

The Best Value Approach in the Netherlands: A Reflection on Past, Present and Future

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More than 15 years ago Dean Kashiwagi created a process called BVP/PIPS (Best Value Procurement/Performance Information Procurement System) at Arizona State University. PIPS is a procurement method that aims to select the most suitable vendor for the job, to spur this vendor on to highest performance, and to reduce the client's management and control tasks (Kashiwagi, 2009b). Kashiwagi developed the method for several years with the objective of improving the procurement and management of construction projects by reducing risk in selecting the top performer. The method (herein BV approach) has a number of steps, each built around a specific "filter", which focuses on a different element to separate high and low performers. The early phase of the adoption of the process in the Netherlands has been described by Van de Rijt and Witteveen (2011) in the special issue of the Journal for the Advancement of Performance Information and Value. In this paper an update is given and future developments are described. The paper covers the BV approach, a brief history of PIPS in the Netherlands, technology adoption theory, adoption and adaptation of the technology and future developments.

Keywords: Best Value, BVP/PIPS, Netherlands, technology adoption

BV Approach

BVP/PIPS (Kashiwagi, 2011) is a process/structure to optimize the delivery of services by hiring experts instead of managing the risk. It changes the procurement agent's role from being the guardian over the award of a contract, to a facilitator of the delivery of expert services. The new role of facilitator starts when a user has a requirement, and ends when the expert service has been delivered. The BVP/PIPS has three phases: selection, pre-award/clarification, and management by risk minimization. The selection phase has five filters: past performance information, project capability, interview of key personnel, prioritizing the vendors and performing a check for dominance to ensure that the potential BV vendor is the best value. The client's representatives assume the vendors are experts through the selection process then, to assume the BV vendor is not an expert in the pre-award phase to minimize the risk of the BV vendor not being an expert. The paradigm is to minimize the need for technical decision making in the selection process, and maximizing the need for the BV vendor to prove they are an expert in the pre-award phase. The paradigm forces vendors to show dominant differential in performance that minimizes the need for any client technical decision making during selection. The risk is shifted to the vendors to show value through dominant expertise, knowing that experts minimize both risk and cost, thus providing the best value for the lowest cost.

Vendors are selected based on (in prioritized order of importance):

1. Interview (rated, and weighted)
2. Non-technical risk that the vendor does not control (rated blind and weighted)

3. Project capability of the vendor (rated blind and weighted)
4. Value added options (rated blind and weighted)
5. Past performance information (not rated or seen, weighted)
6. Cost (weighted, but not seen or rated by selection committee)

After prioritization, only one vendor can move into the pre-award phase. The pre-award phase is the most important phase of the BVP/PIPS. If done correctly, the pre-award phase should be used as a clarification period to clarify how the vendor will deliver what they have proposed. It is the time to verify the technical competency of the contractor. Once the client is assured that the prioritized BV vendor is the best value (creates an approved risk management plan (RMP), weekly risk report (WRR), and performance measurements (PM)), the contract is awarded to the BV vendor. The BV vendor uses the contract as a risk minimization mechanism, by meeting the technical requirements of the project and managing and minimizing the risk that they do not control.

A Brief Introduction to the History of BVP in the Netherlands

As described in Van de Rijt & Witteveen (2011) and Ang (2011), the first introduction of BVP to major clients in The Netherlands was done in 2004 by Dean Kashiwagi and George Ang from the Ministry of Housing. In 2005 employees from the Ministry of Transport as well as employees from a large construction company (Heijmans) attended the yearly Conference on BV Procurement in Arizona, US. From then on Dutch participants have regularly attended the annual conference. The first BVP projects in The Netherlands started in 2005. Most projects performed between 2005 and 2010 were in the construction industry.

