

"The Facilities Manager Model: Setting the stage for success"

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Performance Based Studies Research Group

www.pbsrg.com



PBSRG

(Performance Based Studies Research Group)

- Conducting research since 1994
- 175 Publications
- 483 Presentations, 8,600 Attendees
- 683 Procurements
- \$808 Million Construction services
- \$1.7 Billion Non-construction services
- \$1.3B Euro (\$2B) construction test ongoing in the Netherlands
- Africa/Southeast Asia/Australia (7 universities)
- ASU procurement - \$100M over ten years
- GSA implementation in 2009
- 50 Different clients (public & private)
- 98% Customer satisfaction, 90% of PM/RM transactions minimized

COAA Construction Owners
Association of America
2007 Gold Award
Design and Construction

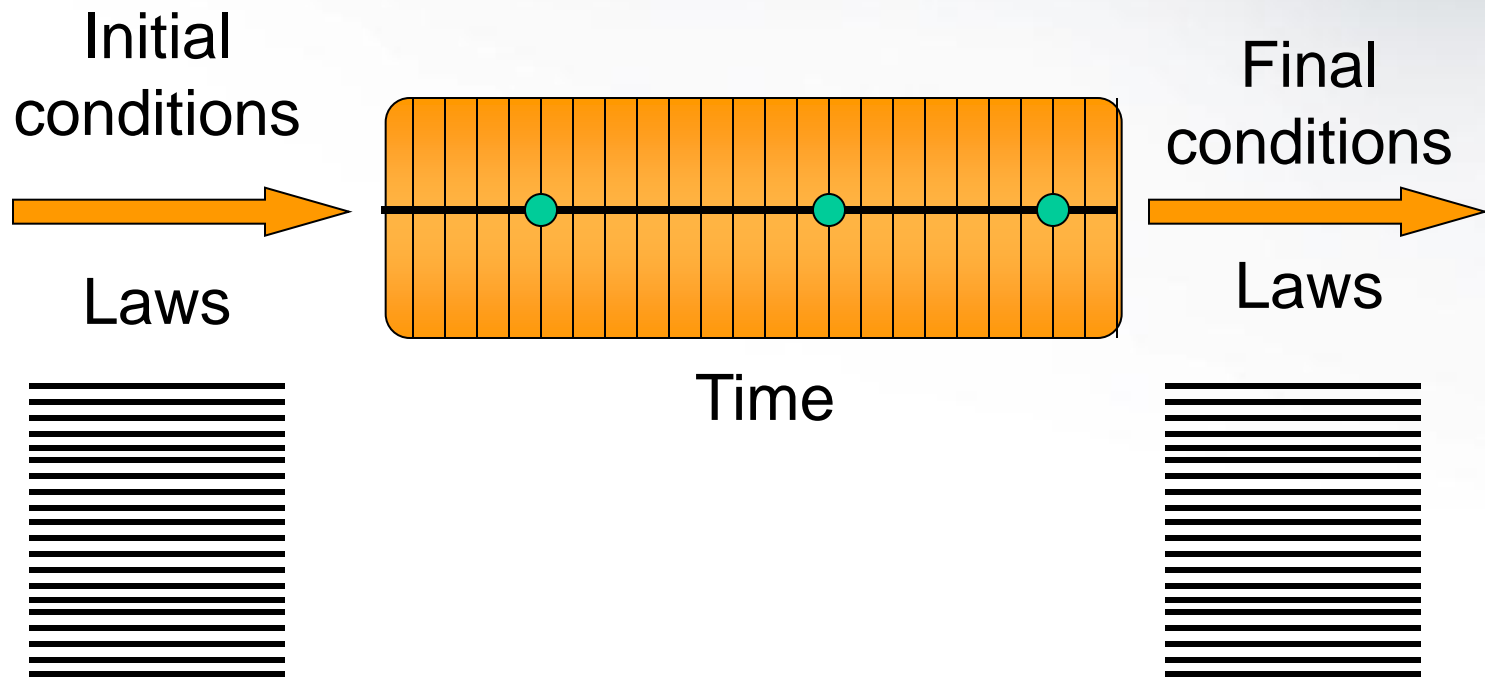


