

Best Practices in Selecting Transportation Consultants



A Community of Transportation Professionals

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1 Introduction

1.1 Purpose and Scope

Public agencies require external services and advice from time to time when its own staff are either unavailable or lack the required skills or expertise. Most agencies meet this need by hiring a **consultant** to undertake the specific project or task.

Selection of the best-suited and most qualified consultant improves the likelihood of delivering a useful, high-quality product on time and within budget. This choice is one the public agency must make not only with a clear and complete understanding and knowledge of the project requirements but also through the application of an effective consultant selection process.

With this objective in mind, *Best Practices in Selecting Transportation Consultants* is written primarily for public agency officials responsible for engaging consultants to provide professional services pertaining to the planning, design, construction, maintenance, and operation of transportation systems and facilities. This document will also aid consultants providing these services in better understanding the expectations and nuances of this phase of the public procurement process.

The goal of this Institute of Transportation Engineers (ITE) informational report is to help public agencies select the best-qualified transportation consultants to assist with their projects. The report is also intended to educate participants on and explain the value proposition of an effective consultant selection process. While applying to all potential assignments in this broad field of professional services, the document focuses on the selection of consultants in the disciplines traditionally described as **transportation or traffic engineering** and **transportation planning** being performed for **local governments** (e.g., towns, cities, counties).

1.2 Intended Audience

Best Practices in Selecting Transportation Consultants has been prepared with the following five principal audiences in mind:

- **Decision Makers:** Senior staff responsible for administrative policies and processes pertaining to the procurement of consultants
- **Technical Staff:** Individuals responsible for implementing policy and administrative processes within a public agency

- **Procurement Staff and Auditors:** Personnel responsible for conducting or monitoring procurement processes
- **Elected Officials and Other Policy Makers:** Individuals responsible for providing project funding and/or oversight of the procurement process
- **Professional Consultants:** Firms or individuals offering consulting services in response to procurement opportunities

1.3 Report Organization

The remainder of this informational report is organized into the following two chapters:

- **Chapter 2** explains the rationale for **Using Consulting Services**, highlighting the following:
 - How and when public agencies use transportation consultants
 - The importance of proper consultant selection
 - The challenges in the consultant selection process
 - The need for consultant selection policies
 - The process and importance of preparing the project scope of work
 - How the consultant decides to and prepares the response
 - Advice for achieving an effective client-consultant relationship
- **Chapter 3** outlines the **Consultant Selection Process**, describing the principles and different methods of selecting a transportation consultant. The chapter highlights the long-term benefits that can be gained from selecting transportation consultants using a Qualifications-Based Selection (QBS) process. A typical QBS process highlighting the key steps and actions for both the public agency and consultant, is provided.

1.4 Definitions

The following words and terms are used in this informational report and are defined here for clarity only:

- **Consultant:** Firm or individual that possesses unique qualifications that allow them to perform consulting services usually for a fee.

- **Consulting Services:** Services provided by a firm or individual (consultant) possessing specific knowledge, technical skills, or unique abilities not usually or widely available from within the public agency in the fields of transportation or traffic engineering and transportation planning. These services pertain to the planning, design, construction, maintenance, and operation of transportation systems and facilities.
- **Contract:** An agreement – either written or verbal (unusual) – with binding legal force that sets out the terms and conditions of the service relationship between the consultant and public agency, exchanging consulting services for money or other considerations. The terms “agreement” and “contract” are sometimes used synonymously.
- **Deliverable:** Expected work product as defined in the consulting services contract.
- **Disadvantaged Business Enterprise (DBE):** For-profit small business (consultant) in the United States where socially and economically disadvantaged individuals own at least a 51 percent interest in the business and also control management and daily business operations.
- **Fee:** Sum of money paid for consulting services.
- **Procurement:** Process through which consulting services are contracted/purchased. Procurement includes all functions that pertain to the acquisition, including description of requirements, selection of the successful consultant (which this informational report focuses on), negotiation of fees, preparation and award of the contract, and all phases of contract administration.
- **Public Agency (or Agency):** Public entity subject to or created by a governmental jurisdiction. Includes federal, state/provincial, and local governments, and quasi-governmental entities.
- **Qualifications:** Factors such as technical expertise, local knowledge, past performance, long-term relationships, and availability of resources that a public agency may consider when selecting a consultant.
- **Quality Assurance (QA):** Assuring that quality performance criteria contained within the contract are met in delivering the consulting Services.
- **Quality Control (QC):** A consulting services delivery process that incorporates tools and methodologies to provide assurance that the criteria specified in the contract (agreement) will be delivered to the client.



- **Request for Information (RFI):** A non-binding method whereby a public agency requests input from interested parties on matters such as best practices, industry standards, technology issues, etc. for an upcoming solicitation.
- **Request for Proposals (RFP):** Document issued by a public agency to solicit proposals from potential consultants for goods and services.
- **Request for Qualifications (RFQ):** Document issued by a public agency to obtain statements of the qualifications of potential consultants to gauge potential competition in the marketplace, prior to issuing an RFP or other solicitation.
- **Request for Quotation (RFQu):** Document issued by a public agency to obtain prices and other information from potential consultants for lower value assignments (typically under \$10,000.00).
- **RFx:** Collective term that refers to any document that is a “request for” some form of consulting services acquired through a competitive procurement. Includes RFI, RFP, RFQ, and RFQu.
- **Scope of Work/Services:** A written description of the public agency’s needs and desired outcomes for the procurement. Helps to ensure the deliverables meet the stated outcome and establishes the parameters of the resulting Contract. Also referred to as a Terms of Reference and forms part of the RFx.
- **Selection:** Process of identifying and hiring the best or most suitable consultant for the contract.

This document recognizes selection processes, terms, and abbreviations can vary between public agencies. The above definitions and text descriptions should assist the reader in interpreting what may be an unusual term in this informational report.



2 Using Consulting Services

2.1 How and When Public Agencies Use Transportation Consultants

Public agencies tend to use transportation consultants for two primary reasons. The first is when the entity has **limited staff resources**, which may arise when the following takes place:

- Regular agency staff is fully occupied with other work.** Public agencies may choose to use a consultant to supplement their full-time staff complement. This often occurs when there is a project or program that is seen as temporary in nature and a consultant can be brought on board to assist with the immediate resource shortage. Another instance is when there is a periodic surge in workload and existing staffing levels are not sufficient to provide a timely and thorough response.
- Agency is short-staffed.** Consultants may be contracted to assist a public agency when the entity is experiencing a shortage of available staff resources due to turnover or retirement. Typically, this shortage of resources occurs on short notice and agencies can contract with a consultant to fill the gap quickly and efficiently. The arrangement for consultants to help supplement public agency staffing can be short or long-term depending on the agency's need.
- Capital program surges upward.** At times, public agencies may benefit from transportation and infrastructure grants that provide funding for projects that may otherwise not move forward. This type of funding is often associated with economic stimulus efforts and can be unexpected. Similarly, agency bond sales can provide a quick infusion of funding that allows multiple capital projects to move forward at once. When public agencies are faced with an opportunity to secure additional funding for transportation projects, utilizing a consultant is often the most effective way to move the initiative forward as quickly as possible. Additionally, external funding programs often come with additional requirements and paperwork that can be managed by the consultant.

- **Agency staffing policy requires minimizing specialized full-time staffing.** Due to budget shortfall or to meet the overall number of funded positions, public agencies may reduce the number of full-time equivalent (FTE) positions through staff reductions or by converting FTE to part-time positions. The funding sources for the funded positions (personnel) and consultant services (operating) are often separate. Therefore, to help supplement the reduction in the overall staffing levels, agencies will rely on consultants to provide onsite services.