The application of BVP in the construction industry can be seen in the context of the dramatic changes in that decade. Up until 2000, the construction industry had all the features of a low-bid arena: specifications, qualifications, standards-based (Design-Bid-Build), and management and inspection by the client. In 2002, a number of collusion cases led to the installation of the Netherlands' parliamentary inquiry Committee of Construction Fraud (Van de Rijt & Witteveen, 2011). The most important recommendations of the Committee were threefold. First, there was a need for harmonized procurement policies for public contract authorities. Second, public authorities needed to adapt their policies towards more integrated project delivery models, such as Design-Build and Design-Build-Finance-Maintain. The third recommendation was to make more use of award criteria based on price and quality (i.e. Most Economically Advantageous Tender; or "MEAT"). A very specific way of awarding contracts based on quality and price is using the methodology of BVP.

A major milestone for BVP in The Netherlands was the decision in 2008 by Rijkswaterstaat to resolve 16 major road bottlenecks in the Netherlands using BVP. The so-called Fast Track Program (Programma Spoedaanpak Wegen) is the world's largest BVP program with a combined worth of € 600 million or \$ 800 million. Currently, the BV approach seems beyond the "tipping point", the point at which a trend catches fire – spreading exponentially through the construction and other industries. The tipping point idea finds its origins in diffusion theory, which is a set of generalizations regarding the typical spread of innovations within a social

system. In the next section the seminal work of Everett Rogers (1962) on the diffusion of innovations is outlined.

Technology Adoption

Diffusion is defined as the process by which an innovation is communicated through certain channels over time among the members of a social system (Rogers, 1962). In his seminal work on the diffusion of innovation, Rogers, states that 4 elements influence the spread of a new idea: the innovation, communication channels, time, and social system.

Innovation is defined as an idea, practice, or object that is perceived as new by individual or other units of adoption. For Rogers, communication is a process in which participants create and share information with one another in order to reach a mutual understanding. According to Rogers (2003), the time aspect is ignored in most behavioral research. He argues that including the time dimension in diffusion research illustrates one of its strengths. The innovation-diffusion process, adopter categorization, and rate of adoption all include a time dimension. The rate of adoption is the relative speed with which an innovation is adopted by members of a social system (which is defined as a set of interrelated units that are engaged in joint problem solving to accomplish a common goal). The social system is the last element in the diffusion process. Rogers (2003) defined the social system as “a set of interrelated units engaged in joint problem solving to accomplish a common goal”. Since diffusion of innovations takes place in the social system, it is influenced by the social structure of the social system.

Rogers (1962) states that diffusion of an innovation occurs through a five-step process: Knowledge Stage, Persuasion Stage, Decision Stage, Implementation Stage, and Confirmation Stage. In the Knowledge Stage, the individual is first exposed to an innovation, but lacks information about the innovation. During this stage of the process the individual has not been inspired to find more information about the innovation. In the Persuasion Stage, the individual is interested in the innovation and actively seeks information/detail about the innovation. In the Decision Stage, the individual takes the concept of the change and weighs the advantages and disadvantages of using the innovation and then decides whether to adopt or reject the innovation. In the Implementation Stage, the individual employs the innovation to a varying degree depending on the situation. During this stage the individual determines the usefulness of the innovation and may search for further information about it. In the Confirmation Stage, the individual finalizes his decision to continue using the innovation. This stage is both intrapersonal (may cause cognitive dissonance) and interpersonal, confirmation the group has made the right decision.

According to Rogers, the innovation spreads via various communication channels when adopted. During communication, the idea is rarely evaluated from a scientific standpoint. Rather: subjective perceptions of the innovation influence the diffusion. The process occurs over time. Social systems determine diffusion, norms on diffusion, roles of opinion leaders and change agents, types of innovation decisions, and innovation consequences. The rate of adoption is defined by Rogers as the relative speed in which members of a social system adopt an innovation. Rate is usually measured by the length of time required for a certain percentage of the members of a social system to adopt an innovation. The rates of adoption for innovations are

determined by an individual's adopter category. Rogers states that individuals who first adopt an innovation require a shorter adoption period (adoption process) when compared to late adopters. Within the rate of adoption, there is a point at which an innovation reaches critical mass. This is a point in time within the adoption curve that the amount of individuals adopters ensure that continued adoption of the innovation is self-sustaining. Rogers identifies five categories of adopters: innovators, early adopters, early majority, late majority, and laggards (Rogers 1962; 2003).

