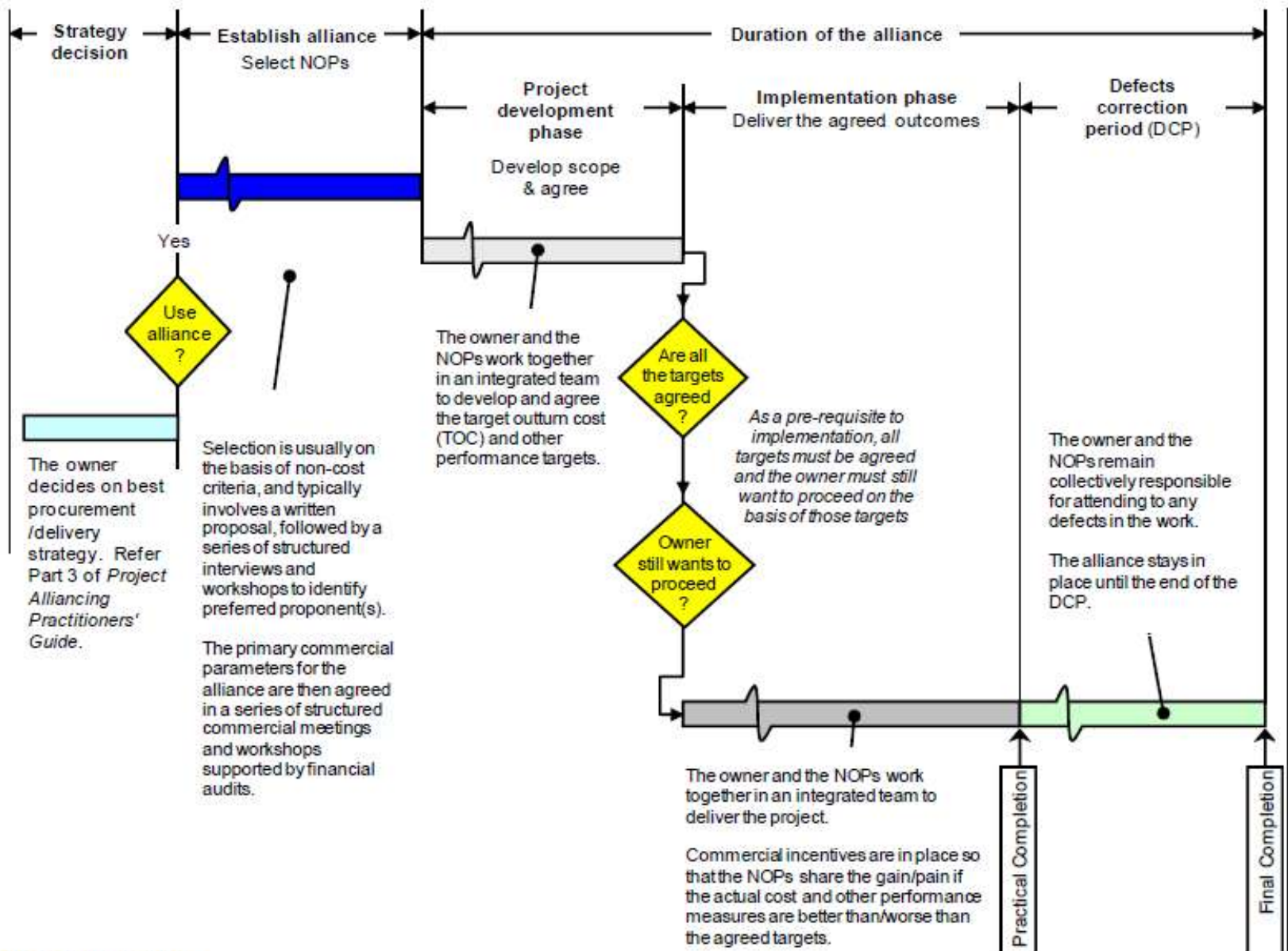
