

HOW TO ENGAGE DESIGN PROFESSIONALS*...

to achieve quality and cost effectiveness in public projects using...

QUALIFICATIONS BASED SELECTION (QBS)

(information updated January 2006)

As based on:

1. Federal Law PL 92-582
2. Federal Law PL 100-464
3. State Law ORS 279A.065
4. Common practice in public projects

* Registered architects, engineers, surveyors and landscape architects.

What is Qualifications Based Selection?

Qualifications Based Selection is a process for the selection of design professionals by public owners. It is a negotiated procurement process for selection based on qualifications and competence in relation to the work to be performed.

The Value:

- ◆ Fosters broad based competition.
 - ◆ Affords the selected professional an opportunity to understand the public owner's needs and objectives as a basis for negotiating the professional fee.
 - ◆ Saves money over bid-based methods, as proven in actual practice by public owners.
 - ◆ Takes full advantage of creativity and expertise of the design professional.
-

Frequently Asked Questions:

Are Oregon public agencies required to use Qualifications Based Selection? Yes, ORS 279A.065 clearly states when QBS is required on certain projects. QBS is required on all projects on Oregon that include federal funds, all state agency projects and local agency projects that meet the thresholds of a minimum of \$900,000 project cost and a minimum of 10 percent of state funding participation. If these limits are met then QBS is required.

How does QBS benefit public agencies? QBS benefits public agencies by ensuring qualified firms are retained to do the work. Also, QBS requires a definitive scope of the project to be finalized by the owner and design team. This thorough scoping process allows a better working relationship between both parties. This cuts down on expensive change orders, legal confrontations, and creates a partnership working to design the best project, not the cheapest project.

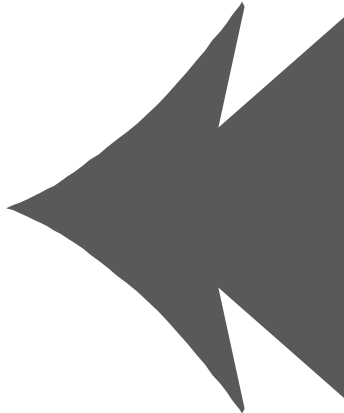
How does a public agency decide who is qualified? From the initial RFQ to the final selection the local government is in charge of the process. They will decide what is important to their specific project and how rankings will be developed. Special emphasis in skills, local knowledge, availability, small business, minority-owned businesses or other selection criteria are all up to the local government. QBS does not require a cookie-cutter approach to design professional selection. Local governments are allowed to determine qualifications that fit their project best.

When I use QBS, how will I know if I am getting a fair price from the most qualified design professional? All public work done by engineers for public agencies is public information. The QBS law allows the use of previous project pricing information. This previous price history will assist when deciding upon a fair price.

This Qualifications Based Selection Process Keeps the Owner in Control.

STEP 1

Rank the firms in terms of best qualified.