Innovators are somewhat risk-taking types of individuals who enjoy being on the cutting edge. The innovation's possible benefits make it exciting; the innovators imagine the possibilities and are eager to give it a try. The implementation and confirmation stages of the innovators' innovation-decisions are of particular value to the subsequent decisions of potential adopters. The data that is generated by the innovators is being used by the early adopters to make their own adoption decisions. If the opinion leaders observe that the innovation has been effective for the innovators, then they will be encouraged to adopt. According to Rogers, this group earns respect for its judicious, well-informed decision-making, and hence this group is where most opinion leaders in a social system reside. Much of the social system does not have the capability to stay informed about innovations, so they instead trust the decisions made by opinion leaders. Furthermore, a large part of the social system just wants to stay in step with the rest. Since opinion leader adoption is a good indicator that an innovation is going to be adopted by many others, these conformity-loving members are encouraged to adopt. So a large subsection of the social system follows suit with these trusted opinion leaders. This is the fabled tipping point, where the rate of adoption rapidly increases (Gladwell 2000). The domino effect continues, even for those who are cautious or have particular worries or doubts with the innovation, adoption becomes a necessity as the implementation of the innovation-decisions of earlier adopters result in social and/or economic benefit. Those who have not adopted lose status or economic viability, and this contextual pressure motivates adoption. The last adopters, laggards, can either be very traditional or be isolated in their social system. If they are traditional, they are suspicious of innovations and often interact with others who also have traditional values. If they are isolated, their lack of social interaction decreases their awareness of an innovation's demonstrated benefits. It takes much longer than average for laggards to adopt innovations.

Moore (1991) builds on the diffusion of innovations theory from Everett Rogers and states that the most difficult step is making the transition between visionaries (early adopters) and pragmatists (early majority). There is a chasm between the early adopters of the product (the technology enthusiasts and visionaries) and the early majority (the pragmatists); see figure 1. Moore (1991) believes visionaries and pragmatists have very different expectations, and he attempts to explore those differences and suggest techniques to successfully cross the "chasm," including choosing a target market, understanding the whole product concept, positioning the product, building a marketing strategy, choosing the most appropriate distribution channel and pricing. Technologies or products that cannot cross this chasm will die or remain niche. If successful, a firm can create a bandwagon effect in which the momentum builds and the product becomes ubiquitous.

Geoffrey Moore's 'Crossing the Chasm' diagram
circa 1991

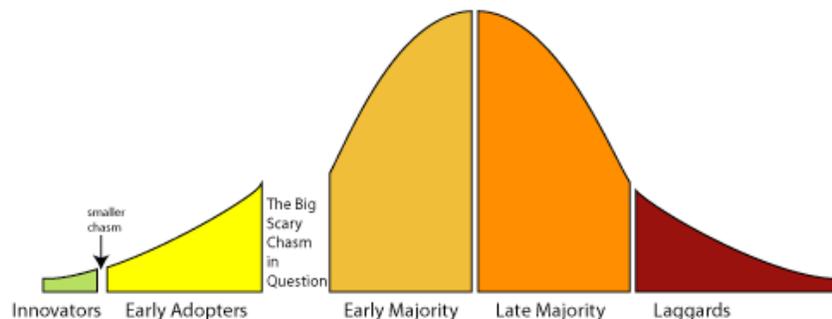


Figure 1: Crossing the Chasm (Moore 1991)

