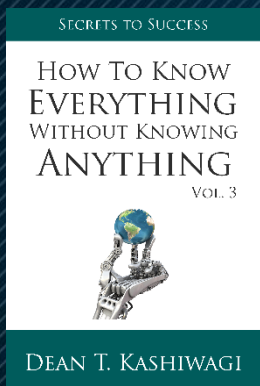




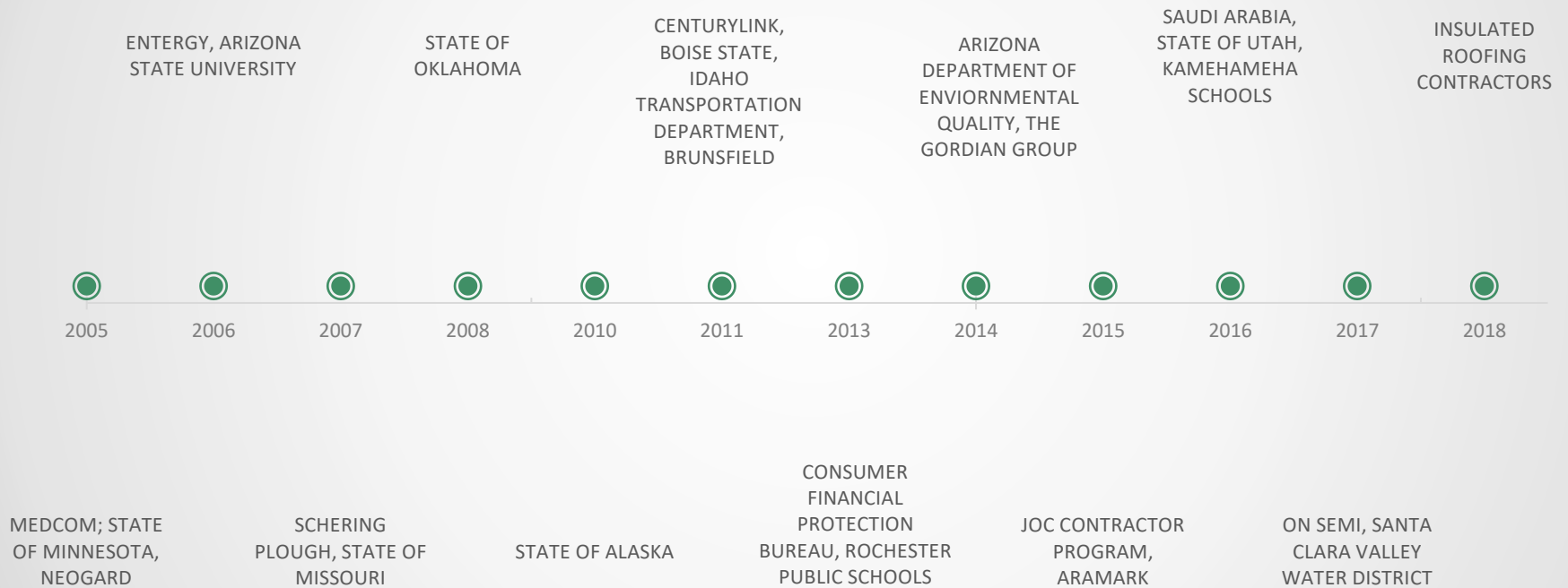
# Dr. Jacob Kashiwagi

Dr. Jacob Kashiwagi utilizes the Best Value Approach (BVA) on his projects. He worked alongside his father, Dr. Dean Kashiwagi, to co-develop the Best Value Approach through a global research effort. Their groundbreaking model is the most licensed technology out of Arizona State University in the past 20 years (63 licenses) and has been tested on over 2,000 projects valued over \$6.6 billion, 98% satisfaction rating, and savings of 5-50% on all project costs. For complete case studies visit [www.pbsrg.com](http://www.pbsrg.com)