The second most common reason for engaging a consultant is when the public agency requires **specialized expertise** in cases where the following are taking place:

- **The project requires distinct technical skills or capabilities.** In this case, it is often easier and more efficient to contract with a consultant to meet the technical needs of the project rather than hiring and training new agency staff. Additionally, if this technical skillset is only required for a specific project or limited amount of time, a consultant contract allows the public agency to acquire those skills or technical capabilities only while they are needed.
- **The project may be unique or challenging.** On occasion, an outside consultant can support a public agency in a way that cannot be accomplished by internal staff. For example, an agency could benefit from an engagement specialist on a project involving significant stakeholder or public involvement. A consultant can also bring a sense of neutrality and industry expertise to a controversial project.
- **The agency requires an independent review or assessment.** In some cases, an outside consultant can provide an objective, fresh viewpoint. For example, elected officials may request an independent report to address public concerns about a project delivered by the public agency. Another example is when a funding or grant program require an independent assessment of project outcomes as a condition of receiving the financing.

2.2 Importance of Proper Consultant Selection

Selecting a consultant is one of the most important decisions a public agency makes. Every transportation project is unique, requiring specialized knowledge, experience, and the proper skill sets to successfully complete the work. Bringing an outside perspective can also be beneficial if the assignment is at all controversial.



The intent is to select a consultant who has a solid understanding of the project and the needs of the public agency. The consultant must also demonstrate they can successfully provide the technical services in an objective manner to produce a quality deliverable. The ability of the consultant to add value through innovation can also be a differentiator in the selection process. Communication is extremely important since the agency project manager will interact closely with his/her consultant counterpart as a team. No matter how qualified a consultant may be, establishing a trusting relationship among the team members will be critical to success. Finally, both sides need to understand the funding available and to work together to create a scope of work that can meet the project objectives, while being reasonably achievable with the budget.

A successful project starts with the selection of the right team of transportation professionals. Many projects today require broad planning and engineering skills across multiple areas of specialization. These areas of specialization require transportation professionals who have advanced academic and practical knowledge in the disciplines for the project. As the complexity of projects has steadily increased in diversity from public planning with stakeholder involvement to complex design and construction of modern smart city facilities, transportation professionals have become experts in their individual fields. For many transportation projects, proper consultant selection needs to include licensed engineers or certified planners who have demonstrated competent, specialized knowledge and experience.

Most consultants have portfolios of past assignments, lists of prior clients, and noted referrals to contact. A thorough due diligence review of relevant experience and specialized knowledge for the specific project being considered can help provide the public agency confidence in the consultant's ability to successfully complete the assignment.

A critical challenge in the selection process is matching the size and complexity of a transportation project with the right consultant. Properly aligning key corporate and individual skills and experience with the unique needs of the project is critical to its overall success. Certain public projects can be performed successfully by small firms who have both the resources and expertise for the specific assignment. A large multidiscipline firm without the right people on the project team may not be the best choice in these circumstances but offers advantages for other assignments.

Public agencies should recognize that consultants value continuing education as a part of maintaining the specialized transportation skills of its staff. Sharing experiences and lessons learned from practice innovations are obtained by being involved in professional associations such as ITE and can add value to an individual's resume in defining the expertise for a proper consultant selection.

Most consulting firms will employ professional engineers and certified planners (as required by each state/province) to complete transportation projects. Individuals certified by the Transportation Professional Certification Board (TPCB) provide an additional credential that public agencies can rely upon to ensure the consultant has the required skills and knowledge to do the work. The TPCB provides individuals a voluntary process to demonstrate their specialized transportation knowledge and skills through an established certification testing process with documentation of continuing education. The TPCB is an autonomous nonprofit organization created for the purpose of providing various transportation certifications. These certifications provide confirmation that the certified professional has demonstrated competence in their specialized field of transportation to protect the life, safety, and property of the public.

The first certification issued by the TPCB was the Professional Traffic Operations Engineer (PTOE) more than 20 years ago. The PTOE requires the individual to be a licensed professional engineer and builds on and supports a professional registration for the specialization needed for transportation projects. Other certifications provided by the TPCB include the Professional Transportation Planner (PTP) for persons with a focus on transportation planning and the newest certification offered – Road Safety Professional (RSP) – for individuals with a specialization in transportation safety. The RSP has two levels of qualification; Level 1 demonstrates proficiency in the foundations of road safety principles; Level 2 is provided to those professionals whose primary work involves improving the safety performance of the surface transportation system. The testing for Level 2 allows safety professionals to demonstrate

their proficiency in either or both the specialty of safety in infrastructure planning and design (RSP2I) or behavioral safety programs (RSP2B).

2.3 The Consultant Selection Challenge

The consultant selection process can present difficulties for both the public agency and consultant. From the agency's perspective, typical challenges include the following:

- **Understanding Project Complexity:** The public agency may not fully appreciate the level of effort and type of resources required by the consultant and its own staff to carry out the assignment. They may also not be familiar with the type of consulting services required. Section 2.5 explains the task of defining the project scope.
- **Setting a Reasonable Scope Matched to Budget:** Developing a project scope that clearly specifies the expected outcomes and aligns within available financing can prove challenging if the agency is not familiar with the work. Again, Section 2.5 describes the steps involved in preparing the scope of work.
- **Determining the Preferred Consultant Selection Methodology:** A range of different methods exist, each with distinct advantages and disadvantages. Section 3.2 describes the most common methods used by public agencies, highlighting the long-term benefits of QBS.
- **Coordinating with Procurement Staff:** Although responsible for the process, procurement staff may not fully understand or appreciate the technical nuances of the project or how certain elements will benefit the agency. Section 2.4 outlines the role of procurement professionals in consultant selection.
- **Choosing the Right Selection Committee:** Members need to have pertinent technical expertise, a broad understanding of the project, basic knowledge of how consulting works, and a clear grasp of the procurement process requirements. Section 3.3.3 sets out considerations for committee selection.
- **Remaining Objective and Unbiased:** Public agencies are expected, indeed required, to administer the consultant selection process in an impartial, transparent manner to ensure fairness for the public good and demonstrate responsible use of public funds. Section 2.4 explains the importance of establishing and following defined processes to foster objectivity and unbiasedness.



Consultants also encounter challenges through the process including the following:

- **Incurring Costs in Preparing the Response:** Better understanding cost implications can help agencies appropriately align requirements and use tools like interviews and shortlists more strategically. Section 2.4 outlines how consultant selection policies can help in this regard.
- **Responding to Generic Scopes of Work:** Where possible, clearly defining the project scope upfront enables the consultant to produce a succinct, compelling submission. Instances exist, though, where the public agency may prefer less definition. Section 2.5 describes the considerations in preparing the scope of work.
- **Clarifying Agency Expectations:** While leveling the playing field, the absence of direct communication with key staff in preparing a response makes it more difficult for the consultant to present a tailored submission addressing the agency's needs. Section 2.4 outlines how consultant selection policies can assist.
- **Competing Against an Incumbent:** With the time and resources needed to prepare a meaningful submission, consultants can be reluctant to respond to procurements perceived as being "wired" to a certain firm. Section 3.1 explores this challenge further.

- **Meeting Contract Requirements:** In some instances, contract terms and conditions – particularly indemnification and insurance clauses – appearing inappropriate or excessive for the perceived level of risk exposure can deter a consultant from responding. Section 3.1 also addresses this item.
- **Avoiding the "Race to the Bottom:"** Heightening competition between consultants based solely on price can result in sacrifices in product quality to gain a competitive advantage. Section 3.1 considers this matter, as well.

2.4 Policies on Consultant Selection

Developing clear policies on consultant selection helps public agencies clarify their practices and avoid potential controversy. As discussed elsewhere, selection based on the **quality** of the consultant response is typically the preferred practice. If cost needs to become a selection factor, the agency needs to carefully review the proposed consultant approach tied to the expected budget. Selecting a consultant primarily based on cost is often a recipe for ongoing contract amendments, change order requests, and/or conflicts between the parties on scope details; any of which can delay the project schedule and add cost.

