

Qualifications-Based Selection (QBS) Membership Briefing

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Purpose of today's presentation

- Educate/re-educate on the definition and benefits of QBS procurement
- Discuss steps forward
 - Expanding owner & client adoption of QBS



- Business Association: Engineering, Land Surveying, A/E Firms in MA
- 120 Member Firms - 7000 engineers, land surveyors, geologists, LSPs, planners, scientists, architects, landscape architects, related design professionals, & staff
- ACEC National - federation of 52 state Member Organizations > 5,000 firms representing > 500,000 employees
- Engineering works - allow Americans to drink clean water, enjoy a healthy life, take advantage of new technologies, and travel safely and efficiently.
- Member Firms range in size from a single registered PE or PLS to corporations employing thousands of professionals.
- Partner with Public Agencies to Improve Project Delivery
- Partner with MMA on public policy issues

What is QBS?

A procedure for selecting and retaining design professionals (Engineers, Land Surveyors and Architects).



A competitive procurement approach that emphasizes quality and value.



Scope and fee discussions occur after the initial selection is made.



QBS is endorsed by:



American Public Works Association



AGC
THE CONSTRUCTION
ASSOCIATION



American Institute
of Architects



- **Federal**

- Brooks Act of 1972 **requires** all federally funded projects to use QBS for selection of Design Professionals

- **State/Local**

- Forty-six states currently have QBS laws
- Massachusetts requires QBS for all public buildings and for MassDOT, MBTA, and MassPort projects.
- Hundreds of municipalities use QBS.

- **Private**

- Private industry almost never picks engineers based on low bid

Why pick the most qualified?

**Life Cycle
Cost
Considerations**

**Team
Building**

**Technology/
Innovation**

**Reduced
Changes**

**Flexible
Contract
Approaches**

- Constitute about 1% of *total* life cycle cost
- Are creative by nature
- Require critical thinking skills, intellectual effort
- Involve investigation, analysis and research
- Previous experience is highly beneficial
- Are not a “tangible commodity”

These are not “bid” items and have a significant impact on construction costs as well as operations & maintenance over the lifetime of the facility

QBS fosters teamwork between the client & engineer, which facilitates construction, leading to faster project delivery.

Low-bid is more expensive because it leads to increased change orders and high project maintenance costs. Furthermore, QBS encourages high quality and safe designs. Engineering represents approximately 1% of total project cost – QBS is an investment to manage construction and life cycle costs.

The owner has more control over price since the detailed scope of work is jointly developed by the owner and design professional, reducing misunderstandings and “blue sky” assumptions.

QBS helps small firms compete by providing a forum to demonstrate their unique capabilities that often include a greater degree of niche market expertise, knowledge of local regulations and business practices.

QBS is a Value Based Approach

- Results in productive relationships
- Creates partners, common goals, and expectations
- Promotes a thorough understanding up front
- Allows fair and reasonable fees based on a common understanding of scope and schedule
- Flexible
- QBS encourages competition among professionals best suited for each unique project