# Dr. Jacob's Project Timeline





# Dr. Jacob Co-Created the “Best Value Approach”

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- BVA is an approach to procurement/project management
- Increases value/performance by identification and utilization of expertise [not cutting costs]
- Identification of experts is semi-automated based on information
- Experts deliver projects on time/budget for the lowest cost and highest quality
- Transparency is utilized to mitigate risk, litigation, and protests



# Why Should Professionals Use the BVA?

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- Speed up Procurement by 50%
- Eliminating Protests to 0
- Improve Productivity by 10x
- Lowers Cost by 5-50%
- Uses a Performance Tracking System
- Shows Value to the C-Suite



# BVA Proof of Concept [1994-2020]



- **\$18M** Research Funding
- **2,000** tests delivering **\$6.6B** of services
- **98%** customer satisfaction
- **9** countries, **32** states
- Minimized **5 - 50%** project cost
- Increase quality, customer satisfaction and vendor profit
- **64** Licenses, **Most licensed technology** developed at ASU [most innovative university for 4 straight years -only university to be named].
- PBSRG results have been audited by four different parties [State of Hawaii, Twente University, Twente Netherlands, Western States Contracting Association (WSCA), US Army Corps of Engineers Western Legal Office]



**For More Information:** [PBSRG.com](http://PBSRG.com)





# BVA International Presence





# BVA Principles

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- Shortens the supply chain [takes nonvalue added components out]
- Identifies and utilizes expertise to create an information-based environment that minimizes the need to make decisions
- BVA structure forces expert vendors to create transparency
- Uses a structure of reporting that allows the owner to easily utilize vendor's expertise
- Reduces cost by up to 30% without forcing vendors to "cut costs" and quality
- Creates information workers [do the project and risk management of ten traditional managers]





# Sample Case Studies

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This is a sample of case studies conducted under the leadership and vision of Dr. Jacob. This is not meant to be an exhaustive list.







# US Army Medical Command Case Study

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# Final Performance [5 Years]

## Before report:

- Did not have a way to track projects.
- Unaware how much cost or time deviation was occurring.
- Thought the vendors were “cheating” them.
- Could not quantify problem was coming from.

General Overview	MEDCOM
Total Number of Projects	619
Total Awarded Cost (\$M)	\$973.94
% Over Awarded Budget	<b>5.50%</b>
Client	4.13%
Designer	0.60%
Contractor	0.00%
Unforeseen	1.31%
% Delayed	<b>41.13%</b>
Client	30.84%
Designer	0.25%
Contractor	1.48%
Unforeseen	8.57%



# Dutch Government Case Study





# 1st Government Test in Netherlands \$1B Infrastructure Delivery

- Infrastructure repair critically needed [drivers spend **1-2** hours on road going and coming].
- Procurement and execution takes too long [**12** years].
- Over-management of vendors.
- **16** projects, **6** awards, **\$1B** test of best value PIPS.
- Goal is to finish **10** projects in **3** years.





# Program Results:

## Procurement and project management application

- **15** projects finished (goal was **10**).
- **25%** faster delivery time of projects.
- **50–60%** reduced transaction costs and time for both vendors and client.
- **95%** of deviations were caused by Rijkswaterstaat or external [not vendor caused].
- NEVI , Dutch Professional Procurement Group [third largest in the world] adopts Best Value PIPS approach.