The American Public Works Association (APWA) *Red Book on Qualifications-Based Selection: Guidelines for Public Agencies* (Fourth Edition) succinctly summarizes the thought process for setting consultant selection policies. According to the APWA publication, policies and procedures should "ensure fair, thorough, and objective comparison of agency needs and goals with the capabilities, concepts, time frames, and other relevant capabilities offered by each firm under consideration" (p. 3). Policies typically revolve around some or all the following factors:

- Understanding of the project
- Objectivity
- Technical knowledge
- Innovation
- Quality performance
- Communication
- Fiscal integrity

Ideally a public agency will adopt written consultant selection policies to provide clarity both to the consultant and the agency staff. These policies will be helpful in resolving any challenges that may occur as the result of a consultant selection (which can be expected on large-budget projects with closely ranked responding consultants).

TABLE 2.1: Policies and Procedures

Objective of Policies and Procedures	Considerations
Participation by an adequate number of qualified consultants	Provide for effectively publicizing the availability of the work. Establish qualifications as the basis for selection.
Fair competition between available firms	Specify the evaluation criteria by which qualifications will be judged. Technical qualification criteria can be supplemented with, but not replaced by, considerations concerning local versus non-local firms, fair sharing of opportunities to serve the public agency, minority/disadvantaged enterprises, affirmative action, diversity and inclusion, sustainability, or other concerns. Outline provisions for communication between the agency and consultant during the procurement process (including addenda). State the procedure(s) for screening submissions to develop a shortlist for final consideration and/or interviews (Note: this avoids undue imposition on the consultant community).
Involvement of stakeholders whose satisfaction with the selection process is vital to final success	Specify who makes recommendation(s) and who makes (which) final decisions.

Apart from specific policies on consultant selection, the public agency needs to establish consistent procedures for ensuring a fair and transparent selection process. Some of these procedures relate to the objectives listed in **Table 2.1**.

Consultant selection policies do not need to be lengthy or complex. Flexible procedures will allow the public agency to tailor the selection to the type of project. For example, selection of a planning versus a design consultant may need to focus on different technical and communication skills and involve a different set of internal and external stakeholders, thereby requiring a different approach.

Communication between consultants and public agency staff outside prescribed channels is typically restricted by most policies. To help ensure quality submittals and maintain a level playing field, policies typically include an opportunity for consultants to submit clarifying questions and/or attend a face-to-face meeting with all participants. If a pre-submittal meeting is necessary, the public agency could consider conducting the meeting via video conference to limit travel time and expenditures for the consultants.

Response requirements like samples, models, and interviews can help an agency in gauging a consultant's suitability for a particular project but significantly increase proposal preparation costs for individual firms and the industry collectively. Policies can specify conditions for using these tools more strategically given their financial implications.

Effective policies promote collaboration amongst agency staff involved in consultant selection. Proactive engagement enables procurement personnel to better appreciate the need and scope of a project before establishing consultant selection parameters. Early, ongoing dialogue also helps technical staff understand procurement procedures and streamline the task of gathering and preparing information needed for the process. As well, procurement professionals (if available) can ensure the agency follows an appropriate and legally compliant consultant selection process, thus minimizing potential challenges by unsuccessful bidders.

2.5 Preparing the Scope of Work

The scope of work provides a statement of why the public agency is undertaking the project, what they expected to be produced, and any limitations, dependencies, and assumptions the consultant should understand prior to commencing the assignment. Typical elements forming the project scope include the following:

- Goals
- Deliverables
- Features
- Functions
- Tasks
- Deadlines
- Costs

Clearly defining the scope and/or budget (albeit not always possible) assists the consultant in providing a more responsive submission and the agency in understanding the level of service possible for its investment. It also helps streamline contract negotiations with the selected consultant at award. As well, generic scopes tend to lead to more questions and clarification requests during the procurement process. However, there are instances an agency may prefer a less definitive scope of work, such as retainer and on-call assignments. A broader scope also enables the agency to add additional services to an existing contract in the future if needed. These circumstances require simplifying assumptions and more creativity in scoping offers.

Once work begins, a well-defined scope helps ensure the project stays on course throughout its lifecycle. Creating a clear, concise scope can help to avoid the following common problems:

- Requirements which are difficult to interpret/respond to or constantly change
- A final product that does not meet agency and/or stakeholder expectations
- Costs overrunning the assigned budget
- The project being significantly behind schedule

When drafting the scope of work, the public agency will usually do the following:

- State the vision and mission of the program and the project
- Describe the needs of the project which include:
 - Keeping the focus of the project simple
 - Defining the objectives and the expected outcomes
 - Stating what the project would achieve with the technology or services being acquired
 - Engaging with stakeholders to understand needs and expectations
- Specify requirements including:
 - Listing or providing links to specifications, standards, plans, approved products, etc. that the consultant's proposed service will need to comply with
 - Including preliminary design and requirements from previous work efforts
 - Including response requirements; for example, instructing respondents to use clear, concise language and respond with relevant technical content
 - Request an executive summary, if desired

- Specify the responder's obligations for project control including:
 - Project management plan with a responsive project manager possibly requiring a local office,
 - Quality management plan
 - Regular coordination meetings
 - Resource-loaded schedule
- Allow for innovative solutions such as:
 - Using an RFI to understand industry capabilities and incorporate them into the scope of work
 - Requesting a value-added section in the submission for respondents and vendors to provide enhancements or creative solutions that may have not been considered in the base project scope
- State how submissions will be evaluated depending on the consultant selection method (see Section 3.2 for different methods):
 - Specify evaluation criteria with the assigned number of points or percentages
 - Recruit qualified technical review committee members or evaluators for the scope
- Set the budget and define the method of compensation/basis of payment
- Specify the contract term and/or the project term

Despite having a well-defined project need and scope of work, the public agency will not typically initiate the consultant selection process until funding is approved or is highly likely to be secured to avoid unnecessary expenditure of agency and consultant resources.

If possible, consultants appreciate knowing the approximate (or exact) budget allocation for the assignment with the scope of work. This allows the firms to tailor their approach and work plan to the budget available and offer opportunities to add value and efficiencies within available resources. Providing the budget value also helps minimize the influence of cost in the selection process (levels the playing field) and focus the assessment on the quality of the responses.

2.6 The Consultant's Response

Preparing a response to an RFX can be a significant undertaking for a consultant. Given the considerable lead time and resources often required, a well-organized strategy for responding to the public agency RFX document is essential for a competitive (and successful) submission.

Consultants typically will begin with a "GO/NO GO" decision process in considering whether to respond, assessing factors such as the following:

- Do we have the resources and time to prepare the response?
- Is the project in our area of expertise?
- Is the project profitable enough for us, based on its budget and required scope of work?
- Would the project present a possibility to expand our expertise or market?
- Is there potential for additional work following this project?
- Is the cost to develop our response reasonable, relative to our odds of winning the project?
- How well do we know the client's needs and preferences?
- Is our competition better prepared or better connected than we are, relative to this project and/or client?
- Do we have the internal or outsource resources to pull this project off effectively?
- Does this project really fit our corporate strategy and goals?
- How would our present clients react if we took on this project?
- What are our odds of winning the project?
- Is the project's funding certain?

Consultants will often use a form of decision matrix capturing the questions above (and like the table shown in **Figure 2.1**) to help determine whether to pursue an RFX.

FIGURE 2.1: Example of Partially Completed GO/NO GO Decision Matrix

Source: "Getting Started With Go/No-Go Decision Making"

Decision Matrix Analysis

Question: Should We Submit a Response to this Request for Proposal?

Factors to Consider	Go	No-Go	Options	Score
Do we have the time and resources available?	We have one internal person available for one week.	We need at least three people for a full two weeks.	We could potentially outsource.	2
Do we have the expertise to do the project if we win?				
Can we compete successfully with candidates?				
Is the cost worth the potential fee?				
Total Score (Out of a Possible 20 Points)				

If a GO decision is made, the consultant will then assign an individual(s) to oversee preparation of the response (called a proposal manager, proposal coordinator, or similar title) and begin assembling their proposed team for the project, considering factors such as the following:

- Who will serve as the designated consultant project manager?
- What type of knowledge, skills, and abilities will be needed on the team? Who from the firm will fill these roles?
- Will a partner firm or team of subconsultants be needed if specific roles cannot be filled from within the firm? Which firms will be invited? Will the partner firm be exclusive to us for this project? Will we have a stronger proposal with a partner?