Change of Paradigm



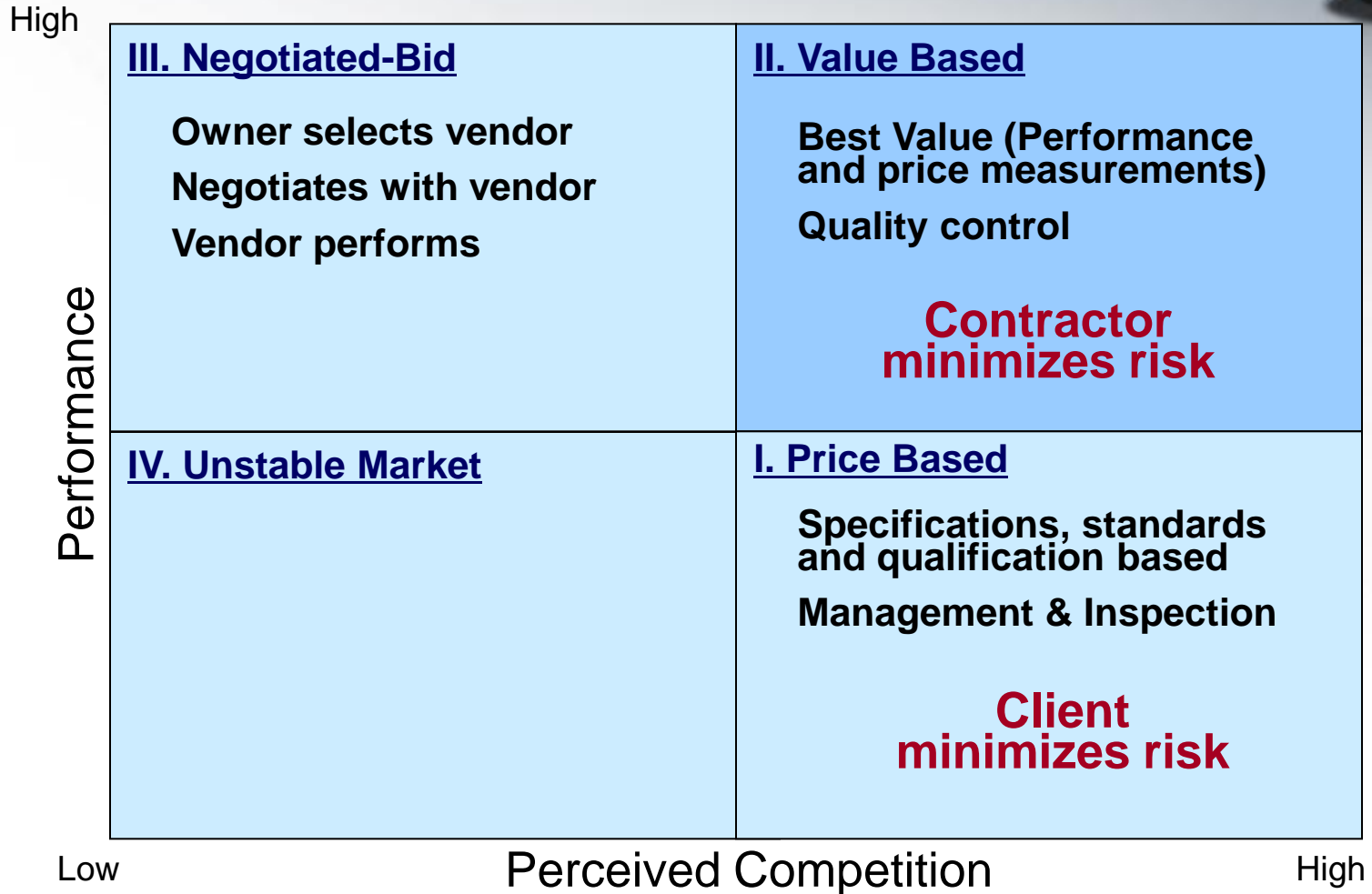
- Manage, direct, and control
- Client expertise makes decisions
- Client influences project or service
- Client identifies best value
- Client does not know what they want (RFP is what they think they want)
- Transfer risk and control to vendor
- Vendor is the expert, and makes decisions if necessary
- Client is not an influencing factor, and if they are, they are documented
- System identifies best value
- Best value vendor identifies what will be provided

Project or Service



(Control, impact, and influence)

Industry Structure



Industry performance and capability



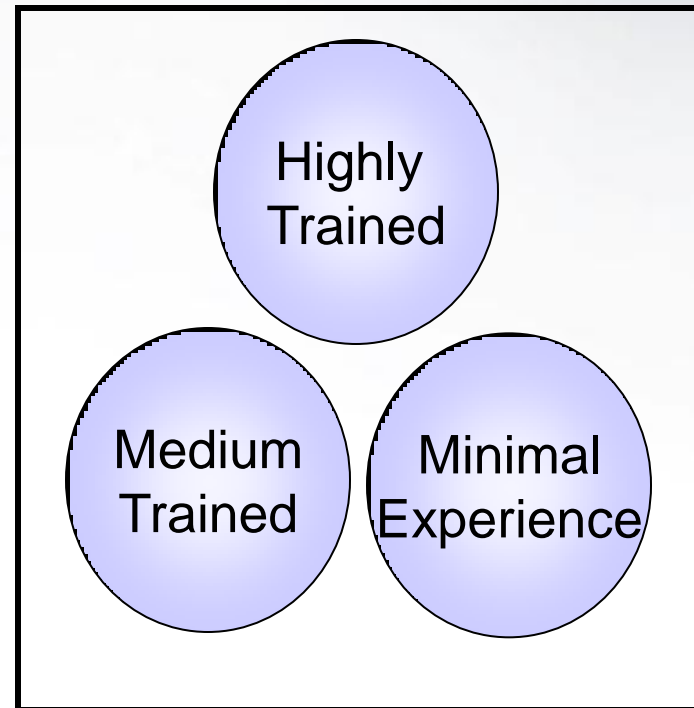
Customers

Outsourcing
Owner

Partnering
Owner

Price
Based

Vendor X





“There is nothing so useless as doing something efficiently that should not be done at all”