Classical QBS Process

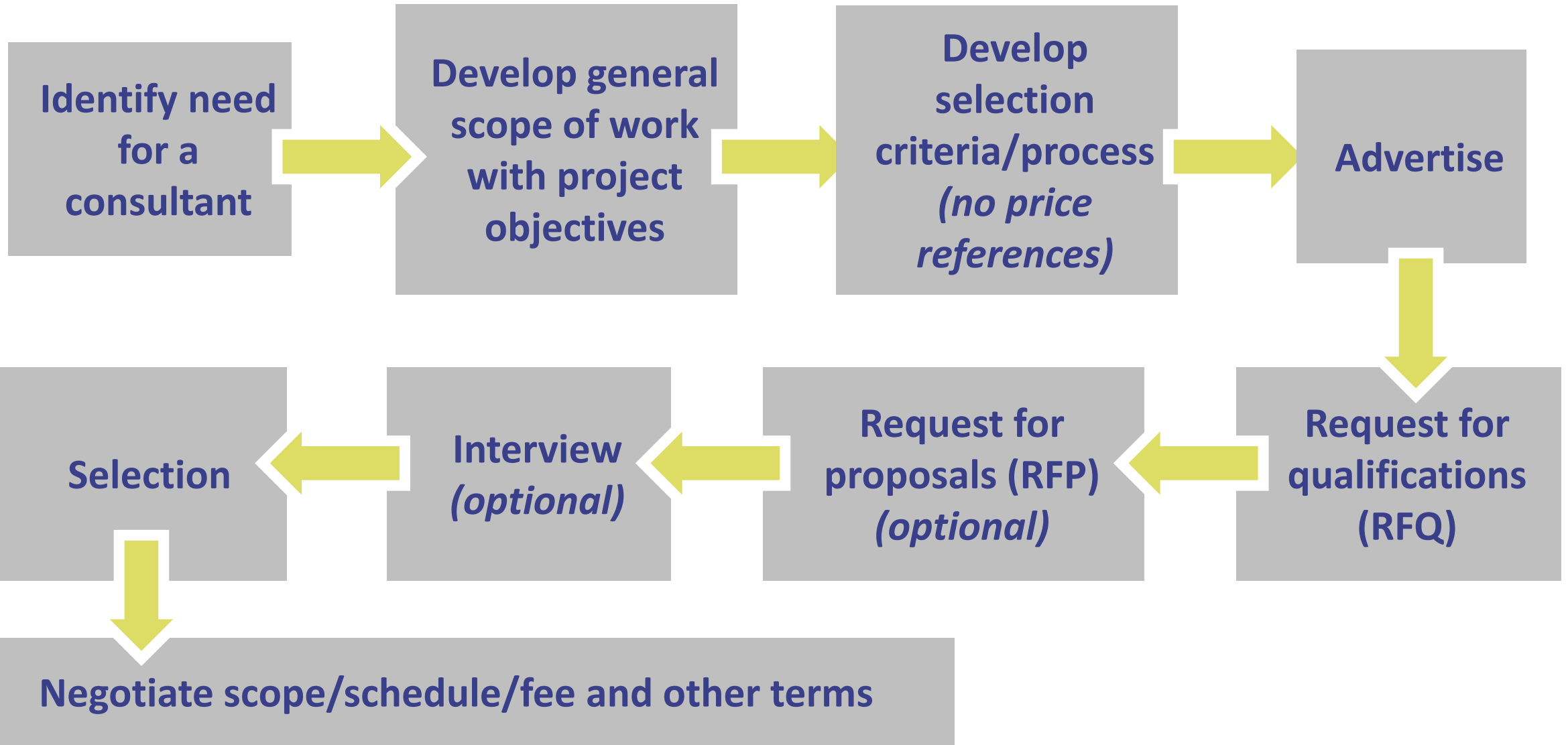


Consultant pre-selection processes

1. On-call contracts
2. General engineering consultant contracts

**Sole sourcing is allowed
under special
circumstances**

QBS Steps



Selection Criteria

Criteria should be based on qualifications relevant to the project

The criteria should also describe an objective weighted scoring process for evaluation the qualification packages

Criteria may be supplemented with agency goals such as local or DBE participation



**Legal Requirements:
14 day advance notice in a
professional service bulletin
or an official State Website.**

**Number of firms responding
should match the value and
complexity of the project**

Level of effort should be consistent with value of project

Not all projects will merit an RFP and/or an Interview

Level of detail should be consistent with level of available information

Evaluating Qualifications

Availability

Expertise

References

Experience

Training

Once selection is made, all firms should be notified in writing if they were selected or not.

Evaluation criteria scores and relative ranking to other firms is usually appreciated by consultants.

Most owners grant debriefing interviews to unsuccessful consultants.



Scope, schedule, fee and other terms are inter-related

- Select an appropriate fee structure
- List duties of the consultant and owner
- Identify deliverables and milestones
- Describe approval process
- Identify insurance and liability requirements
- Describe conflict resolution process
- List points of contact and level of their authority

What happens if the Owner and A/E can not agree on the fee for the services?

- The Owner terminates negotiations with the first ranked firm and begins negotiation with the second ranked firm. The Owner is always in control of the process.



Why not ask for prices from three qualified firms?