When reviewing the RFX document and administering the preparation process, the consultant will do the following:

- Review the timeline for response due dates
- Review the procurement document for specifications and submission directions, asking the following questions:
 - Other than page limits, are there limits on font size, graphics, or additional materials?
 - Is the submittal required to be electronic? If so, how complicated are the submission process and requirements?
 - If not electronic, is in-person delivery practical or will a delivery service be needed?
- Review the scope of work for issues, inconsistencies, and risks (e.g., indemnification and insurance requirements) and seek clarification

- Know and understand the consultant selection method
- Review evaluation criteria
- Seek clarification on administrative and technical questions through the public agency's procurement officer
- Monitor addenda and revise approach and materials accordingly

The process of preparing the response involves several tasks. Common elements of a response include the following:

- Executive Summary written in nontechnical language which summarizes the respondent's overall capabilities and approaches for accomplishing the services
- Management Plan which describes administration, management, and key personnel
- Technical Plan which accomplishes the following:
 - Explains the approach, capabilities, and means to be used in accomplishing the tasks in the scope
 - Incorporates the objectives of the scope
 - Provides a summary, with description, date, and location of the prior relevant experience
 - States the specifications, standards, plans, approved products the agency may choose, and
 - For value-add sections and innovative solutions, states how the approach or solution provided will enhance the base package or benefit the project beyond what was included
- Work Plan which includes the following:
 - Defines tasks and deliverables
 - Dedicates a responsive project manager
 - Includes an estimate of staff hours for each skill classification that will be utilized to perform the work required. If the QBS method of selection is being used, this estimate of staff hours will not be requested until the contract negotiation phase
- Deliverables aligned with the budget, paying attention to the method of compensation for the bid items and noting the contract term

Clear and concise language is preferred in writing the document. Prior to submitting the response, the consultant is encouraged to proofread or second edit the document to ensure the text is free of errors in spelling and grammar and is formatted correctly and

consistently. Confirming the names of the prospective client team are correct is also necessary, as is making certain to incorporate all required signatures.

After preparation of the response, delivery of the final submission in a timely fashion is critical. eProcurement systems have helped shorten the time and reduce the cost of producing and delivering RfX responses. However, adequate time is still required to upload documents and enter related information into the system prior to the deadline. The time needed will depend on the complexity of the submission and the public agency's requested response format and requirements.

Following submission, the consultant may be asked to clarify or provide further information on its response to the public agency. Many selection processes also allow the agency to conduct an interview or test with the consultant during this period. The public agency will typically limit the number of consultants requested to make presentations given the cost to the firms, as noted above.

2.7 Working Together

The most effective and productive client-consultant relationships are based on mutual trust. Apart from the specific contract terms and conditions, the most important shared decision which needs to be made is the scope of work, as described in Section 2.5. Both parties should have a clear understanding of the services needed, deliverables to be produced, and the project schedule. This will help to alleviate potential misunderstandings later in the assignment.

The public agency needs to consider several factors for administering the contract when developing the scope of work to ensure successful project execution. These factors include the following:

- **Who will manage the contract?** Identify a project manager representing the public agency to manage the contract, as well as the relationship with the selected consultant.
- **Which department has responsibility?** Identify the department(s) that will manage the project, monitor progress, and be responsible for payment to the consultant.
- **Who is responsible for executing the contract?** Determine if the contract will be executable solely by an agent of the public agency or if the selection will be presented to a governing body for approval. If not approved, determine if the agency has the authority to modify the proposed contract with the selected consultant or proceed with negotiations with the next most qualified firm.

- **How will the consultant progress be monitored?**

Decide if there will be intermediate formal reviews of work product. Decide if these reviews will be upon reaching certain milestones in the project or at specific dates during the project.

- **Will other stakeholders be involved?** If so, determine how these other individuals and organizations will be included in the project. The public agency will typically conduct periodic reviews with stakeholders when preparing the scope of work to ensure needs and expectations are appropriately captured and reflected in the document.

Once the scope and budget are confirmed and the project commences, both sides have a responsibility to actively carry out their respective duties. Consultant contracts do not just manage themselves. Typically, the consultant will be focused on delivering quality technical services in a timely manner with public agency staff responsible for guiding the process and providing feedback.

Successful agency project managers work closely with their consultant counterparts to keep the project moving forward without “micromanaging.” The public agency has hired the consultant for their expertise and experience in completing similar assignments. Providing flexibility to demonstrate their ability to be innovative while delivering the assignment is encouraged when soliciting a response.

Like the consultant, the public agency is responsible for providing trained, competent personnel to work on the project and oversee performance. These personnel often possess positive personality traits, including good judgment, inquisitiveness, initiative, as well as good interpersonal and communication skills. The agency project manager(s) must be competent and experienced in administering technical activities and dealing with people. They must possess sufficient technical knowledge to provide appropriate support and direction to the consultant. Inexperienced public agency project managers will benefit from the guidance of written policies and/or procedures or being paired with a more experienced project manager for guidance and mentorship.

During the assignment, there will be key points where decisions need to be made regarding the project outcomes, schedule, budget, or other factors. The public agency and consultant need to work closely at these points to ensure the assignment is proceeding as expected. Both parties want the project to succeed. Active communication is also key to effectively managing a project. Establishing regular lines of communication will help to make sure that the activities remain on track.

Specific responsibilities of public agency staff during performance of the consultant contract include the following (adapted from the *APWA Red Book on Qualifications-Based Selection: Guidelines for Public Agencies* (Fourth Edition)):

- Monitoring performance and move promptly to correct problems of both substance and timing
- Encouraging frequent communication, summarized in periodic, written consultant status reports
- Making all reasonable efforts to respond quickly to key decisions, including reviews and approvals, problem solving, etc.
- Ensuring agency deliverables are provided fully and on schedule
- Involving affected internal and external stakeholders, including the agency's departments, regulatory authorities as well as the public
- Assisting in providing formal notices and/or publicity related to progress of the work
- Working closely with the consultant in arranging and conducting meetings. Staff are encouraged to directly participate as appropriate, including moderator functions.
- Arranging timely payment for work properly completed
- Keeping top officials and the governing body adequately informed on the progress of the work
- Arranging suitable recognition for contributions to success of the completed work

Of note, the agency project manager plays an important role in understanding and guiding the stakeholder outreach process, both internal to the public agency (e.g., among departments, political structure) and for external stakeholders (e.g., other agencies, elected officials, community groups). Typically, the agency takes the lead in these outreach activities with the consultant providing supporting technical information. Dedicated agency staff or specialist subconsultants are becoming more common in supporting or leading engagement programs given their critical importance to project success.

3 Consultant Selection Process

3.1 Principles

The process of consultant selection is founded on a series of guiding principles. These fundamentals establish the basis for a public procurement program in which the following take place:

- Public agency business is open to competition
- Suppliers are treated fairly
- Contracts are administered impartially
- Value and quality are basic and equally important aims
- The process is transparent and open to public scrutiny

Successful outcomes depend on the effective implementation of the following principles in consultant selection:

Transparency

Public procurements need to be transparent in policies, processes, and practices to the greatest extent possible. Transparency ensures deviations from fair and equal treatment are detected early and makes those deviations less likely to occur. Transparency also protects the integrity of the process and all interested parties.

Technology can play a key role in providing public access to government data and integrating systems to enhance transparency. Web-based reporting tools (e.g., bid opportunities, procurement results, current contracts) and terms of use and code of ethics protocols are examples of technology solutions currently used in procurement. Identifying a procurement officer (liaison) to contact for data not immediately available through the website is another important step to improving transparency.