Adoption of the BV Approach in the Netherlands

The diffusion of innovation theory can be applied to the adoption of the BV approach in the Netherlands. The innovation is the original BVP/PIPS (Best Value Procurement/Performance Information Procurement System) as innovated by Kashiwagi at Arizona State University. It was introduced to a small group in 2004 in the Netherlands. The time frame between 2004-2008 can be labeled as the period of the “innovators”. Only a handful of people were experimenting with the methodology. In this period, Kashiwagi found a partner who could translate BV/ PIPS into the Dutch language and vocabulary (Scenter as the licensed PBSRG unit in the Netherlands). Scenter and Dean Kashiwagi were introduced to each other in late 2006 by Marc Gillissen of Heijmans. Kashiwagi gave a presentation on BV/PIPS; Sicco Santema of Scenter presented his view on the optimization of supply chains. The presentations were complementary to each other.

In February 2007 Scenter (represented by Sicco Santema & Jeroen van de Rijt) participated for the first time in the Annual BV conference. From that time on, Scenter organized meetings in the Netherlands with visionary innovators as a communication channel to discuss the topic of BV and its applicability. These meetings started small but grew larger and larger. Since 2008 Scenter organized on a regular basis trips of Kashiwagi to the Netherlands to help build the adoption of the methodology by the Dutch. During this stage, the BV approach was called “BV Procurement”, and was merely aiming at procurement agents and their role.

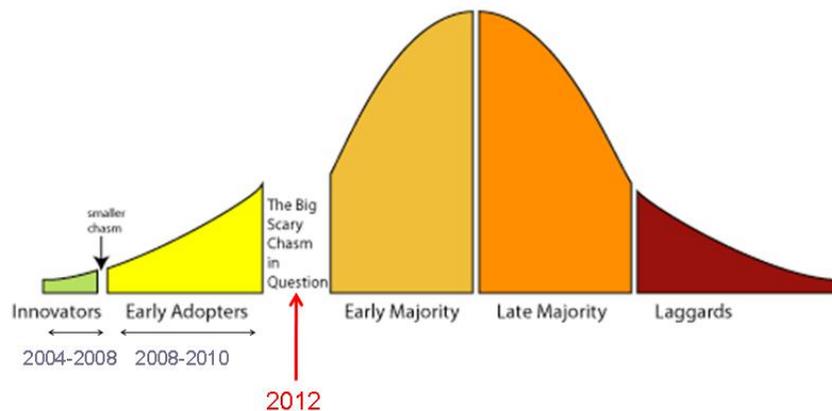
Geoffrey Moore's 'Crossing the Chasm' diagram
circa 1991

Figure 2: Diffusion of BV in the Netherlands: different stages

In the timeframe from 2004-2008 a small number of BV projects were being done. The BV implementations followed a classic example of early adopter behavior: the Ministry of Transport used the data provided by the innovators' implementation (in this case: Dutch examples and results from the US) to make its own adoption decision. The necessity of doing something different (Van de Rijt et al. 2011) and the possible success BV could bring the project caused the Ministry to adopt the process. While designing the process, the goal was to stay as close to the original PIPS methodology (as developed by Dean Kashiwagi) as possible, with a few adaptations. The following differences were observed (Van de Rijt et al. 2011):

1. Use of "consultation sessions" for individual vendors
2. Past Performance Information (PPI) was not used in the selection. PPI is currently a political issue in the Netherlands and in European law.
3. The project capability submittals did not include the value added section. All items had to be included in the contractor's submittal. This was a legal interpretation of the lawyers to meet European law.
4. Rating the Risk Assessment plans separately from the Value Added plan.
5. "Planning" (scheduling) was the coherence between milestones and the RAVA plan. This was a difference when the project was run, but is now in congruence with the current PIPS process.
6. Less weight was given to the interviews based on the unfamiliarity of using ratings of interviews as a selection criterion.
7. Vendors can choose themselves, which 3 roles (and corresponding key persons) to send to the interviews. This was also a difference at the time, but is no longer a difference.
8. Making use of two independent evaluation teams. Each team would come to a team consensus score through individual ratings of the submittals and the interview, after

which the final score for each vendor (on each criterion) would be determined by consensus of the two groups by the group leaders.