Peter Drucker

Industry Structure



High

Performance	<p><u>III. Negotiated-Bid</u></p> <p>Owner selects vendor Negotiates with vendor Vendor performs</p>	<p><u>II. Value Based</u></p> <p>Best Value (Performance and price measurements) Quality control</p> <p>Contractor minimizes risk</p>
	<p><u>IV. Unstable Market</u></p>	<p><u>I. Price Based</u></p> <p>Specifications, standards and qualification based Management & Inspection</p> <p>Client minimizes risk</p>
Low	Low	High

Perceived Competition

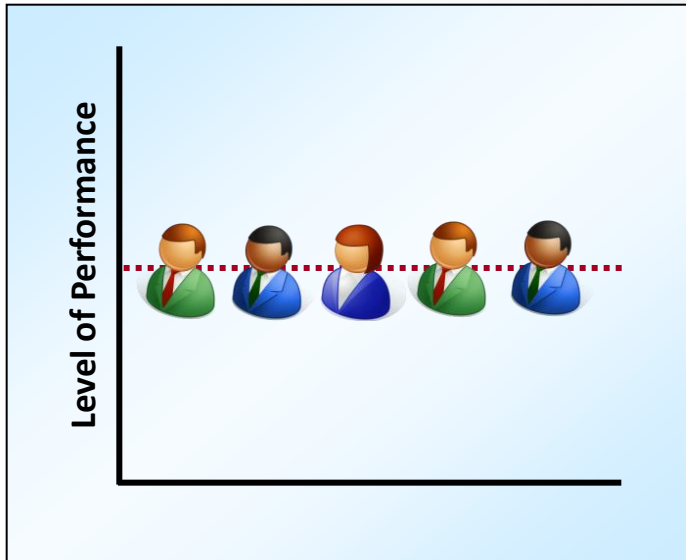
High

Creating a “Level Playing Field”



Scenario 1

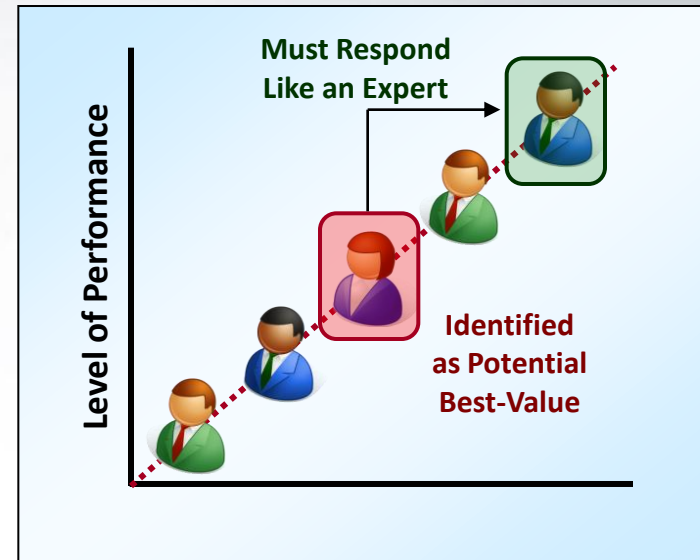
Level Playing Field



- Client has expertise
- Client provides complete information
- Client provides accurate information
- Award based on lowest cost