Granting consultants and the public access to information about the procurement activities of the public agency helps safeguard against corruption, promotes competition and fosters relationships between stakeholders. Other actions which aid in the transparency of the procurement process include the following:

- Publishing selection criteria and details of the method of award in a timely manner before the consultant selection process commences
- Identifying consultants invited to submit/who have obtained RFX documents
- Disclosing the awarded contracts and any completed contracts
- Ensuring independent monitoring of all stages of the procurement process

- Establishing an independent and effective appeals process
- Establishing conflict of interest instruments
- Allowing the public procurement information to be made available for free, and available in formats that are non-proprietary, searchable, sortable, platform independent, and machine readable. All potential consultants need to have equal access to the information required to respond to advertisements.

Capacity Building and Equal Opportunity (Fair Competition)

Some public agencies which regularly retain consultants aim to build capacity (i.e., develop a group of capable and reliable firms) by only engaging firms from a select list of candidates with the known ability to perform the work. Reasons given by agencies for this practice include consistency in quality, established relationships, existing knowledge of practices, less startup time, and a shorter procurement period to name a few. In addition, some public agencies have moved to conducting an RFX to shortlist consultants for lower cost services (i.e., designing traffic signals) to reduce the time and financial burden on consultants.

Although potentially expedient to establish a list of preferred consultants, public agencies need to avoid introducing systematic bias into their consultant selection process. An example of this practice is an RFX document establishing a prerequisite number of past assignments completed within a specific period for the agency (e.g., three transportation plans within the past 5 years), knowing only a select group of firms meet this threshold. While appropriate for complex projects requiring consultants with specific expertise and experience, imposing this requirement for all procurements will eventually limit the pool of potential firms and ultimately promote preferential treatment.

Public agencies are encouraged to strive, and one could argue have an obligation, to provide equal opportunity for consultants to offer their services in addition to building capacity. To promote fair competition and build capacity at the same time, the agency could eliminate or diminish potentially restrictive prerequisites for smaller (value) projects.

Another way to build capacity and encourage equal opportunity is to institute On-Call contracts that are limited in value and duration (1 or 2 years), in which several firms are selected. These contracts can contain a portfolio of small and medium-sized projects to enable the consultants to gain required experience before pursuing larger projects. A provision can be included that during each procurement phase, a new consultant will be rotated into the mix of firms to encourage fair competition. Having a “pool” of pre-qualified consultants used on a rotation basis is common for low-cost projects and saves the agency, thus the public, time in completing approved projects.



Qualifications

Qualifications requested from consultants typically include both technical and non-technical considerations, such as local knowledge, past performance, long-term relationships, and availability of resources. To assist in the evaluation, public agencies will typically, at a minimum, request the following information:

- Experience of the firm
- Project team (key staff)
- References
- Project understanding
- Other supporting data, if applicable

Previous experience with the requesting agency may be added, depending on the size and scale of the project, having regard for the capacity building and equal opportunity commentary above.

Integrity

Integrity during the procurement process is critical for both the public agency and the consultants pursuing the projects. The ethics and convictions to do the right thing when it comes to following a procurement process is a two-way street.

Most public agencies can cite state/provincial and local government regulations concerning ethics, disclosure, bribery, collusion, employment opportunities, etc. These clauses may

be included in the procurement documents themselves, or referred to a common location (website, work portal, etc.) that is accessible by all parties.

Conflicts of interest are also a concern. A conflict arises when an entity or individual has a vested (self-serving) interest – such as money, status, knowledge, relationships, or reputation – which brings into question whether their actions, judgment, and/or decision-making can be unbiased. Examples of potential conflicts of interest include working on a procurement involving a former employer or client, a spouse’s employer or client, or any others with whom some form of business relationship exists. The rules defining conflict situations and how to respond need to be clear for both the public agency as well as the consultant and his or her staff.

Gifts from consultants to government employees working on procurements are typically prohibited/restricted and defined/classified by the public agency. If the agency does not have such a policy, it is advisable to create one to make it clear what is and is not acceptable. If in doubt, it is highly recommended to decline and/or return any gifts received from individuals with a (potential) business relationship to avoid any appearance of conflict of interest, impropriety, or illegality.

Agencies have access to non-public information that could affect contract bids or award information. Improper disclosure of this information will violate laws and ethics rules, and subject the discloser to administrative actions, or civil or criminal penalties.

Indemnity and Liability

Consultants are often asked (required) to sign standard form public agency contracts with boilerplate indemnification clauses that are not appropriate for (or commensurate with) the type of work contemplated. These contracts typically include language requiring the consultant to indemnify the public agency for any and all actions regardless of the performance or negligent acts of the professional. However, the insurance most firms purchase will not cover this broad condition, nor can coverage be obtained without limitations to the types of acts considered negligent. These types of requirements can deter consultants from responding to an RFX as actions to comply with the stated provisions – such as purchasing additional insurance coverage – can also be costly and place the consultant at a competitive disadvantage.

Consultants will want to minimize exposure with clauses in the contract to limit responsibility and a party's ability to bring a legal claim to recover damages. Such a clause can exclude the kinds of damages that can be recovered. The clauses need not prevent the public agency from claiming reasonable damages in the event of severe misconduct, fraud, and gross negligence. For public agencies, state/provincial and/or local laws provide the basis for items to include in these contract clauses.

Public agencies and consultants commonly consult with their legal representatives to ensure specific state/provincial and/or local indemnity and liability requirements are properly addressed. When negotiating indemnity and liability clauses, it is important to take into consideration the potential for and severity of risks associated with a project to reach for a compromise solution that will protect each entity.

Life-Cycle Costs

Life-cycle funding includes protocols for determining costs and benefits from the beginning stages of a project to the end of its useful life. In general, planning and engineering design typically represents 1 to 2 percent of the overall life cycle cost of a project, with construction accounting for approximately 6 to 18 percent of the cost. The remaining 80 to 93 percent of the lifetime asset cost can be attributed to operations, annual and capital maintenance, and decommissioning.

Lowest-price design does not always equate to the best life-cycle value for a public agency. By viewing consultants as “trusted advisors” who share their priorities and interests, agencies can achieve the best outcomes for their projects and ultimately the lowest overall life-cycle cost. In this way, consultants can focus on adding value to an agency's project rather than determining how to minimize their fees to “win” an assignment.



Monitoring Outcomes

Consulting services contracts can include provisions for monitoring project progress and outcomes to ensure the public agency receives an acceptable product. This tracking can be accomplished by specific formal milestones submittals as well as weekly or monthly meetings with the firm. However the reviews occur, the consultant will need to address comments by the agency with documentation noting the actions taken and returned with the next submittal or meeting. If comments cannot be addressed satisfactorily, the consultant should work with the agency to determine a solution to the issue.

3.2 Methods

There are several methodologies available for selecting consultants. Most evaluate and compare capabilities to rank the proponents. **Table 3.1** lists the most common selection methods and their benefits and shortcomings. The selection methods are primarily distinguished by how the scope of work is created and how fees are treated within the evaluation process. The table defines common practice, but many variations exist.

In determining the preferred consultant selection approach for a given assignment, the public agency will typically take into consideration the following factors:

- Size/value of project/assignment
- Speed of procurement
- Emphasis on qualifications and/or price in the selection process
- Determination of hybrid opportunities
- Agency procurement requirements

