

Outline of Overall Greatest Value (OGV) evaluation method

The Overall Greatest Value evaluation method (OGV) is used to assess the technical and/or scientific sophistication of tenders other than the bidding price and becoming more commonly used. The methodologies used by procuring entities vary substantially and depend on the type of item tendered and the degree of complexity.

Various technical aspects of the tender are evaluated and awarded points. Subsequently, the bidding price is also given evaluative score and these points combined form the overall evaluation score. There are often a number of pre-conditions with this system.

- The bidding-price should not be above the secret estimated price set by the procuring entity.
- Furthermore, the bid should meet the minimum requirements of a number of the 'mandatory aspects' in the technical evaluation.
- The bidding price should be above the minimum price set by the procuring entity.

Details of the evaluation method used are part of the tender documentation and/or will be explained at a meeting with prospective bidders.

Product categories and sectors where OGV is used:

- Computer products and services;
- Telecommunication products and services;
- Medical technology products;
- Public works (construction);
- Survey-research;
- Advertising;
- R&D projects.

Aspects that can be part of an OGV:

Aspect	Category	Entity
Relevance to aim of project	Advertising	METI
Appropriateness/Creativeness of project	Advertising	METI
Appropriateness/Creativeness of project execution	Advertising	METI
Effectiveness (ripple effect)	Advertising	METI
Possibility to evaluate the effect	Advertising	METI
Executive efficiency	Advertising	METI
Appropriateness of the executive structure	Advertising	METI
Know-how and expertise present	Advertising	METI
Track-record	Advertising	METI
Management experience	Advertising	METI
Cost-awareness (Maintenance, renewal	Public Works	NILIM
Sustainability	Public Works	NILIM
Environmental awareness	Public Works	NILIM

Evaluation of the bidding price in OGV (In case of METI)

When using OGV the procuring entity will also evaluate the bidding price given by the tenderer and recalculate this into a point score. At METI, the following formula is used.

$$(1 - \text{bidding price/ceiling price}) \times \text{Points allotment regarding the bidding price}$$

For example, if the maximum score for the bidding price is set at 200 points and a tenderer bids with a price of 8 million yen while the ceiling price is set at 10 million yen, the bidder will receive a $(1 - 8 \text{ mln}/10 \text{ mln}) \times 200 = 40$ point score for its bidding price.



Depending on the type of project, the weight-ratio of the technical sophistication and the bidding price may vary, by varying the number of maximum points that can be obtained. METI for example employs the following minimum ratios:

R&D	Price : Technology = 1 : 3
Surveys	Price : Technology = 1 : 2
Advertising	Price : Technology = 1 : 2

After this evaluation the technical and the price evaluation scores are added and the overall score is calculated (METI). If two bidders end up with the same score the winning bidder is decided by lottery.

Other procuring entities use slightly different methods of calculations where overall evaluation score is calculated by dividing the points gained by the costs.

Example of OGV (In case of Survey research)

Ceiling price:	12 mln yen
Minimum price:	7.2 mln yen
Max. price evaluation score:	50 points
Max technical evaluation score:	100 points
Bidder A: Bid 10.5 mln yen, 90 points technical score	
Bidder B: Bid 7.5 mln yen, 75 points technical score	