9. Ranking the vendors based on their absolute scores (instead of the relative scores), and based on price “deductions from quality scores.” These rankings are based on an objective rating that is transferred into credit for value added. All credit is transformed into fictitious Euros with the lowest price being the prioritized BV.
10. The pre-award phase was not utilized due to the fear of "communications" after the prioritization. European laws are very strict on "communications" before the award. This difference is a legal interpretation, and since these tests, the Rijkswaterstaat has considered using the pre-award period as a clarification period in future tests.
11. Use of a "risk fund" or contingency fund.

With the adoption of BV by the Ministry of Transport, the pathway to the Early Majority had been paved. By then (2009), a Dutch book on BV was published (Van de Rijt & Santema 2009), which contributed to the adoption process. In the book, adaptations to the original work of Kashiwagi are laid out, as tested also in the Ministry of Transport case. Since 2009, more than 6000 copies of the book have been sold. The book was on the long-list for the nomination of “Best Management Book of the Year 2011” and recently was on the list of the “Best selling Top 30 Management Books” (Management BOEK 2012) in the Netherlands.

As Moore (1991) states: to cross the chasm between early adopters and early majority, something needs to be done. Scenter contacted NEVI (the Dutch Purchasing Association) to help cross the chasm. NEVI adopted the methodology and got its own license from Arizona State University in 2011. The social system in which BV was applied was the Dutch purchasing community. NEVI organized many meetings on the topic of BV, where Scenter and others were presenters of the philosophy. As stated, Scenter organized a year or semi-yearly visit of Kashiwagi to the Netherlands, first to help build the adoption process, later to further support it. In 2011, NEVI was the co-organizer of those events. Next to that, NEVI organized 2-day courses on the topic of BV (e.g. eight 2-day-courses organized in 2012).

As the group of early adopters earns respect for its judicious, well-informed decision-making and this group is where most opinion leaders in a social system reside, others followed (e.g. Dutch Tax office in 2011, a number of municipalities). The process that was being used (as well as the results) was presented in many meetings and in conferences. The BV core team of the Ministry as well as Scenter held many presentations on the success. The results were (Kashiwagi et al 2012 forthcoming):

1. Successfully implemented BV PIPS. Changed the Rijkswaterstaat construction delivery model from the traditional contract, to the following, while still meeting European law requirements:
 - a) No control or influence environment over the vendor. The vendor identifies their scope.
 - b) Vendor writes the contract instead of Rijkswaterstaat.
 - c) Transfer of risk management to the vendor. The owner only practices quality assurance, which assures that the contractor, has their quality control systems and risk management systems in place.

- d) Documented performance of Rijkswaterstaat and the vendors using the BV PIPS weekly risk report.
2. Procurement transaction costs reduced by over 50% for both Rijkswaterstaat and reduction of tender costs of the construction contractors.
3. 95% of all project deviations were caused by the client. The only reason for projects that are still not completed is the owner driven changes, which the contractor experts identified early in the projects.
4. 14 of the 30 projects where completed, surpassing the goal of 10 projects.
5. Average completion time for projects was reduced by 25%.

In April 2012 The Ministry of transport received the prestigious “Dutch Sourcing Award” for its innovative and successful projects in the Fast track Program. This lead to even more interest in the BV approach (as can be seen by the rising number of 2-day courses and number of presentations).