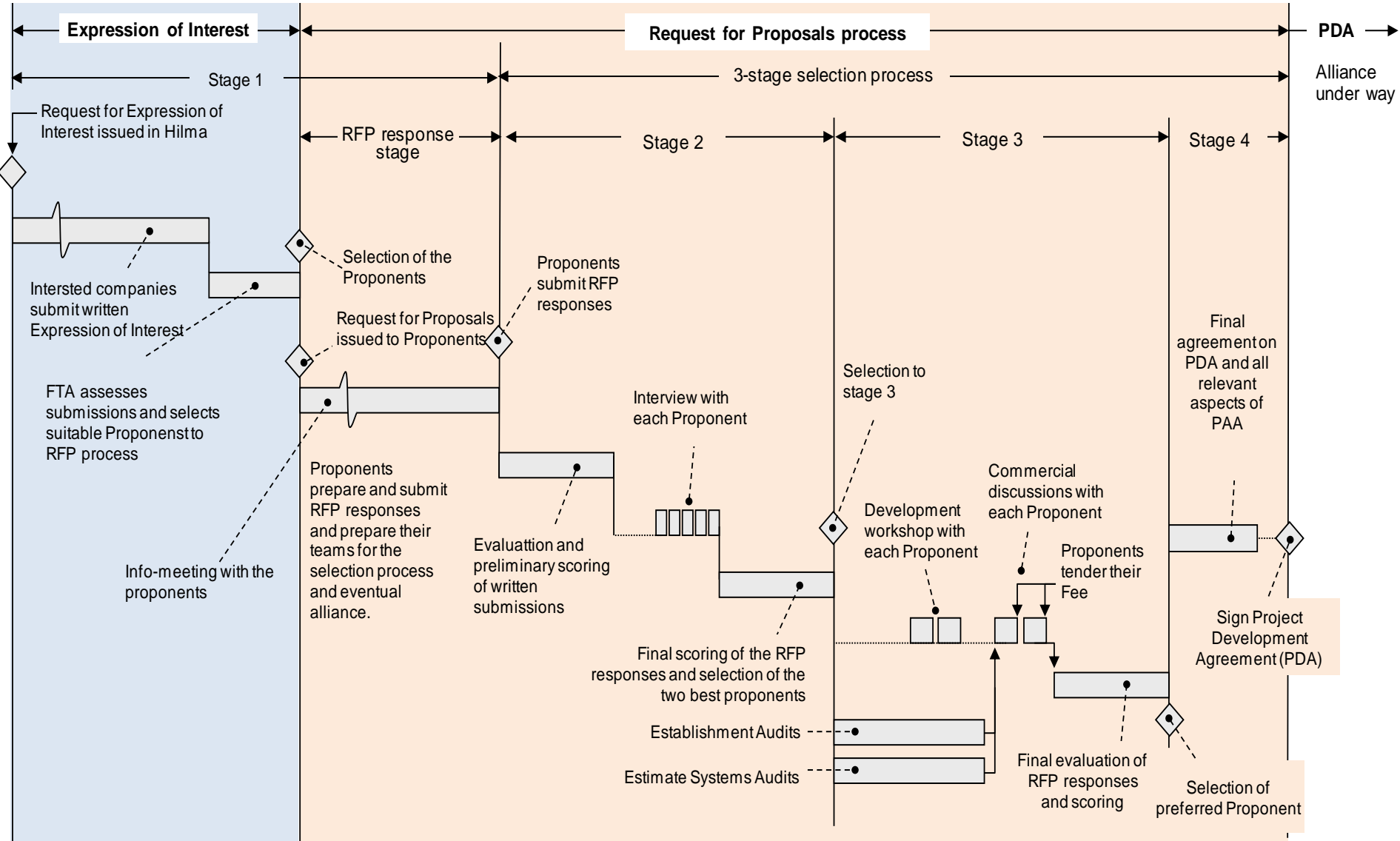