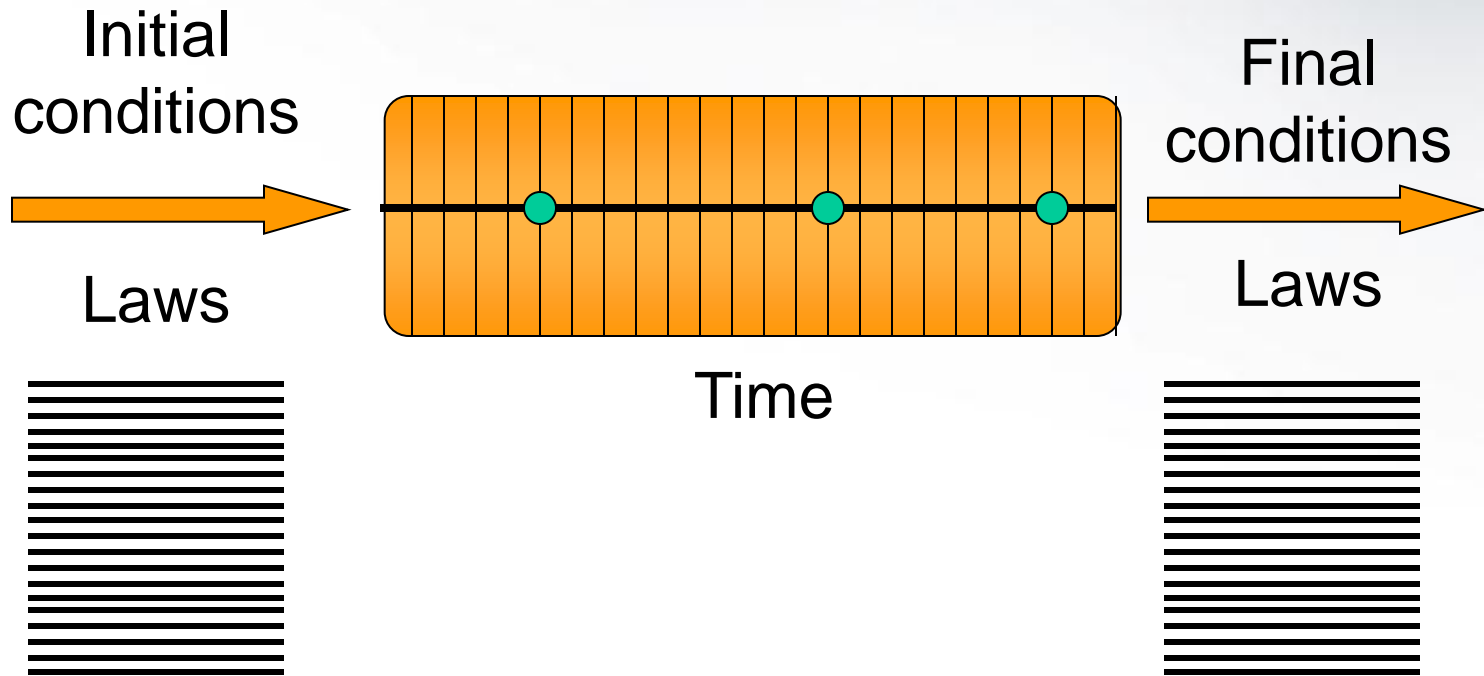
Scenario 2

Unlevel Playing Field



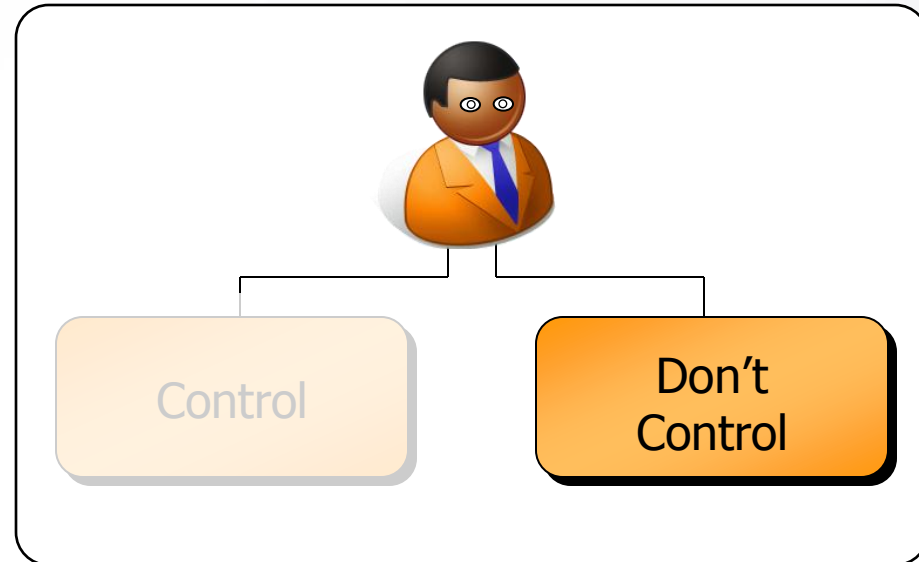
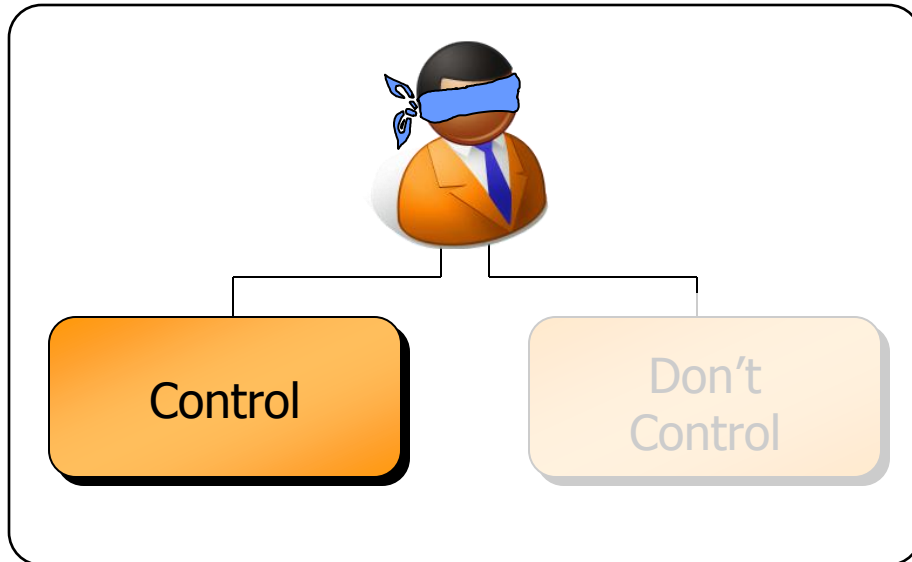
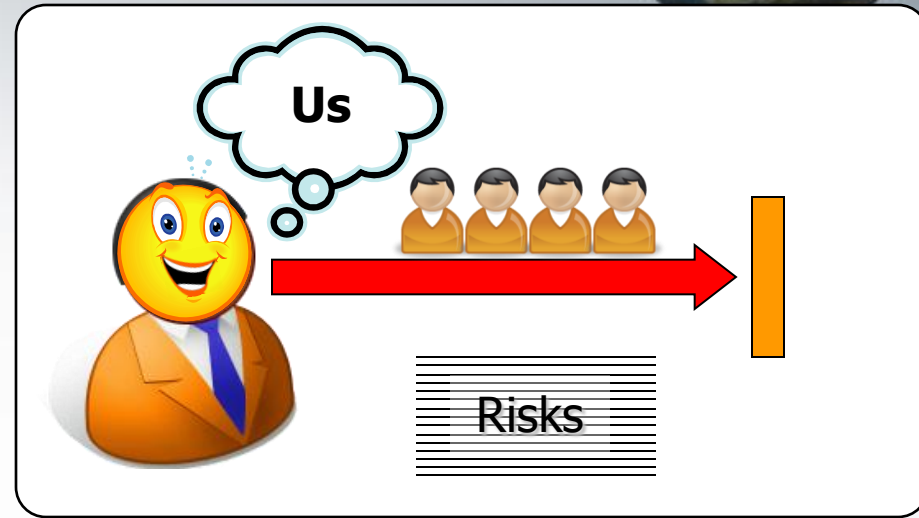
- Vendor has expertise
- Client provides incomplete information
- Client may have inaccurate information
- Award based on best-value