# NEVI now understands that the BVA is a Mainstream Approach, but the Weakness is PM/RM

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## BEST VALUE PROCUREMENT

Put parties in their power to create maximum value for the common goal

"Best Value moves the procurement function in paradigm, the function and the approach. It is of this movement in the Netherlands." - Dean K



**Program Dir. of Training:**  
**Jeroen van de Rijt**

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Best Value is **more than a procurement** method; it is a philosophy that all parties must fully come to be in their power to create the most value for the

Of *"monitoring and controlling of providers"* to *"let go and trust"*. That is easier said than done. A paradigm shift is necessary and will only succeed if

NE  
Be

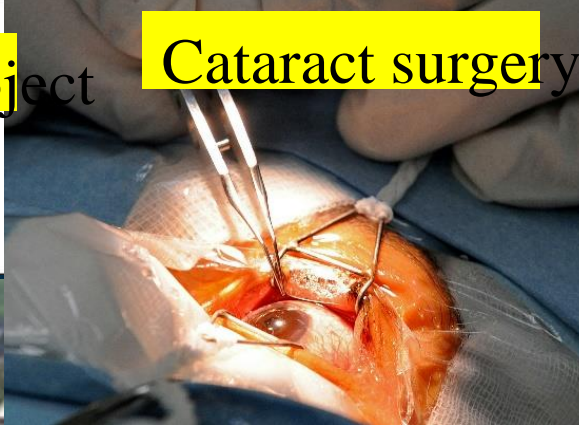




Food Services



Complex IT project



Cataract surgery



Fast-track €800M



Supplies of routine products



Airport, €100M



Parking Garage €55M



Construction works



Super complex

Bio repository Maintenance 8 years cost







# Arizona State University





# Final Performance Results

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**13** Projects procured and run using Best Value

**\$1.7 B** Total value of projects

**100%** Overall customer satisfaction with Best Value

**79%** Reduction in Client Management

**\$2.75 M** Requirements on Dining Services contract Annual  
Savings on IT Networking Project





# Arizona Department of Environmental Quality Case Study

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# ADEQ Overview

- 16<sup>th</sup> largest State environmental regulatory agency.
- Goals:
  - Increase efficiency of environmental engineering programs.
  - Enable vendors to do more work per year.
  - Create documentation that shows improvement of environmental engineering programs.
- Tested in largest department on IDIQ contract



Demographics	2015 - 2017
Total Budget	\$20.5M
# of projects	195
Client Satisfaction	8.7
# of PMs / managers	8 / 2
# of vendors	10
# of sites	60+
Performance	
% Overbudget	<b>2.9%</b>
% due to owner	3.4%
% due to vendor	-0.8%
% due to unforeseen	1.7%
% due to other	-1.4%
% Delay	<b>2.5%</b>
% due to owner	1.8%
% due to vendor	-1.3%
% due to unforeseen	1.5%
% due to other	0.6%



# Process [creating a list of experts] Become Simpler and Less Expensive

Criteria	% Diff	Traditional	Best Value
Required time to evaluate proposals	- 95%	286 hrs.	13 hrs.
Avg. Customer Satisfaction of process (1-10)	63%	5	9
ADEQ Administration Cost	- 96%	\$ 98,520.00	\$ 3,840.00
ADEQ Admin. Cost Savings	\$ 94,680.00		



# Traditional vs. BVA: Single Project Test

ADEQ PM Criteria	Pinal County (Traditional)	Yuma (Best Value)
Total Cost of Projects	\$400K	\$138K
Overall Client Satisfaction	6/10	10/10
Project Duration (days)	730	352
% Total Schedule Deviation	150%	23%
% Schedule Deviation Due to ADEQ	-	23%
% Schedule Deviation Due to Vendor	-	0%
% Cost deviation	300%	0.5%*
% of Milestone Deliverables Requiring ADEQ Revisions	100%	0%
% of ADEQ Time Required to Complete Vendor Milestones	50%	15%

\*Deviation caused by unforeseen risk (EPA implementing new requirements)




# Final Main Test Results

- **100%** of budget was spent [minimized risk of not receiving funding from governor's office].
- PMs received **36%** more work.
- PMs work capacity increased by **71%**.
- Customer satisfaction increased by **28%**.