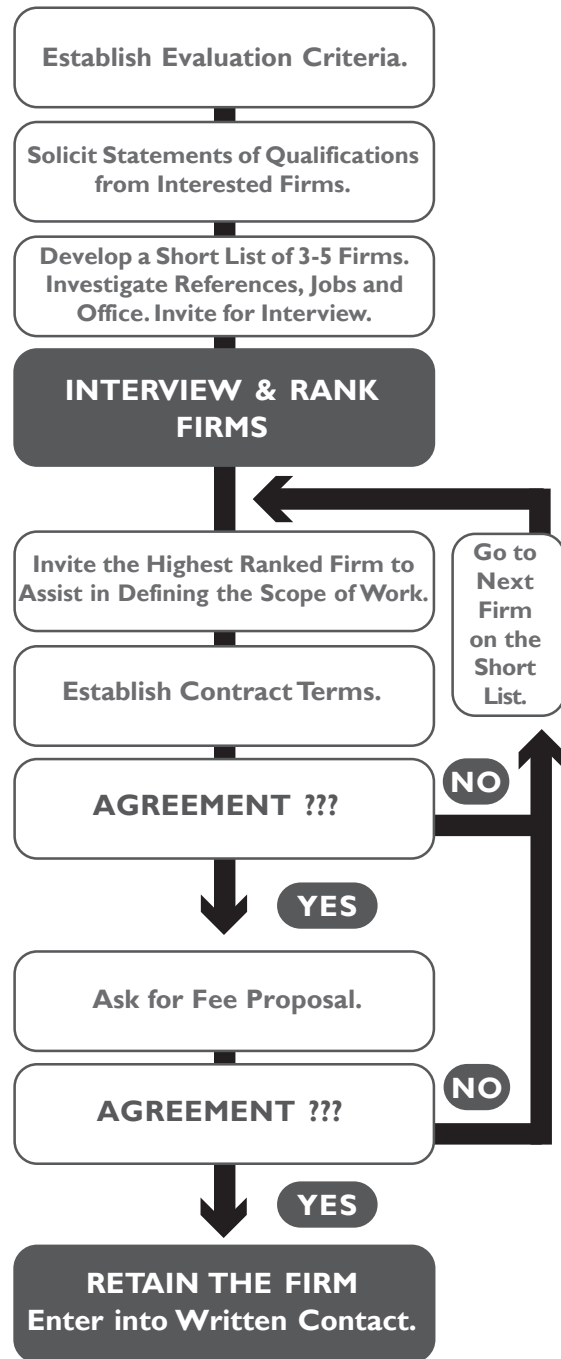
STEP 2

Jointly define scope and contract terms, taking advantage of the experience of the highest ranked firms.



STEP 3

Retain the firm on the basis of an acceptable proposal.



How do I negotiate with the design professional? First and foremost, develop a scope of services in concert with your consultant. This scope should be as complete and detailed as the agency and consultant can reasonably make it. It should define the deliverables and the time frame in which the work should be accomplished. This provides the project control mechanism that most agencies desire. Once the consultant has a well-defined scope of services, the level of effort to perform each task within the scope can be assigned and discussed with the agency.

What Precedents Exist for Qualifications Based Selection?

- ◆ It has been in use since the Civil War.
- ◆ Public Law 92-582 (Brooks Bill) confirms it is in the nation's best interest in federal procurement on civilian agency projects.
- ◆ Public Law 100-464 reaffirms 92-582 and adds specific services covered by the law.
- ◆ Oregon Law ORS 279A.065 confirms it is in the state's best interest in state procurement.
- ◆ HB-3272 implements thresholds of \$900,000 and a minimum of 10% state participation in the project's design and construction before QBS is required. These amendments do not impact local governments selection processes on projects funded entirely with local funds.
- ◆ The American Bar Association's Model Procurement Code for State and Local Governments specifies it as the preferred method of procuring design professional services.
- ◆ The American Public Works Association endorses it in a strongly worded policy statement.
- ◆ Experience. All the western states, including Montana, Idaho, Nevada, Oregon, Washington and California, have QBS laws.

Why?

In a previous case study conducted by the state of Maryland, their research and experience clearly showed that meaningful price-based comparisons are quite difficult to make at

the time the selection is made. Price-based selection increased the design phase cost by ~94% and resulted in major construction cost increases. The cost increase resulted from time and effort it took Maryland to prepare a scope of work that could be used to obtain bids from design professionals.

Why Would a Public Owner Want to Use Qualifications Based Selection?

Because:

- ◆ High quality consultant services are only a small percentage of the project cost yet affect and influence the entire project cost and outcome.
- ◆ It promotes improved project quality by assuring that the client clearly understands the scope of work required.
- ◆ It leads to realistic construction bids based upon a definitive scope of work.
- ◆ Studies have shown that use of Qualifications Based Selection for public projects is more efficient and less costly than use of a selection process that uses price as a primary criterion.
- ◆ Qualifications Based Selection avoids the situation where the greatest benefit of the design professional's innovation and creativity is lost because its importance was not recognized at the fee proposal stage.

Who Defines this Scope— At What Cost?

You, as the public owner, must define the scope of design services you expect. This is a difficult task and is best accomplished jointly with the highest rated firm as determined using Qualifications Based Selection.



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Oregon

5319 SW Westgate Drive, Suite 221, Portland, Oregon 97221
phone (503) 292-2348 ◆ fax (503) 292-2410
www.acecOregon.org

*Member of the American Council of Engineering Companies
Washington, D.C.*