Believe in influence.....direction, and control



(Control, impact, and influence)

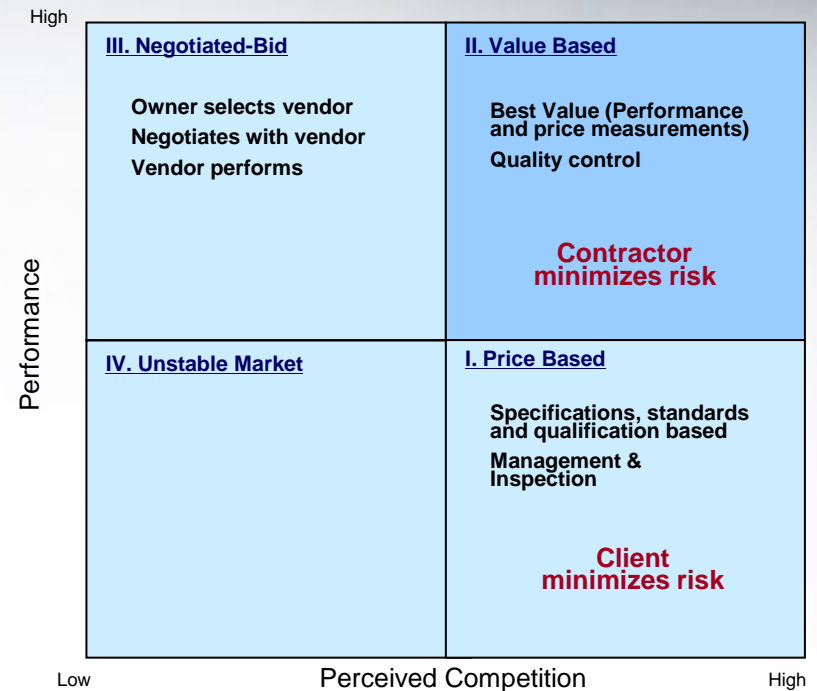
Most people are blind (need structure/system to make the move)