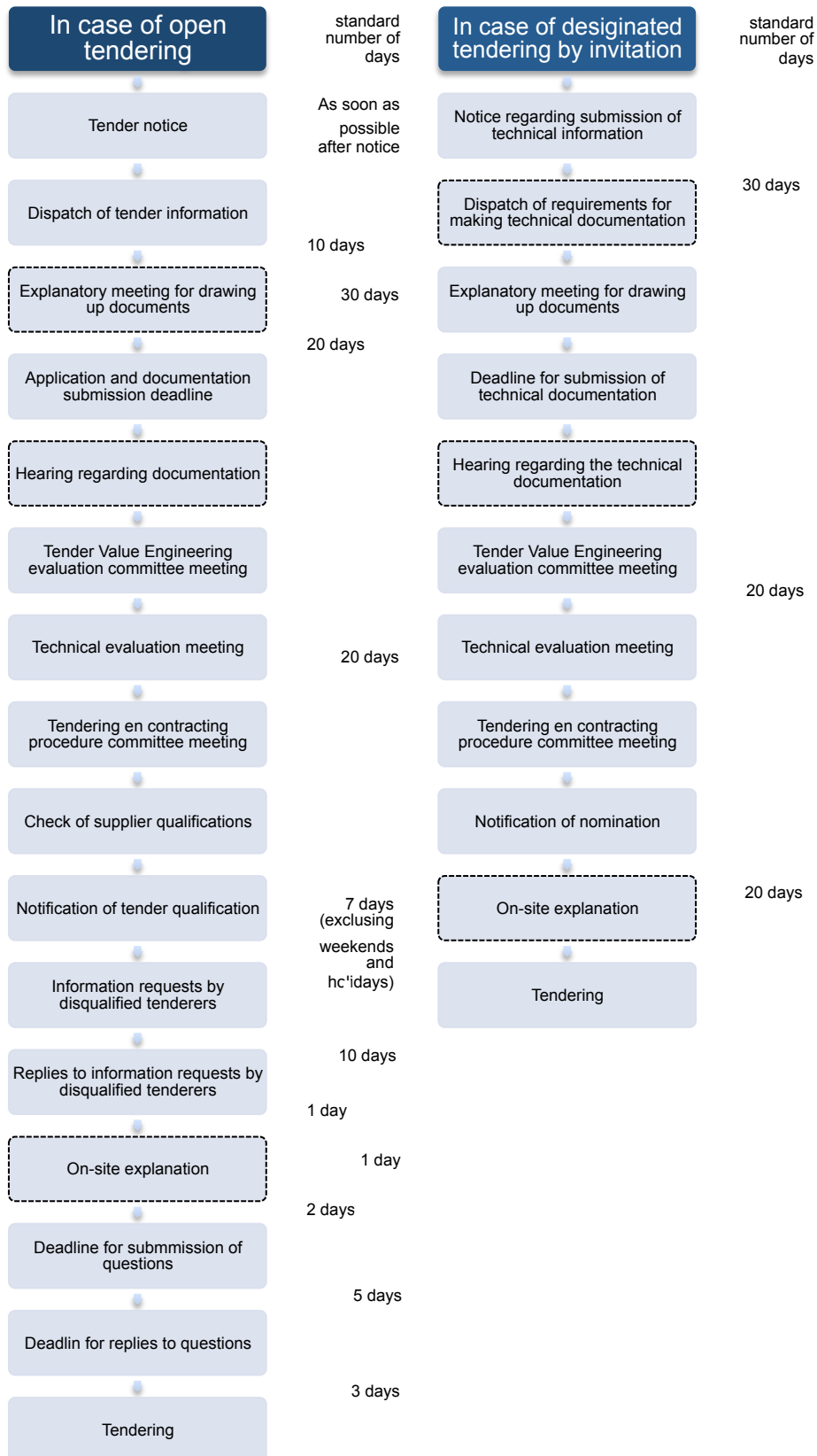
OGV of Bidder A:
Price: $(1-10.500-12.000)/50 = 6.25$
Overall score: $6.25 + 90 = 96.25$

OGV of Bidder B:
Price: $(1-7.500-12.000)/50 = 18.75$
Overall score: $18.75 + 75 = 93.75$