Currently, over 130 Dutch (known) projects have been done using the BV Approach (<https://docs.google.com/spreadsheet/ccc?key=0AiVilqNOs0twdHY0WVdMYXVlakFZa0UwUkZWLXBsRIE>). Where in the first phases mainly the construction industry was doing BV pilots, now projects are being done across a much bigger spectrum. BV pilots have been done in the public and private sector, in many industries (IT, health, shipbuilding, education etc.), from simple projects (e.g. buying office supplies and printers) to technologically complex projects (a biorepository, which is a super complex refrigerator used in health care research), from small amounts of money (e.g. €100K) to large amounts of money (multimillion Euro projects) and from projects to services. It is understood that BV does not suit just a single niche, but can be applied as a philosophy across the whole spectrum (Kashiwagi 2011).

Adaptations and Developments

BV Procurement/Performance Information Procurement System (BVP/PIPS) has been developed by Dean Kashiwagi and the Performance Based Studies Research Group (PBSRG) from 1991. Since inception, the process has been refined following major phases (Kashiwagi 2011):

1. The performance information centered PIPS (1994-1999)
2. The PIPS testing phase (2001-2005)
3. The implementation stage (2005-2009)
4. The theoretical refinement and standardization of BVP/PIPS technology (2010)

In each phase, major lessons were learned, resulting in modifications to the PIPS structure. The major objectives of the BVP/PIPS system remained constant:

1. Minimize transactions and cost and maximize efficiency value.
2. Transfer risk and control to experts (who have no risk.)
3. Increase the performance, profit, and quality of expert vendors by use of BV PIPS (preplan, use experts, manage and minimize the risk that the vendor does not control, and manage and minimize deviations).

In the Netherlands, the “pure” methodology has not always been followed (see for example the deliberate deviations that were used by the Ministry of Transport when implementing BV in the Fast Track Project). In this section a couple of “deviations” are described. Next to that, the development of the methodology in the Netherlands is being described. One observation that can be made is that the adoption of the latest insights from the US takes time to transfer to the Dutch implementation of BV.

Using Past Performance

Using Past Performance as a selection criterion in the public sector is not allowed under current European legislature. However, in the private sector organizations can do whatever fits them (as they are less bound to legislation). Past Performance has been used in a number of pilots as a selection criterion. As Past Performance is the least important filter, to keep things as simple and straightforward as possible and to avoid having two systems in place (one for the public sector and one for the private sector) Past Performance is currently not used by most practitioners. Instead, Past Performance metrics can be used under the Project capability. An interesting development is that the new Dutch (and probably EU) legislation is actually bringing an opening for using Past Performance in the selection phase (currently Past Performance can only be used for pre-qualification). The possibility of using Past Performance as a selection criterion means that soon there might be a possibility to use the most “pure” system of BV.

Open vs. Restricted Procedure

The European Union Procurement Directives set out the legal framework for public procurement. Above a certain threshold public authorities have to comply with European Directive 2004/18 on the coordination of procedures for the award of public works contracts, supply contracts and public service contracts. This Directive gives contracting authorities a number of possible procurement procedures (Van Leeuwen 2011). Three of the most commonly used procedures are the open procedure, the restricted procedure and the competitive dialogue. The purest way of using the BV approach is by having the possible vendors assess for themselves whether they are “up to the job”. This would mean the open procedure would fit best. The disadvantage of using the “open procedure” is that it is impossible to assess the number of actual bids upfront, which brings some risk: if there are many bids, it takes time to rate them all and there is a risk of having to do (too) many interviews. This risk can be managed by introducing a filter in which only the best vendors go to the round of the interviews. Another way of managing the risk is by having a “restricted procedure” in which only a few firms can submit their bids. In the early phases of applying BV in the public sector, the restricted procedure was the favorite mechanism. With the diffusion of the methodology, we see both the use of the restricted procedure as well as the open procedure. The open procedure has been successfully used in selecting an IT vendor for the Tax Office and in finding a maintenance vendor for maintaining the trams in Utrecht (Van Abeelen 2012). Instead of the public authority deciding that a vendor is not “up to the job” and cannot compete, the vendors now decide for themselves whether they can compete or not. The process usually makes it clear for vendors when it is of no use to compete. In both cases there was “natural selection” from the part of the vendor community.