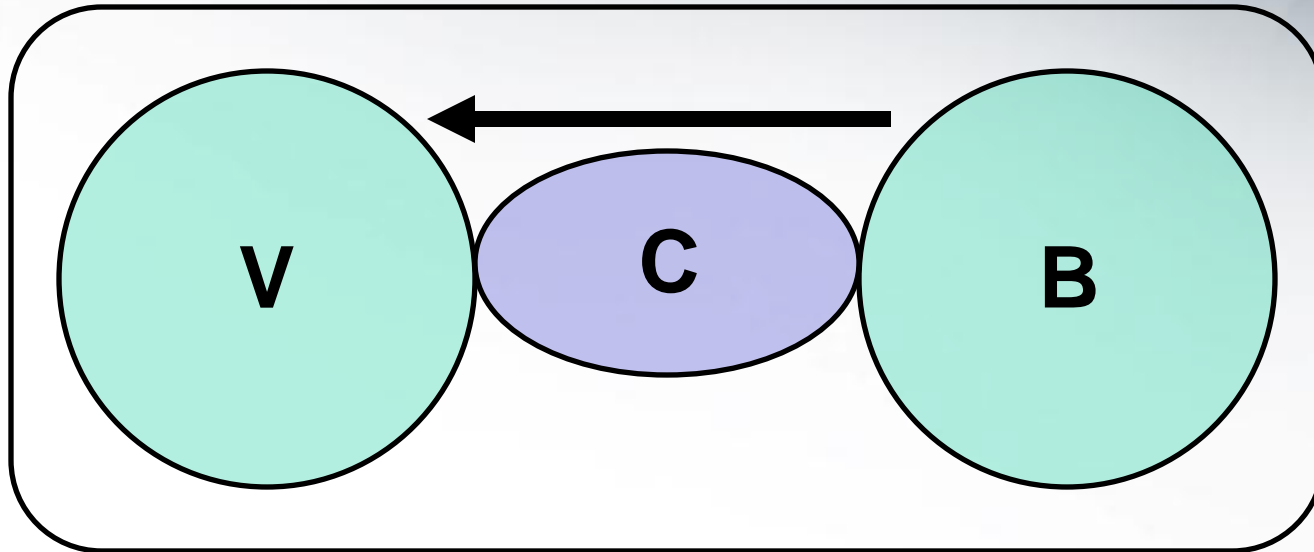


Movement from Inefficient to Efficient Environments

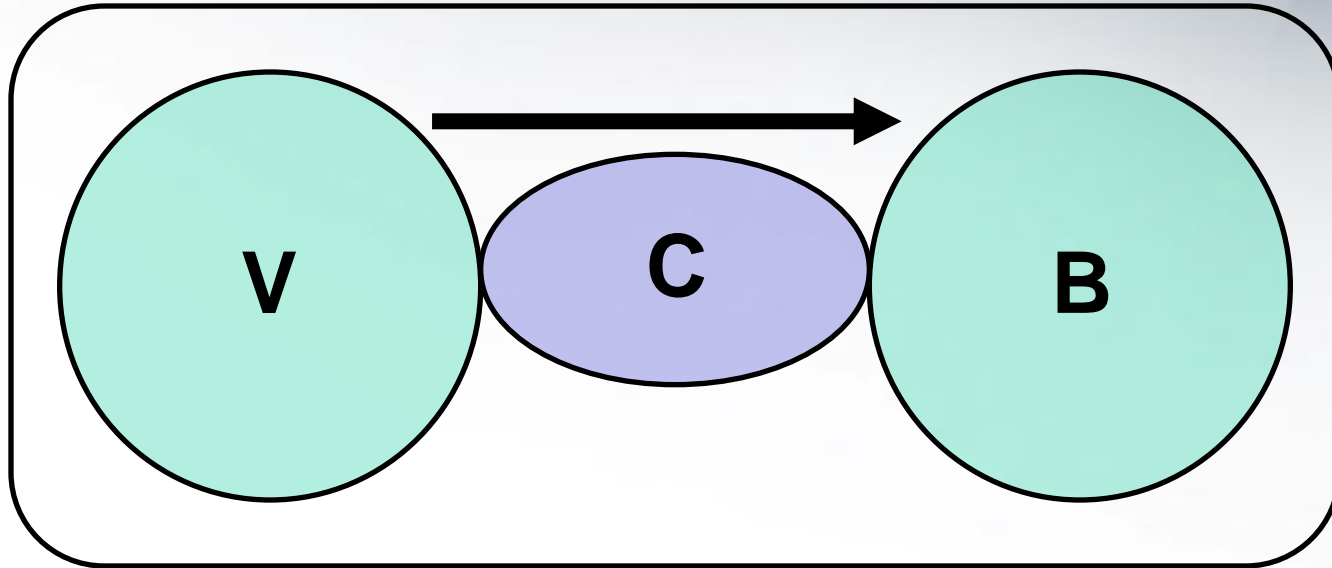


- Transparency (dominant information)
- Release of control, direction, and management
- Documentation of deviation
- Accountability (transfer of risk and control)
- Expertise
- Plan from beginning to end
- No control
- No minimum standards
- Measurements (inside and out)





