1. Adjusted Score

What is it?

Similar to adjusted bid, adjusted score is a two-stage best value procurement procedure in which the STA analyzes a technical bid and assigns a technical score. Then, the STA opens and analyzes the price component of the bid. Using a specified formula, an adjusted score is calculated using the technical score, engineer’s estimate, and price of the bid. The highest adjusted score is awarded the project (*1*).

Why use it?

The advantage to using adjusted score procurement is the combination of two components, low bid selection and qualifications-based selection, into one procurement method. This allows comparison of bids across the technical portion and the cost portion. Adjusted score also encourages bidding firms to provide alternate and innovative solutions to projects that STAs determined to have multiple alternatives available (*1*).

What does it do?

Adjusted bid allows STAs to modify the price portion of a proposal by some factor related to the technical evaluation. The modification of the price is done in a manner that reflects the value of the underlying proposed qualitative factors included in the technical portion of the proposals. Using this approach indicates that the price of the proposal is important to STAs, but that other aspects of the project must be included to determine the best value, which is basically a unit pricing of quality (*2*).

How to use it?

NCHRP report 561 (*3*) provides guidelines for using adjusted score procurement:

1. Screen the candidate project and determine its potential to accrue benefits by using best-value procurement. If the project appears to be a good candidate, capture the essential screening criteria that made it a good candidate and rank them in order of importance to the project.
2. Develop qualifications, technical, schedule, and cost evaluation as appropriate based on the screening criteria. For each evaluation criterion, the owner must develop a measurable standard against which responsiveness will be measured.
3. Publish the best-value RFQs. The solicitation will contain the following items as a minimum
   1. Description of scope of work
   2. SOQ forms
   3. Contract completion date or days
   4. List of qualifications evaluation criteria with corresponding standards
   5. Description of process to be followed for the best-value proposal evaluation plan
   6. Description of what constitutes a non-responsive SOQ
4. Receive SOQ.
5. Evaluate SOQs against published standards and determine which statements are fully responsive and meet the qualifications criteria.
6. Announce the list of prequalified firms.
7. Publish the best-value RFPs. The solicitation will contain the following items as a minimum:
8. Scope of work and relevant plans and specifications
9. Proposal forms
10. Contract completion date or days (if applicable)
11. Method to carry forward Step 1 qualifications ranking/ scores into final evaluation (if applicable)
12. Best-value proposal evaluation plan listing the technical, schedule, and cost evaluation criteria with corresponding standards
13. Description of what constitutes a non-responsive proposal
14. Evaluate proposals against published technical, schedule, and cost standards and determine which proposals are fully responsive in meeting the qualifications criteria.
15. Eliminate any non-responsive proposals from the competitive range.
16. Roll-up evaluation results and determine the final technical score for each responsive proposal.
17. Compute the adjusted score to determine the best value for the project. The adjusted score is calculated using the following equation:
18. STA awards the project to the firm within the competitive range offering the highest adjusted score.

When to use it?

The adjusted score approach may be used when the overall outcomes of a project can be clearly defined and a number of alternatives may exist that could potentially improve the probability of achieving successful outcomes. For example, a bridge project can be properly scoped and clearly defined, but the STA is open to possible alternatives to the project such as alternative foundations, spans, and material types that the STA deems acceptable (*1*).

Limitations?

The STA must be careful in using adjusted score best value procurement in that this procedure is only appropriate for projects that have outcomes that can be clearly defined by the STA (*4*). If any discrepancies exist in the RFP that are interpreted differently by different proposing firms, the scoring procedure will be incorrect. This can lead to protests by unsuccessful firms. Clearly defining the outcomes and scoring system in the RFP is critical in using adjusted score procurement.

Who uses it?

Alaska, Colorado, Florida, Montana, Washington State, District of Columbia Department of Public Works, Alberta Ministry of Highways (Canada), Nashville County (Tennessee)

Example

Washington State Department of Transportation (WSDOT) utilized adjusted score to procure a design-builder for an interchange project located in Vancouver, WA (3). The SR 500 Thurston Way Interchange is a redevelopment of the “at grade” interchange of SR 500 and Thurston Way, which is located in the WSDOT southwest region. The project lies between the SR 500 Andresen Road Interchange and the SR 500 I-205 Interchange. The proximity of the project is in a tight corridor that creates many challenges as well as opportunities for alternative and innovative approaches in addressing the traffic flow logistics during construction. Traffic volumes on the main route, the proximity of the main entrance to Vancouver Mall and another plaza on the south side, along with challenging weaving requirements, made this project demanding for traffic control.

WSDOT included key personnel, management plan, schedule, and technical solutions as part of the technical component of proposals. The technical component of received proposals was reviewed to determine if the proposal is responsive or not. The price component was locked away and not opened until after the scoring of the technical proposals is complete

For the responsive proposals, WSDOT had the evaluation team review each of the relevant areas of the technical component individually to gain an understanding of the subject matter. Each evaluation team member then provided a preliminary raw score based on the following scoring system (total score is 1,000 points):

* Management = 100 points
* Schedule = 100 points
* Technical solution = 800 points

The evaluation team members will then complete their evaluation, adjust the raw scores and add it to the draft summary. During this phase of the evaluation, the evaluation team notes any defects discovered in a proposal. The raw scores, the draft summary, and the list of minor defects is transmitted to WSDOT management team for review.

After review of the raw scores, each evaluation team member meets with the management team individually to discuss the technical areas and raw scores. Using pre-established weighting criteria, the management team then develops final scores for each technical area. The weighted raw scores are then combined using a pre-determined formula to arrive at a composite technical solution score. The price component of received proposals is publically opened and combined with the technical component using the following equation.

The $10,000,000 in this equation represents WSDOT engineer’s estimate. The STA awarded the project to the firm with the highest total score.

References

1. Florida Department of Transportation (FDOT). *Design-Build Procurement and Administration*. Topic No. 625-020-010-k, Executive Committee, Office of Construction, Tallahassee, FL., 2011.
2. Gransberg, D.D., W.D. Dillon, H.L. Reynolds, and J. Boyd. Quantitative Analysis of Partnered Project Performance. *Journal of Construction Engineering and Management*, American Society of Civil Engineers, Vol. 125, No. 3, 1999, pp. 161-166.
3. Scott, Sidney, Keith R. Molenaar, Douglas Gransberg, and Nancy C. Smith. *NCHRP Report 561:* *Best-Value Procurement Methods for Highway Construction Projects*. National Cooperative Highway Research Program, Transportation Research Board, Washington DC, 2006.
4. Montana Department of Transportation (MDOT). *Design-Build Guidelines,* update #3, April 14, 2008. <http://www.mdt.mt.gov/other/const/external/design-build_cr_va/db_guidelines.pdf> [Accessed: March 27th, 2014].