Performance Criteria	FY14 [Before BVA]	FY15	FY16	FY17
# of projects	69	60	88	47
Total budget	\$5.8M	\$5.6M	\$6.9M	\$7.9M
Total budget spent	50%	100%	100%	100%
# of PMs	9	7	7	7
PM work capacity (per PM)	\$644K	\$800K	\$986K	\$1.1M
Scope of Work Completion	50%	82%	99%	100%
Customer Satisfaction	6.9	8.3	9.0	8.8





# State of Oklahoma Case Study

Office of Management and Enterprise Services





# State of Oklahoma: BVA Projects



## Oklahoma Best Value Project Information

# of Best-Value Procurements	30
Estimated Value of Best-Value Procurements	\$141.1M
Protest Success Rate (# of protest won / # of protests)	3/3
# of Different Services	13
% Where Identified Best-Value was Lowest Cost	92%
<b>Project Performance</b>	
# of Completed Projects	8
Average Customer Satisfaction	9.5 (out of 10)
Cost Savings	\$29M
% On-time	100%
% On-budget	100%



# Different Services Procured

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- Commercial Off the Shelf (COTS) Tax Software (\$12M savings)
- Enhancement of Workforce Job Website
- Electronic Document Management for Construction Documents.
- Computer to Plate Printer (better system than specified)
- Statewide light bulb and lighting fixture contract (\$100K rebate)
- Emergency hazardous Waste Removal contract (no protest)
- Construction Commissioning Services
- State Mental Health Services (\$3M/year less)
- Performance Measurement of Federal Grants
- New Construction and Renovation
- Juvenile Center and Services (overcame protest) (cancelled)





# BV Performance at ASU Century Link



# ASU IT Networking

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- 64,000 Students and 12,000 Faculty
- 4 Different Campuses
- Estimated Cost: \$12.9M
- Number of UTO/IT employees: 18 Full-time employees, 8 Students, 3 Contract technicians



# CL Business Outcomes: Costs

Business Outcomes	Pre MSA	MSA (2010)	MSA (2013)
MSA Baseline	\$12.29M	\$10.81M	\$11.96M
Growth – Out of Scope	N/A	N/A	\$1.15M
Value Add	N/A	\$0.43M/yr	\$0.98M/yr <small>*see appendix for details</small>
Net MSA	\$12.29M	\$10.38M	\$9.83M



# CL Business Outcomes: Reliability & Satisfaction

Business Outcomes	Pre MSA	MSA (2010)	MSA (2013)
# of Major Outages	N/K	37	11
% Uptime	99.802	99.989	99.998
Customer Satisfaction	3.6	3.71 (max 4.0)	3.81 (max 4.0)
% of Tickets within SLA	94%	97%	97%



# Business Outcomes: Technology

Business Outcomes	Pre MSA	MSA (2010)	MSA (2013)
% Network supported (Not at end-of-maintenance)	89%	99%	99%
% 1Gb- Wired Connections	57.0%	71.5%	96.0%
% Wireless(n)	9.0%	8.7%	92.6%
IT Spending Ratio	6/94 (New vs. Maintenance)	26/74 (New vs. Maintenance)	56/44 (New vs. Maintenance) Includes New Growth Includes Wireless-n