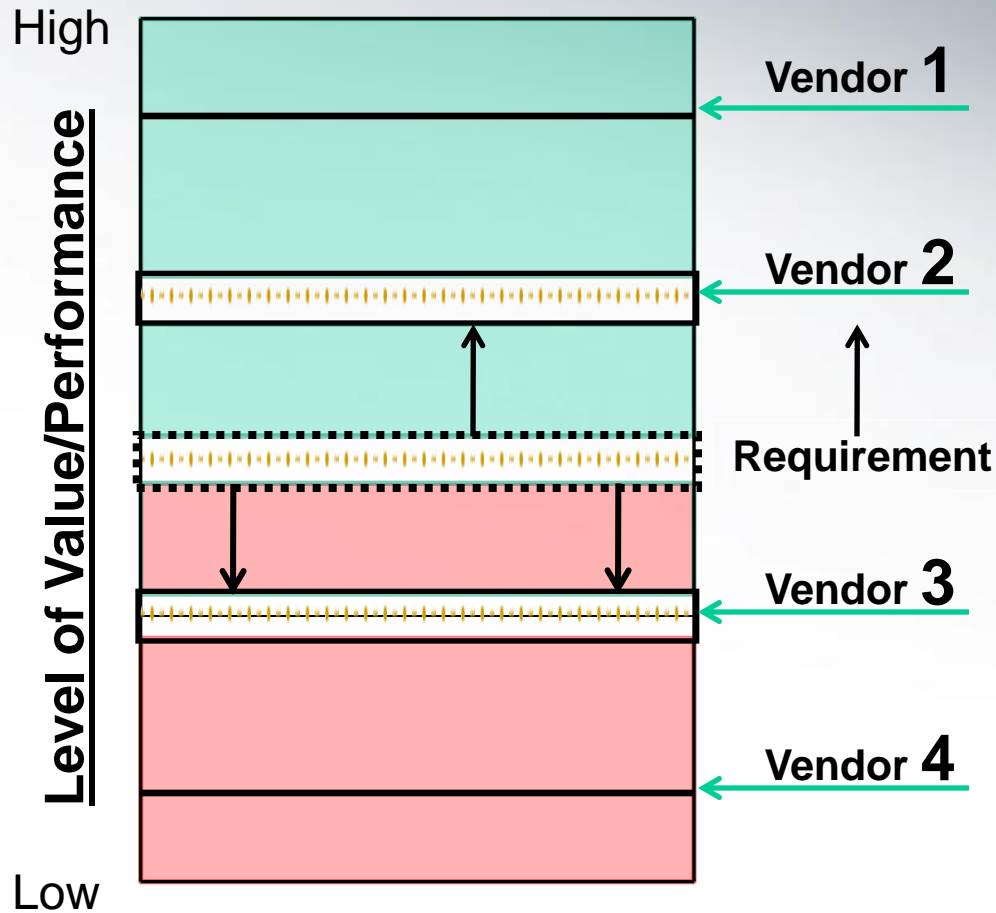
Buyer Controls Vendor Through Contract



Vendor Manages/Minimizes Risk With Contract



New Contractor Delivery Requirement Model

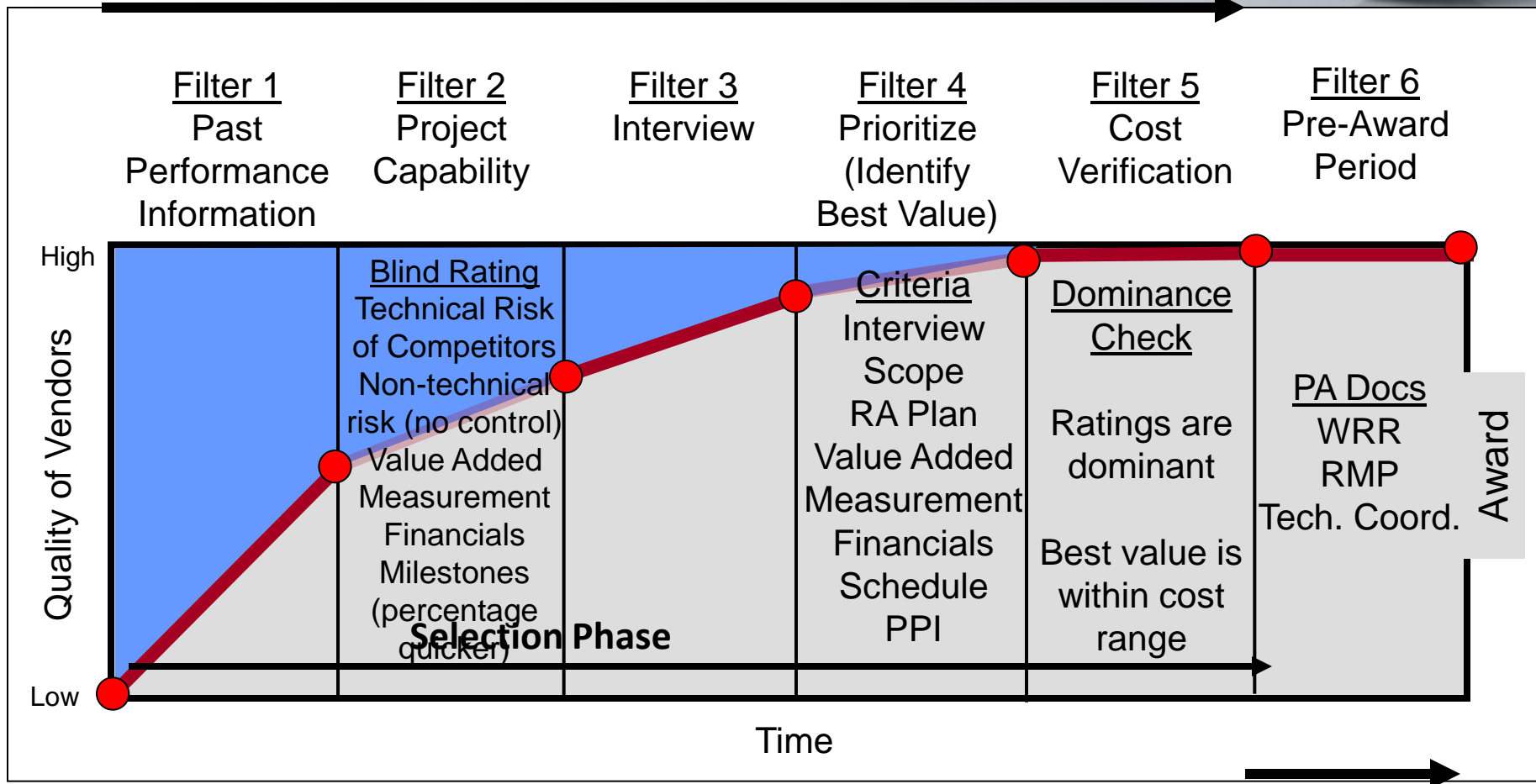


(Client buys either what vendor 2 or vendor 3 provides)