- Each firm will offer a price based on its own interpretation of the scope and not necessarily that of the owner. Each price therefore, represents a unique and unilateral scope.
- Since most equally qualified firms have similar labor cost, overhead, and profit structures, they will cut scope first to be price competitive.



Does QBS encourage competition?

- A/E firms make a significant investment in the preparation of qualifications packages and the interview.
- The process encourages A/E firms to focus on projects for which they are best qualified.
- This investment by the A/E encourages good-faith negotiations.

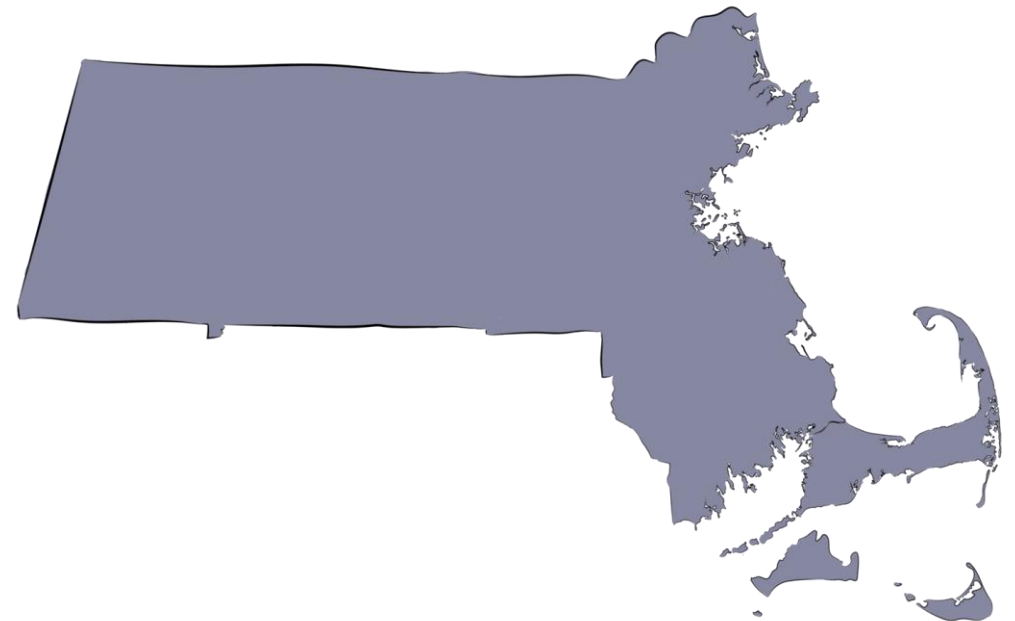


How does the owner know that he is getting a fair price in the negotiation?

- A/Es typically get about 85% of their business from repeat clients. Client satisfaction ranks second only to the A/E's public safety professional responsibility. A reputation of higher fees without commensurate high quality (value) is a sure formula for losing clients and not in the best business interest of the A/E.
- If the owner cannot be convinced that the fees are fair, he does not have to buy the A/E's services.



- Designer Selection Law for Buildings: MGL c. 7C, §§ 44-57
- MassDOT, Massport, MBTA: MGL c. 7C, § 58
- Office of the Inspector General Designing and Constructing Public Facilities, 9th Edition



- ACEC's Online QBS Resource Center
<https://www.acec.org/advocacy/qbs/>
- Massachusetts Office of Inspector General Guides and Advisories
<https://www.mass.gov/info-details/oig-guides-and-advisories#designing-and-constructing-public-facilities,-9th-edition->
- National Institute of Building Sciences
<https://www.wbdg.org/project-management/project-delivery-teams/select-appropriate-design-professionals>
- QBS Colorado
<https://www.qbscolorado.org/>

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Primary goal:

Adoption of QBS procurement practices by as many owners/clients as possible within the Commonwealth.

Communication

- Connecting with owners via existing relationships to tell the QBS story
- Encourage owners to participate in round table discussions, such as a peer exchange
- Conduct outreach events (i.e.. Long drive golf outing) inviting target clients for discussion
- Attend profession society outings and set up a booth for QBS benefits

Thank You and Questions