Confusion in the Project Capability Criteria

During the refinement of the methodology by Kashiwagi, a number of new criteria were introduced. In addition to “risk outside the control of the vendor” the criterion “technical risk” was briefly introduced. This criterion rather soon morphed into “scope document” and still later to what is currently known as “project capability”. The idea of the criterion is that the vendors show (with metrics) that they are capable of doing the job and that they have no risk on the job. As not all Dutch users of the philosophy seek access to the latest ideas of Kashiwagi, the observation can be made that there are different ways the capability of the vendor is being assessed in the tender phase. Some buyers are using project capability, some are using “scope document” and some are using “technical risk” or “vendor risk.” This has led to some confusion in the user community and from the sides of the vendor. From a 30,000-foot level, these criteria are all measuring the same: the ability of the vendor to do their job well and to have no risk in their own work.

RAVA Plan

The latest version of the PIPS process has in filter 2 of the selection process 4 criteria (Kashiwagi 2012): Project Capability, Risk assessment (risk outside the control of the vendor), Value Add, and cost. PC, RA and VA are 3 separate documents with (possibly) 3 different ratings by the client. Previously, Kashiwagi used RAVA plan (Risk Assessment Value Add combined) in filter 2. In the Netherlands, some clients are still doing RAVA combined, while others are assessing the RA and the VA plan separately. From a legal perspective it may seem more logical to assess the RA and VA (combined with the PC) combined. From a 30,000-foot level, it may not matter whether to rate the plans in combination or separately.

Schedule

One of the refinements made by Kashiwagi was that schedule is no longer being rated by the selection committee of the client. In the Netherlands, most clients are still using schedule as a criterion. Only some have started to ask for a schedule, but not rate it.

Pre-Award/Clarification or Post-Award

As stated earlier, the pre-award/clarification phase was not utilized in the Fast Track project of the Ministry of Transport due to the fear of "communications" after the prioritization. European laws are very strict on "communications" before the award. This difference was a legal interpretation, and since these tests, Rijkswaterstaat has been using the pre-award period as a clarification period in its tests. After many deliberations with numerous legal experts, it was concluded that the pre-award as a clarification process can be used, also within the framework of the EU laws. At this moment, most tests in the public sector use the clarification phase before the actual award. This represents a big change compared to two years ago.

BV as a Procurement Mechanism or BV as an Approach

The BV Approach was formerly known as “BV Procurement”. Although the methodology of PIPS/PIRMS consists of 3 phases (selection, pre-award/clarification, and management by risk minimization), most clients in the Netherlands paid the most attention to the selection process (or “award process” as it is called in the Netherlands). This was caused by the label “BV Procurement” (which in itself focuses on procurement) and by the fact that the change agents were from the procurement silo. It was logical to focus on the procurement part of the process. Currently, users are more aware that BV is not a procurement process (in which a vendor is selected), but a way of working (with the vendor, in all phases of the project). This has led to a shift in focus in applying the BV principles, certainly in the organizations of the thought leaders. Still, many (especially the group of procurement users that is from the early majority stage) are mainly focusing on the selection phase when applying BV.

Future Developments

The most important element of the PIPS/PIRMS process (and underlying driver) is the concept of Information Measurement Theory (IMT); the deductive logic that defines why things can happen only one way, why they are predictable, and how that can be used to predict the capability of experts. Major components of IMT include the concepts of the explanation of variation, chance, randomness, management vs. leadership, influence, control, and the issue of nature vs. nurture.