Performance Information Procurement System (PIPS)



Vendor is an Expert

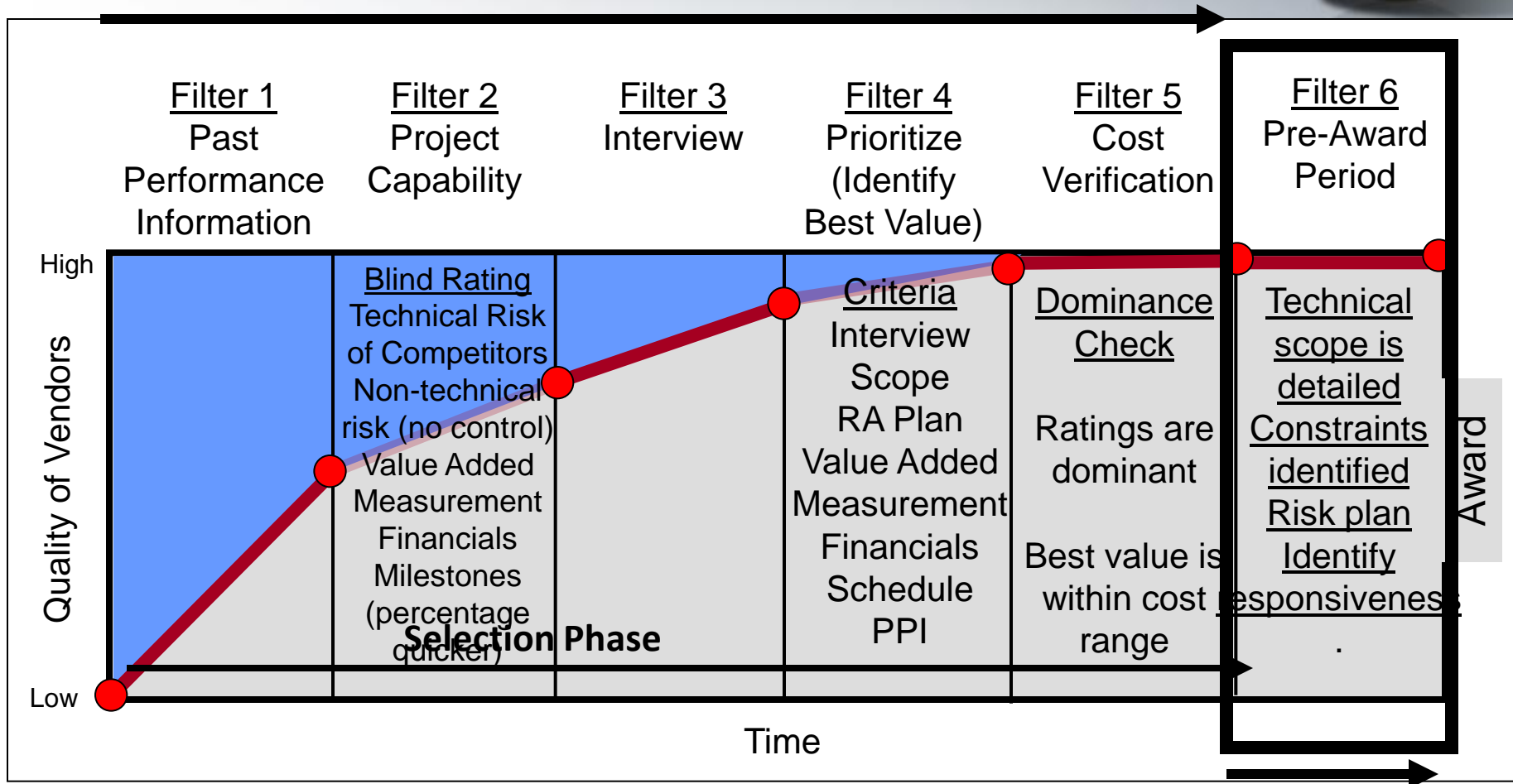


Vendor is not an expert

Performance Information Procurement System (PIPS)



Vendor is an Expert



Vendor is not an expert

FM Model of the Future



- Dutch 1B Euro test to use best value PIPS environment and vendor expertise
- Dato Gan and Brunsfield: increase value 10X by supply chain thinking
- GSA: using bottom up efficiency instead of top down direction and control
- State of Idaho: moving from silo operations to supply chain optimization

Most significant change in the delivery of services by government in 30 years



- Transfer risk and control to vendor
- Vendor is the expert, and makes decisions if necessary
- Client is not an influencing factor, and if they are, they are documented
- System identifies best value
- Best value vendor identifies what will be provided
- Increase vendor profits
- Lower risk
- Increase value and performance
- Minimize transactions
- Win-win

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