TABLE 3.1: Comparison of Consultant Selection Methods

Method	Description	Pros	Cons
Qualifications-Based (QBS) – RFQ	<p>Consultants respond to a RFQ and submit qualifications to the public agency (and in some cases their project approach) who evaluates and ranks the consultants for the proposed project based on their technical qualifications. Interviews may be conducted.</p> <p>The highest-ranked consultant and the agency then jointly develop the final scope of work for the project. Following agreement on the scope of work, the consultant is requested to submit a fee for the work as jointly established. “Negotiations” are undertaken, if necessary, to reach an acceptable fee. If agreement cannot be reached with the number one ranked consultant, negotiations are concluded with that firm and commenced with the second-ranked qualified consultant.</p>	<p>Jointly developing the scope of work affords the public agency the opportunity to make use of the consultant’s expertise. It permits agency and consultant to develop a better understanding of one another’s goals, objectives, needs, preferences, risk tolerance and similar concerns before the work is priced. This also ensures the scope, roles, and expectations are clearly defined before starting the project, helping to avoid costly change orders. The selection process is not concluded until an agreement on price is achieved.</p>	<p>The public agency may not have adequate time to complete the consultant selection process for short turnaround projects.</p>
Qualifications and Cost-Based (QCBS) – RFP with Prices	<p>Consultants respond to an RFP with their corporate and key personnel qualifications, specific experience, proposed methodology and schedule, references, and any other relevant information, plus their proposed fee for undertaking the work.</p> <p>The public agency evaluates the proposals based on a pre-determined set of weighted evaluation criteria. The evaluation process addresses the submitted fee as one of the weighted evaluation criteria. Interviews may be conducted.</p>	<p>The evaluation process affords the public agency the opportunity to rank the consultants based on the quality of their submission and the qualifications and expertise they will bring to the project, in addition to price.</p>	<p>This method may preclude joint development of the scope of work utilizing the experience of the consultant. If the agency does not provide for further scope/cost negotiations within the procurement process, the consultant is expected to provide a firm price for undertaking the work based on the scope set out in the RFP. The inability to discuss and refine the scope can cause problems and/or result in change orders later in the project.</p> <p>In addition, including price may change the consultant’s mindset from “what should the proposal include to ensure maximum value for the public agency” to “what is the cheapest price possible to win the assignment (bid)?” if the public agency does not explain its intent in stating the budget.</p>

Method	Description	Pros	Cons
<p>Qualifications and Cost-Based (QCBS) – RFP Two Envelope System</p>	<p>Consultants respond to an RFP and are requested to submit a priced proposal in two sealed envelopes. The first envelope contains the technical proposal with their corporate and key personnel qualifications, specific experience, proposed methodology and schedule, references, and any other relevant information, exclusive of price. The second envelope contains the financial proposal with their proposed fee for undertaking the work.</p> <p>The public agency opens and evaluates the technical proposals (Envelope One) from all consultants against the evaluation criteria and establish a rank order. Envelope Two for the highest-ranked consultant is then opened. Negotiations can be conducted with the firm, leading to a binding contract.</p> <p>If agreement cannot be reached with the highest-ranked consultant, the public agency concludes negotiations and proceeds to open Envelope Two of the second ranked firm. This process continues until agreement is reached. The financial proposal envelopes of the unsuccessful consultants are returned unopened as soon as an agreement has been reached.</p> <p>Variations to the two-envelope system include the following:</p> <ul style="list-style-type: none"> • Opening Envelope Two for multiple consultants where the technical proposal rankings of two or more firms fall within a specified range (say 5 percent). The financial proposals for these consultants are evaluated and the assignment awarded to the firm with the lowest fee. • Awarding the assignment to the firm with the lowest fee of the two highest-ranked firms. • Establishing a “pass/fail” point for the technical proposals based on the evaluation criteria. Envelope Twos for all consultants achieving the pass mark are opened and the financial proposals scored using a formula that awards points to all firms based on relative fee amount. The sum of the technical and financial proposal scores is used to determine the final ranking of the consultants. • Conducting a technical evaluation based on weighted criteria, then opening all Envelope Twos and incorporating the financial proposal to determine the final ranking. • Consultants only submit the first envelope. The public agency conducts a technical evaluation based on the weighted criteria and shortlists the top consultants. The scope of work is further refined based upon the input of the consultants and then cost proposals are submitted. The qualification score and cost are incorporated to determine the final ranking. <p>Interviews may be conducted at any stage of the process.</p>	<p>Qualifications are evaluated on technical and other relevant criteria. Excluding price removes any bias that price might impart on this element.</p> <p>Receiving the cost proposal at the same time as the technical proposal can save some time in the review process. Alternatively, receiving the cost proposal at the end of the process allows the public agency to further refine the scope of services before a cost is submitted.</p>	<p>As in the RFP with Prices method of QCBS, the scope of services is often not well-defined at the outset and may preclude the joint development of a more rigorous scope, utilizing the experience of the consultant. Yet, the professional consultant is expected to provide a firm price for undertaking the work.</p> <p>Opening more than one price envelope can be an abuse of the two-envelope method and change the process to a price-based methodology if costs are used for something other than to confirm the hours allocated to the project are reasonable.</p> <p>Methods that bring more than one price envelope into play open the process to compromise. For example, rating of the evaluation criteria to ensure minimal differences in the technical evaluation results in price becoming the determining factor.</p>

Method	Description	Pros	Cons
Best Value Approach (BVA)	Consultant selection is based on a variety of factors such as qualifications, experience, quality of work, technical approach, schedule, cost, and level of risk. These factors are weighted and scored to determine which proposal provides the best overall value.	Can help minimize overall risk.	Appropriate weighting of factors can be difficult to determine and scoring of some criteria can be viewed as subjective.
Budget (Target Price)	The public agency requests proposals from short-listed firms and provides a budgeted figure for consultant fees within the terms of reference for the project. Consultants are expected to respond in a manner which takes the budgeted fee amount into consideration. Consultant selection is based on the best quality proposal. Interviews may be conducted.	Knowing the budget allows a consultant to tailor the proposal accordingly. The public agency can choose the proposal it feels will provide best value for the given amount of money.	If funds are "limited," the public agency may not be achieving maximum value and may miss out on investigations which could provide long-term benefits. This can be remedied by permitting the consultant to offer additional work options with related costs. The agency can then assess the merit of increasing the budget to allow for the additional work.
Design Competition	A small group of pre-qualified consultants are invited or selected from an open solicitation to participate in a design competition. The consultants are requested to submit a "concept design," possibly a model, estimates of construction cost, and their fee proposal to complete the overall project in return for a stipend from the agency which then "owns" the rights to the design concepts. The agency is expected, but not required, to award the project to one of the consultants based on their submission and may include elements of the other design concepts in the award. Interviews may be conducted.	The public agency has a clear idea of the consultant's proposed solution and its expected cost.	This is an added-expense option typically only appropriate for large and/or complex projects, often in combination with other considerations such as design-build or design-build-operate scenarios.
Quotation	Consultants respond to a RFQ with a description of the services needed. The consultant is asked to provide prices and other information by a predetermined date. Evaluation and recommendation for award are based on the quotation that best meets price, and in some instances, quality, delivery, service, past performance, and reliability.	Expediency. Low price. Most often used for relatively small assignments where the scope of work and deliverables are well-defined.	Quality of product can suffer if the consultant is forced to reduce its work to the cheapest level possible to be competitive. Promotes a "race to the bottom" mentality. Consultants are typically unable to differentiate the value of their services.
Price Negotiation	A small group of pre-qualified consultants are invited to participate in a project as defined by the public agency. Fees for completion of the project are negotiated with each consultant independently. The successful consultant is determined based on lowest-negotiated price. This method is often restricted to a maximum fee by law.	Low price	Quality of product may suffer if the consultant decides to scale back effort to simply win the work. This strategy can also have long term repercussions for the reputation of the firm.
Single Source	The public agency selects a consultant based on its knowledge of the consultant's abilities, usually through previous working relationships. The scope of work is jointly- established and the consultant is either requested to submit a fee proposal based on the agreed upon scope or to submit a labor category rate schedule (charge-out rates) to be applied to hours charged. Most often used for relatively small assignments, phased projects, or for highly specialized services. Also used by some public agencies to supplement in-house staff for consistency purposes. More commonly used by private sector clients.	Basing selection on past performance helps to develop agency/consultant trust. The method provides the opportunity to discuss and collaboratively develop the scope of work to achieve optimum benefits for the agency.	Agency may not be considering consultants who may have better technical skills and/or experience for the assignment. Lack of competition in the consultant selection process prevents agencies from ensuring they are getting the best product and price. Can lead to perception of bias.

The first comparison will typically consider the size of project and speed of procurement. For smaller projects and limited budgets, the Budget Method, Price Negotiation, Single Source, or Cost-Based Selection are options available, albeit with their cons as described within the table. The remainder of the methods utilize some variation of QBS, with possible cost considerations built into the system.