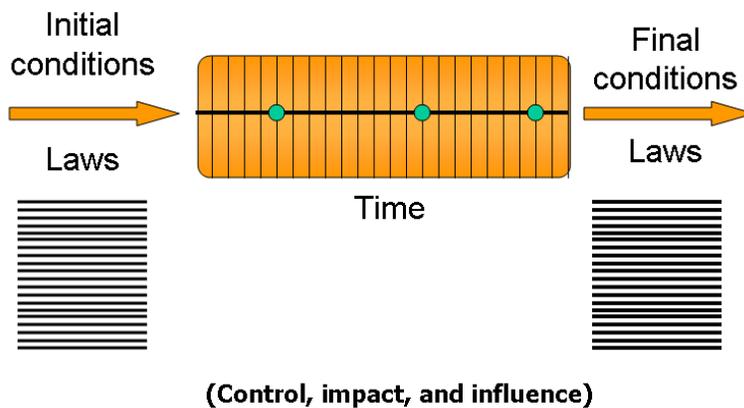


Figure 3: Core element of BV: IMT (Kashiwagi 2012)

The major IMT concepts that form the underlying structure of PIPS include:

1. Everything is predictable given all information.
2. All events happen only one way, have only one outcome, and can be predicted if someone has all the information on the initial conditions or start of the event.
3. The concept that one individual or party can influence, control, or change another individual or entity has not been dominantly proven, and the attempt to use influence or control results in transactions, unmet expectations, actions that are not timely and are not logical, and usually result in higher time and cost deviations.

4. Experts can predict the future outcome, explain it very simply, preplan the project to minimize technical and non-technical risk that they do not control, minimize cost and optimizing profit by efficiently doing the process.

When looking at the initial conditions in the Netherlands, the observation can be made that (potential) users of BV all have different level of awareness on the methodology. Some seek access to the latest insights; some are applying “old” techniques. Some are using the 2009 version of the book of Van de Rijt & Santema (others the more updated 2011 version). Some are using a textbook of Kashiwagi of 2008 (with the “old” methodology). The same goes for the textbooks of 2009, 2010 and 2011, each with its own (minor) changes.

Some are asking for a “universal Dutch standard of doing BV.” They seem confused by the differences (at a detailed level) and are seeking for certainty when applying BV. They basically are asking to “control” the methodology: one final and universal standard. However: IMT clarifies that there is no way to influence and control others. The initial conditions lead to a predication that we will see many different “ways of using BV” (final conditions). In fact: this is already happening as described in the previous section. There is no use of having the illusion that people can force others into the “right” or “pure” methodology. This will definitively not happen.

There can be a certain control mechanism in place; though this will not be a way to “control” the event. The control mechanism that has been designed in cooperation with Kashiwagi is certification of experts. The certification will be a label that can be used by experts who can show with performance information that they are truly a BV expert. When using the accurate and optimal approach, buyers/owners will seek access to the BV certified trainers as proven experts in the successful delivery of service. This applies also to the vendors who want to understand the philosophy and methodology. Since May 2012 the Board has been appointed by Dean Kashiwagi (it currently consists of 7 individuals). The Board has certified the first individuals. However: non-certified individuals will still be using the BV approach. The authors encourage not stopping them (as this will be impossible and only seeks to control, which is impossible).

Conclusion

The diffusion of the BV approach has been tremendous in the Netherlands. What used to be a “niche” way of procuring now has gained momentum. The “chasm” is crossed in 2012 and many organizations are contemplating using BV or are using it already (6 of the 10 biggest municipalities in the Netherlands have been using BV). In 2013 the first European 2-day conference on BV will be organized.

The social system of users of BV is evolving. Where in recent years mainly the procurement community was interested in BV (where it all started), now risk managers and project managers have been made aware of the philosophy.

BV is taking off in the Netherlands. It is being embraced by the procurement professionals, the project managers, the risk managers, and the major owners/buyers of construction services. The BV approach is being also embraced by buyers of non-construction products and services. The heavy demand of the BV PIPS technology has the risk of non-experts posing as experts of the

BV approach. This risk can be partially mitigated by having a Certification Board, which certifies BV professionals who (with verifiable performance information) show they understand the idea and process. There is no real control though: many forms of BV will appear and develop. BV will grow, as long as the results show the benefits (on time/on budget) of using the approach.

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