# The Alliance Overall Process



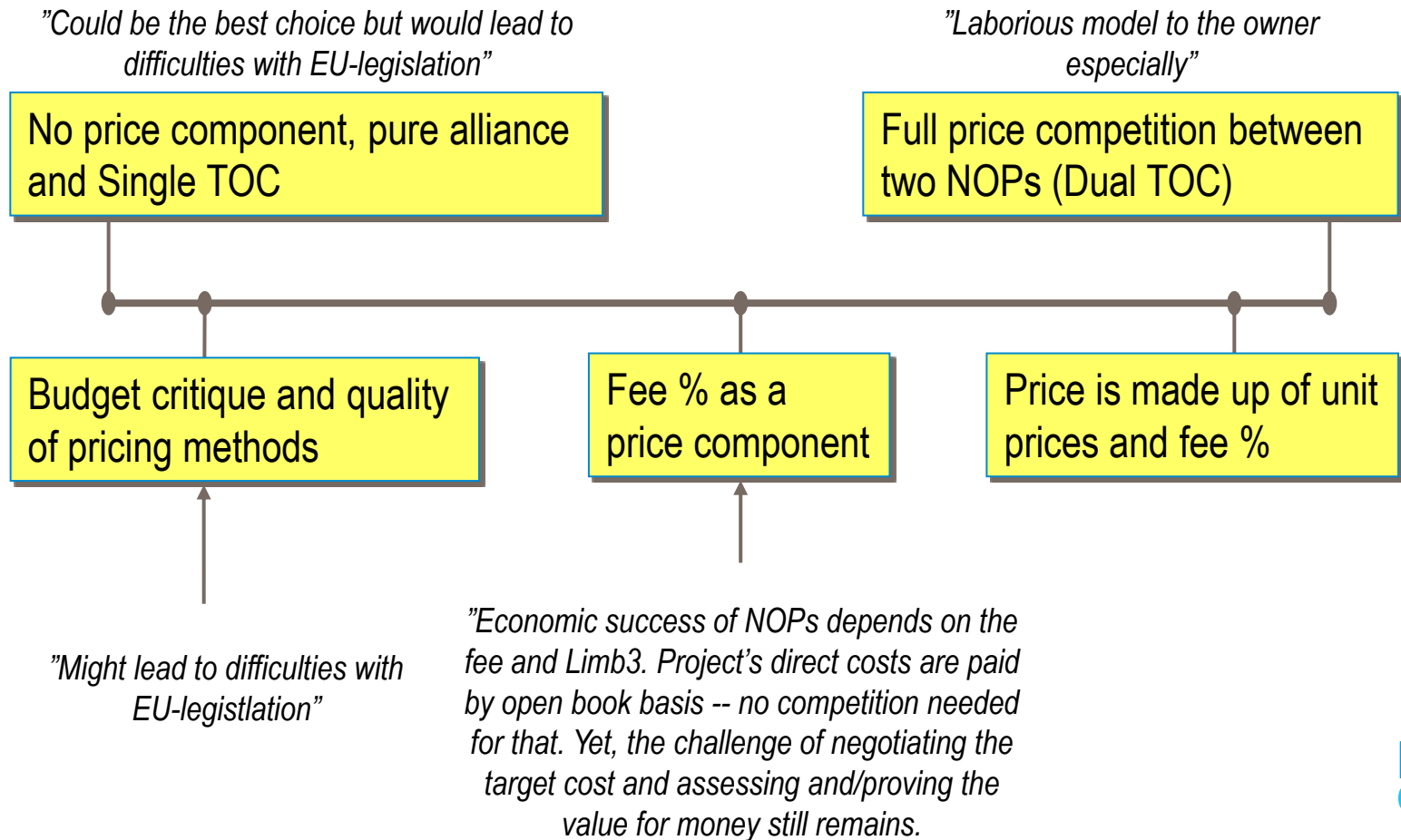
# Establish the alliance / selecting the NOPs



# Selection criteria

Evaluation criterion		Weight			
		Stage2		Stage3	
		total	sub	total	sub
<b>A.</b>	<b>Capapility</b>	<b>100,00 %</b>		<b>75,00 %</b>	
<b>A1.</b>	<b>Track Record</b>	<b>20 %</b>			
	A1.1 Track record in Key Result Areas		10,00 %		no evaluate
	A1.2 Demonstrated succesful technical solutions and innovations		5,00 %		no evaluate
	A1.3 Learning from mistakes		5,00 %		no evaluate
<b>A2.</b>	<b>Organisation</b>	<b>20 %</b>		<b>15,00 %</b>	
	A.2.1 Organisation		5,00 %		no evaluate
	A2.2 Key persons		15,00 %		15,00 %
<b>A3.</b>	<b>Value for Money</b>	<b>25 %</b>		<b>20,00 %</b>	
	A3.1 Value for money strategy		15,00 %		10,00 %
	A3.2 Cost analysis, risks and opportunities		10,00 %		10,00 %
<b>A4.</b>	<b>Project control systems</b>	<b>30 %</b>			
	A4.1 Project control		15,00 %		no evaluate
	A4.2 Safety management		10,00 %		no evaluate
	A4.3 Risk management		5,00 %		no evaluate
<b>A5.</b>	<b>Alliance ability and leadership</b>	<b>5 %</b>		<b>40,00 %</b>	
	A5.1 Alliance understanding and feedback from compensation framework, iPAA and PAA		5,00 %		20,00 %
	A5.2 Demonstrated leadership capabilities		no evaluate		20,00 %
<b>B</b>	<b>Price</b>			<b>25,00 %</b>	
<b>B1</b>	<b>Fee %</b>		no evaluate		25,00 %
	<b>A+B Total</b>	<b>100,00 %</b>		<b>100,00 %</b>	