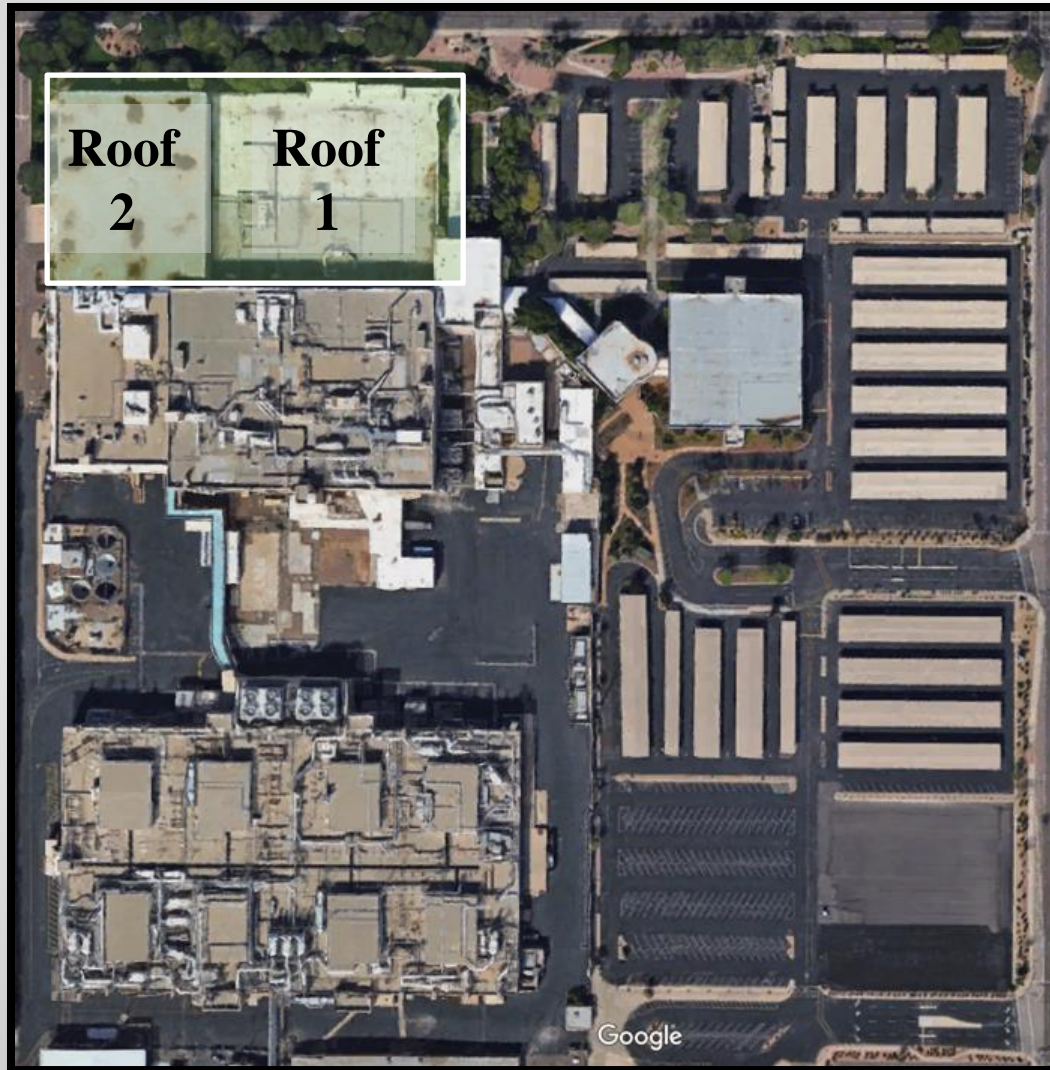




# Roof Test in Phoenix, AZ



# Overview



## Issue:

- Roof 1 was leaking (executives inside).
- Roof 2 was due for warranty.

**Total Budget:** \$800K.

**Timeline:** January – July '17.

**Risk:** Monsoon Season [May-September].



# Roof "1" Before & After





# Final Roof “1” Project Results

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- Finished **24%** below budget
- Finished **2** weeks before Monsoon season
- **93%** customer satisfaction with BVA Process
- **100%** customer satisfaction with roof
- **Zero** leaks to date after monsoon season
- Saved client **\$270K**



# How Can People Learn More?



- Purchase Books: <http://ksm-inc.com/>
- YouTube: [Dean Kashiwagi](#)
- More on Best Value: [PBSRG.com](http://PBSRG.com)
- LinkedIn: Kashiwagi Solution Model Inc.
- Come to our [Annual BV Conference](#)
- Contact: [AlfredoRivera@ksm-inc.com](mailto:AlfredoRivera@ksm-inc.com)



January 11-15th

**Tempe,  
Arizona**