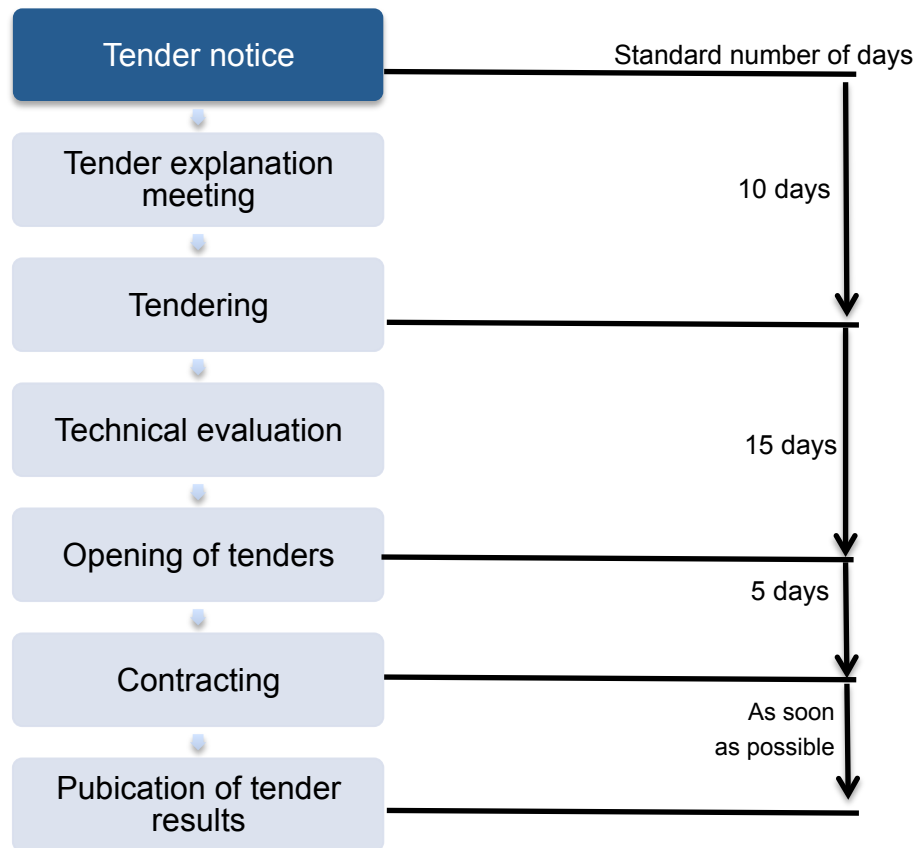
Evaluation item	Evaluation standard	Points allotment		Bidder A		Bidder B	
1. Executive plan of the survey			50		46		37
Appropriateness and originality of the survey content	Is it covering everything that is mentioned in the tender documentation? Is there no biased tendency present?	10	20	10	19	10	15
	Does the survey present original ideas not specified?	10		9		5	
Appropriateness and originality of the survey method	Are data-extraction and analysis methods appropriate? Are the research-items and survey methods clear?	10	20	10	18	10	15
	Are efforts to increase the project-results visible in the survey and analysis methods?	10		8		5	
Appropriateness and effectiveness of the executive plan	Are methods and process feasible to obtain the objective?	5	10	5	9	5	7
	To attain the project result, are the process and activity plan effective?	5		4		2	
2. Capability and experience of the bidding organization			25		23		20
Experience in similar survey activities	Has the bidder conducted a similar survey at least once before?	5	10	5	10	5	10
	Does the bidder have rich experience in conducting similar surveys	5		5		5	
Ability to conduct surveys	Does the bidder have staff at its disposal to conduct the survey? Does the bidder have sufficient management and financial capability to conduct the survey?	5	10	5	10	5	8
	Does it have a broad network and knowledge? Does it have excellent information gathering capabilities?	5		5		3	
Backup system and management for survey research	Is there a system present to support staff to smoothly conduct the project? Does the management have experience and knowledge?	5	5	3	3	2	2
3. Capabilities and experience of staff			25		21		16
Experience in similar surveys	Have they experience with similar surveys? Have they experience in managing committees?	10	10	8	8	8	8
Competency and knowhow regarding survey research	Do they possess knowledge and information regarding the survey-content?	5	10	5	9	5	8
	Do they possess a network in relation to the survey-content?	5		4		3	
Past activities, qualifications and education	Do they possess valid qualifications to conduct the project	5	5	4	4	2	2
Overall score	Basic points	40	100	40	90	40	75
	Additional points	60		50		35	



Process-flow when using OGV
In case of public works (Source: NILIM)



Process-flow when using OGV
In case of METI (Source: METI)



Sources (In Japanese):

- **MLIT, Public works overall greatest value tender evaluation method - Application manual and examples (Version 1. 2007)** <http://www.mlit.go.jp/gobuild/hinkaku/sougou1.pdf>
- **METI, Overall Greatest Value evaluation method Guidebook – surveys, advertising and R&D** <http://www.meti.go.jp/information/downloadfiles/c60815a-3j.pdf>
- **NILIM, Overall Greatest Value method Guidebook for public works.** http://www.nilim.go.jp/lab/peg/siryousougou/gaido/all_gaido.pdf