As noted in Section 3.1 (Life Cycle Costs), engineering design typically only represents 1 to 2 percent of the overall life cycle cost of a project, so there are drawbacks to including a price component at this stage. The price difference between firms would only represent a minor savings, which may be offset by future change orders.

3.3 Qualifications-Based Selection

3.3.1 Why Use Qualifications-Based Selection?

Qualifications-Based Selection is frequently cited as the preferred practice for selecting transportation consultants. The QBS method facilitates best value selection based on qualifications (including technical competence, availability, methodology, local knowledge, long-term relationship, and past performance) and the subsequent determination of a fair and reasonable price, all relative to the scope and needs of the project. The evaluation process affords the public agency the opportunity to rank the consultants based on the quality of their submission and the qualifications and expertise they will bring to the project, not simply their price. Choosing service providers in this manner also ensures the public agency of a qualified consultant, promotes thorough and thoughtful proposals, and avoids consultants engaging in a “race to the bottom,” as discussed in Section 2.3, simply to secure the contract. Applying this practice meets most, if not all, principles of consultant selection listed in Section 3.1.

As noted in Section 3.1 (Life-Cycle Costs), planning and engineering design accounts for a small portion of the overall project cost. Shifting the focus to the quality of the consultant selected and the value offered through quality services will usually pay dividends in the ultimate implementation of the project.

3.3.2 What are the Benefits and Challenges of Using Qualifications-Based Selection?

Table 3.1 provides a description of the QBS method and highlights the key advantages and disadvantages of using this process to select transportation consultants. As noted, the



QBS method offers several benefits. The process of developing the scope of work collaboratively with the consultant affords the public agency the opportunity to make use of the firm’s expertise in setting out the work plan. It also permits the agency and consultant to develop an in-depth understanding of one another’s goals, objectives, needs, preferences, risk tolerance and similar concerns before the work is priced. This ensures the scope, roles, and expectations are clearly defined before starting the project, helping to avoid costly future change orders. The selection process is not concluded until an agreement on price is achieved.

Using the QBS method can present challenges, particularly for short turnaround projects. If the public agency has difficulty reaching agreement on fee with the selected firm and must then engage with the next most qualified consultant, there may not be adequate time to complete the selection process.

3.3.3 How Does a Qualifications-Based Selection Process Work?

The QBS process begins with an RFQ advertised by the public agency. Multiple firms reply to the request stating their qualifications to undertake the project. The agency then evaluates the submissions based on the qualifications presented and selects the preferred consultant. Negotiations begin with the firm on scope and fee. Finally, the project contract is awarded either by the public agency or a governing board of the agency.

The following details a typical QBS process for selecting transportation consultants. The sample process consists of the following eight steps, which should be read in conjunction with Chapter 2 for more detail on the various tasks within each step:

Step 1 – Develop Initial Scope, Schedule, and Budget

The public agency identifies the general scope of work and the specific project needs in terms of two to three important outcomes at project conception. The scope of work specifically identifies all services expected to be provided by the consultant, with deliverables highlighted. A rough timeline and budget will also typically be established for completion of the project. Following a QBS process is especially beneficial if the agency does not have a firm understanding of the scope, schedule, and/or budget at project conception.

In some instances, the public agency may decide to engage a consultant to help establish the scope, schedule, and budget in detail. The firm completing this task will typically be disqualified from participating in the resulting procurement to avoid a conflict of interest.

Step 2 – Appoint Selection Committee

The public agency appoints a selection committee (typically three to five individuals) to evaluate qualifications, interview candidates if desired or necessary, and rank the firms for selection. The group typically includes diverse representation from the departments responsible for administering the consultant contract, ensuring project functionality and success, and overseeing the procurement process. Advisors (including experts from surrounding public agencies or private consultants if the agency does not have the knowledge in-house) may also be invited to participate in the process.



Step 3 – Determine Mandatory Qualifications and Compliance Requirements

The public agency prepares the RFQ identifying the specific prerequisites for the procurement, including the necessary forms, policies, and statements. Consultants will need to demonstrate compliance with these statutory and other qualifications and requirements to meet award eligibility. Examples include lobbying, living wage, disbarment, insurance, ownership composition, litigation acknowledgement, work force information, provision of health care, conflict of interest, confidentiality, compliance with ordinances, child support obligations, accessibility, DBE good faith efforts, non-discrimination/equal employment opportunity, independent contractor status, equal benefits, bid history, prompt payment, contribution limits, and non-collusion.

Step 4 – Establish Selection Criteria

The public agency outlines the scoring process and expectations for selection in the RFQ. Typical criteria include the following:

Qualifications/Experience

- **Project Manager:** Describe the qualifications of the project manager and examples of experience managing similar projects. In some cases, a Principal-in-Charge may also be required to be named.
- **Firm Experience:** Describe the experience and qualifications of the team with comparable work, including past assignments with the agency, current work (work in the past 3/5/10 years), and knowledge of local conditions.
- **Project Understanding/Knowledge of Issues/Most Significant Project Challenges:** Describe the firm's understanding from the simplest (to highlight understanding of issues, challenges, and concerns) to the more detailed technical approach to the work (including tasks, deliverables, innovation, special or unique approaches, and how they relate to this project).

Staffing

- **Team Organization:** Describe how the organization chart was created to best serve this project. State the roles of key staff and include bios or résumés.
- **Licenses, Certifications, Registrations and Education:** State required/desired credentials.
- **Firm Background:** Describe the background/history of the firm, business type (DBE, small business, etc.), office locations of staff, resources, current work with the agency, use of subconsultants.

Project Management

- **Project Management Approach/Quality Control:** Describe how this project will be managed, techniques for communication, and the quality assurance/quality control plan.
- **Schedule and Availability:** Describe the planned workflow/schedule, the firm’s capacity to perform, staff availability, and the commitment of key staff over the duration of project.
- **Prior Project Performance Ratings for Agency:** Highlight scores from prior work and references.

Consistent with the principles of QBS, cost and level of effort (hours) are not typically factors at this stage in the process.

The selection criteria are usually chosen based on what is most important to the success of the proposed project and weighted accordingly. The selection committee and project manager determine values for selection ahead of time, so they clearly understand the criteria prior to reviewing submissions.

Step 5 – Prepare and Issue RFQ

The public agency will assemble and release the RFQ with an invitation for consultant responses. The document will typically state the project goals and objectives and define success in a few sentences. It will also usually include the following:

- The establishment of a point of contact for the procurement. This person is typically selected based both upon their ability to serve the task and his or her availability from the time the RFQ is issued to the submittal deadline.
- An explanation on how questions and requests for information will be addressed. Most agencies now receive queries via a web portal or an email address provided with the RFQ, and post responses on the RFQ website and/or via an addendum after the question deadline. Pre-proposal/pre-submittal meetings are becoming less common.
- Inclusion of the scope of work developed in Step 1 (which may need to be further refined/ detailed based on work completed in subsequent steps) and background on why the project is being undertaken.
- A summary of the selection criteria and weighting to document the basis of selection. The scoring of interviews (if used, see below) will also be defined.

- A statement on whether an interview may be required. Most agencies will only conduct interviews if two or three firms score closely on the written submissions or the project is high-profile or costly. The RFQ will typically state interviews are at the agency’s discretion and will include only the top ranked firms.
- Definition of the procurement and project schedule. Typical items to list include the following:

Release of RFQ	Date
Pre-Submission Questions	Deadline Date and Time + Contact
Last Date for Addendums	Date
Submission Deadline	Date, Time, Location
Selection or Shortlist Complete (optional)	Date
Release Scoring and Submissions if selection made (optional)	Date
Interview (optional)	Date, Location if it is determined needed
Release Scoring and Submissions (after interviews)	Date
Negotiations Process Begins (optional)	Date
Negotiations Process Complete (optional)	Date
Contracted	Date (desired)
Debriefing Meetings (optional)	Week of (date)

- Outline of submittal requirements in terms of maximum page count, page and font size requirements, and allowances for a cover page and appendices such as résumés. Mandatory forms to include will also be noted. Other information is typically not required or specified to keep the review process as efficient as possible.