# Choices to use Price component



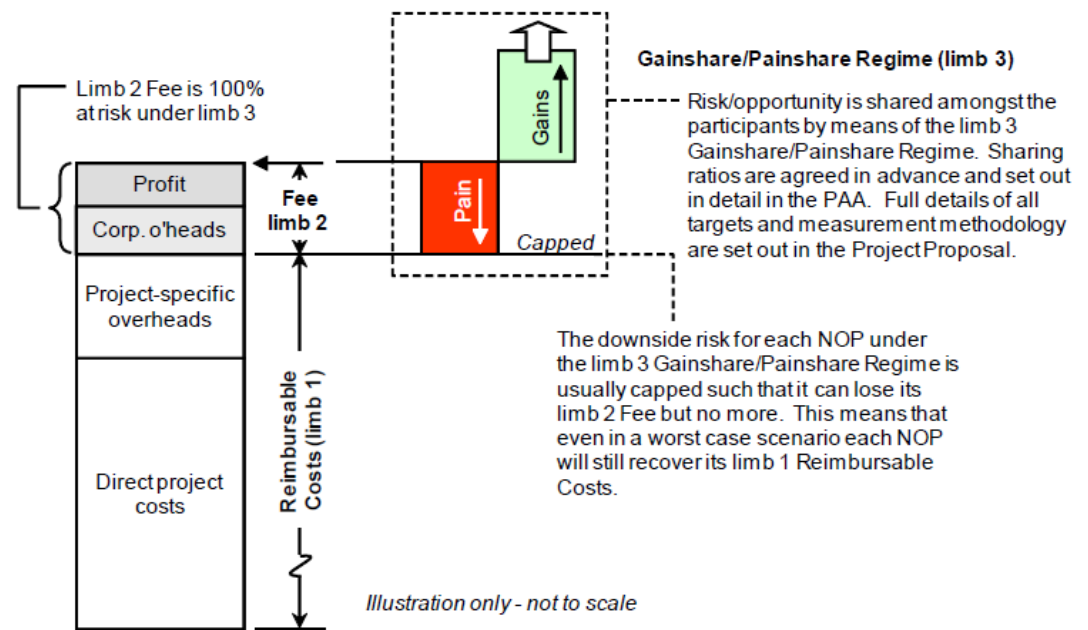
# The EU directives and Finnish legislation

The price should be included in criteria, when contracting authority is making comparison of tenders, since two possible selection criteria are:

1. The lowest price or
2. the most economically advantageous tender (so-called quality and price)

In our case, we used limb 2 presented in the figure as a price element.

## The “3-limb” NOP compensation model



Project Alliancing  
Building on the Australian experience – May 2010 Helsinki

Slide 24

# Limb 3 in Tampere Tunnel Project

**AOC (actual Outcome Cost)**

under run < 5 % OP	30 %
NOP	50 %
Bp	20 %
Under run > 5 % OP	40 %
NOP	30 %
Bp	30 %
Overrun	50 %
NOP	50 %

**Key result areas**

- Schedule
- Safety
- Usability
- Image

**Bonus pool 2,0 % of TOC**

Positive/negative modifier -10...+20 p

- Traffic arrangements during execution +
- Lifecycle costs +
- Damages +
- Black market -
- Rail -
- Highway 12 -

**Cost and Key result area gain/pain**

**Major Event Modifier**

- Rail
- Catastrophe

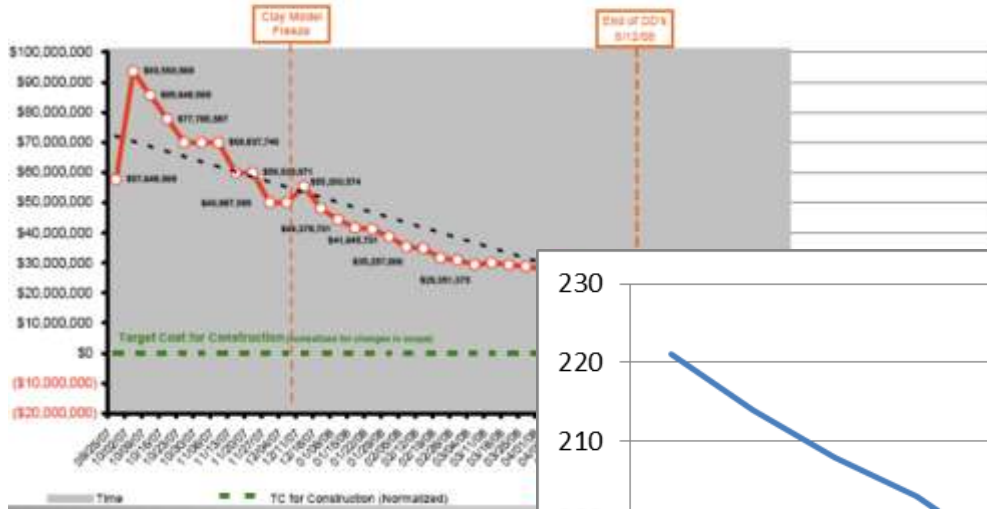
**Final gain/pain**

# Target Value Design as a process

HerreroBOLDT

CPMC Cathedral Hill Hospital  
TARGET VALUE DESIGN CLUSTER GROUP WEEKLY UPDATE

## Construction Estimate Total - Gap Analysis to Target Cost for Construction



Cost efficiency –  
Without forgetting the  
other goals!