The agency determines the appropriate level of detail and complexity for the RFQ response based on its objectives for the procurement. Short responses, where the consultant is requested to provide only limited information, offer simplicity for agency staff reviewing the submissions. However, it is difficult for consultants to clearly express their qualifications and advantages in only a few pages. Submissions in the five- to 30-page range are common, with the RFQ response length typically scaled to the size of the project.

It is important the public agency release only one RFQ to potential consultants. Addendums can be produced, published and sent specifically to all registered firms if clarification of the RFQ is required.

Step 6 – Receive and Evaluate Submissions

The public agency receives submissions until the deadline specified in the RFQ, typically including time of day as well as date. Historically submitted in paper form, responses today are now commonly received through web portals as digital files. Proposals received after the deadline are almost always not accepted.

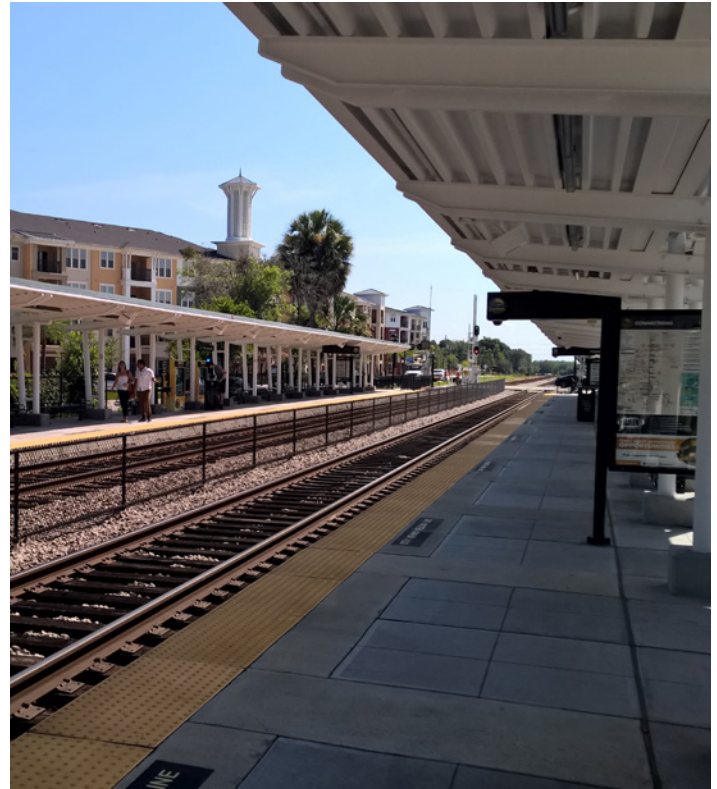
After confirming the submissions satisfy mandatory requirements/ pre-requisites, selection committee members receive all qualifying submissions and independently score and rank each one based on the selection criteria established in Step 4 (if interviews are conducted, the interview scoring criteria will also be listed). The selection committee would typically then meet to review the individual member scoring results and discuss differences of opinion. The session moderator (typically a procurement specialist or QBS Advisor) seeks the consensus of the group on the scoring, with identification of the most qualified firm and treatment of outlying scores discussed.

Some public agencies will conduct a two-step review process which includes shortlisting prior to determining the most qualified consultant to limit the number of firms involved in the detailed evaluation, particularly if interviews and/or reference checks are being conducted. If interviews are contemplated, the agency typically states the criteria for the interview in the RFQ including the date, time, location, format, duration (typically about 60 minutes), scoring, number of consultant representatives allowed and review panel. Providing some of the questions in advance and reserving time for review panel queries are common practices used to help organize presentation time to effectively evaluate presenters.

The public agency informs all firms when the selection decision will be made and when to expect to receive communication regarding their status.

Step 7 – Negotiate and Execute Contract

Once the evaluation process is complete, the public agency informs the top-ranked firm of its intention to commence contract negotiations. Typically, other participating firms will not be informed until the agency executes a contract or reaches out to the next highest-ranked consultant to begin negotiations (if agreement with the higher ranked firm cannot be reached).



Negotiation with Top-Ranked Firm

The public agency begins negotiations with the consultant deemed most qualified as soon as possible after completing the evaluation. As part of this process, the agency does the following:

- Develops the detailed scope of work jointly with the top-ranked firm through one or more meetings, after which the consultant submits a work plan. The work plan lists the roles and responsibilities of all members of the team, including the agency.
- Provides the terms and conditions (including the payment methodology) to the consultant for review and final comments. The parties will typically use the agency's standard form of agreement or the standard agreement of a professional association or other agency as the basis of the contract. Modifications or amendments may be necessary to meet the needs of both parties.

It is preferable to agree upon contractual terms and conditions in advance or through the procurement process. Careful consideration needs to be given to indemnification clauses given the concerns previously stated. The following is a typical clause that has been used and complies with many U.S. states that have indemnification laws:

The Consultant shall indemnify, save, and hold harmless the agency, its commissions and members, its officers, agents, and employees from any and all claims, suits, actions, losses, liabilities, damages, costs and expenses, including attorney fees, to the extent arising out of the negligent acts, errors or omissions of consultant, its subcontractors, or their respective agents or employees, in the performance of consultant's professional services under this contract.

- Once there is agreement on the work plan, undertakes an independent budget determination at the same time as the consultant prepares its proposal for compensation to initiate fee negotiations. Both parties bring their estimates to an "across the table" negotiation of budget.
- Enters into a contract with the firm when project responsibilities of both the public agency and consultant are understood and compensation is agreed upon.

If an agreement cannot be reached, the same process would be utilized with the next most qualified consultant (see below).

Negotiation with Next Highest-Ranked Firm(s)

A public agency unable to attain the value proposition they desire in negotiation with the most qualified firm has the option to terminate and proceed to the next most qualified firm. The decision to move on typically results from an inability to agree on the budget for the services, the terms and conditions of the contract, and/or the schedule to complete the work. Firms and agencies rarely have difficulty finding common ground when they negotiate as partners in good faith.

The ability to stop negotiations is powerful leverage for the public agency and is not and should not be a tool to be used simply to attain lower fees. The negotiation typically focuses on value to the agency and achieving balance between the desired scope and budget. But in the event the negotiation reaches an impasse, the agency will usually do the following:

- Share expectations about the scope of work developed and budget available to complete the assignment before terminating negotiations with the top ranked firm. Opportunities to eliminate/scale back certain tasks and/or deliverables or modify the budget to meet objectives are often explored.
- Be open about the cost estimate prepared and its basis in negotiating with the most qualified firm. The consultant may have assumed different levels of effort or risk than the agency may be willing to accept, which would affect the budgeted cost.



- If the negotiation stalls due to fee, do not deviate from the budget and scope offered to the top-ranked firm when beginning discussions with the next consultant. If the next highest-ranked firm is unable to meet the budget and scope set through the original negotiation with the top ranked firm, the agency will typically halt the process and critically review its expectations. If, after this review, the agency decides to increase the budget or reduce the scope for the project, it is most reasonable to resume negotiations with the top ranked firm at this new level.
- Document the negotiation process and communicate the circumstances to all parties involved. The agency will not typically terminate negotiation with a consultant and move on to the next highest-ranked firm without first engaging in face-to-face or direct communication and formally seeking their response.

If the agency cannot arrive at a successful negotiated contract, it may cancel the RFP process and notify all participants. The agency will then work internally to decide next steps which might be to seek more funding, reduce the scope of work, or abandon the project. If a resolution to the issues is found, the agency would prepare new RFP to issue, which restarts the process.

Step 8 – Notify and Debrief Respondents

The public agency informs all firms of the results and provides an opportunity for respondents – successful and unsuccessful – to receive a debriefing on their submissions. Conducted after getting the selected firm(s) under contract, the sessions (typically 15 to 30 minutes) provide constructive feedback to the firms involved so they can compete more effectively in the future. The sessions can also benefit the agency by receiving feedback on the procurement process from consultants and potential solutions to identified challenges.

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