

QUALITY BEGINS WITH QUALITY-BASED SELECTION (QBS)

Background Material for the Traverse City Study Committee

NOTE: To select a consultant to design the Traverse City Pier, we are interested in using the Qualifications Based Selection process. Following is background information about that process.

The selection of a consulting engineer is one of the most important decisions you will make in completing a successful project. While the cost of engineering services for the average facility represents less than one percent of the total lifetime costs of construction, operation and maintenance, the design can have a major impact on all other costs. Investing in quality design services at the outset of the project often results in long-term savings.

Cost effective problem solving and high quality design can only be achieved with competence and experience. The Qualifications Based Selection (QBS) Process helps clients find qualified design consultants for their projects. It is a time-proven method endorsed by federal, state and local government and used by many private sector owners and institutions.

Following the simple QBS process, consultants are selected first on competence, creativity and performance and second on negotiation of a fair and reasonable price. By selecting a consulting engineer based on price competition you limit the professional's resources to undertake a thorough analysis of a problem and to search for innovative solutions. You also deny yourself access to the most valuable assets the professional has to offer: creativity and professional judgement.

Cheap design is expensive. An investment in quality design will enable the most qualified consultant to apply technical knowledge and relevant project experience to develop a functional and cost-effective solution.

WHY QBS?

Many state and local governments including Michigan, as well as private industry, have followed the lead of the federal government in the procurement of consulting engineering services based on Qualifications Based Selection. In 1972, the U.S. Congress recognized the merits of competition based on qualifications and established as federal law, a policy that engineers are to be selected on the basis of competence and unique abilities for each project and at a fair and reasonable price. The American Bar Association has endorsed this qualifications based selection and negotiation process in its "Model Procurement Code for State and Local Governments."

Qualifications Based Selection (QBS) does not mean that you cannot negotiate a fair and reasonable price for services. It does, however, mean that price is negotiated after competent, qualified professionals are selected.

BASIC QBS PROCESS

STEP 1 – REQUEST FOR QUALIFICATIONS

Prepare a formal Request for Qualifications (RFQ) for a proposed project and distribute to a list of firms. Ask respondents to indicate their interest in the project and illustrate their relevant project experience and overall capabilities to perform the services required for the project. The initial RFQ should include:

- _ A description of the proposed project
- _ Any special expertise or unusual services that might be required

- _ A time schedule for the project, including the selection process to retain a consulting engineer
- _ A list of selection criteria (location of firm, small business set-aside, current workload)

STEP 2 – EVALUATION OF FIRMS

Evaluate the written qualifications of the firms and select the top firms to be interviewed.

The evaluation should be based on the following factors:

- _ Individual qualifications of personnel as a team
- _ Overall experience of personnel as a team
- _ Ability of team to perform within time constraints
- _ Firm's awareness of project's issues, opportunities and constraints
- _ Project team's experience on similar projects
- _ Quality of past work
- _ Performance evaluation from past clients

STEP 3 – INTERVIEW

Arrange for interviews with top firms. An evaluation form with predetermined selection criteria should be used.

The evaluation form should include the following components:

- _ Project team management plan
- _ Previous experience of project team
- _ Location and quality of office facilities
- _ Project control measures to monitor schedule and budget
- _ Availability of staff resources based on firm workload
- _ Project approach
- _ Quality of work on similar projects
- _ Awards and past client recommendations
- _ Financial stability of firm
- _ Overall team ranking

STEP 4 – SELECTION/NEGOTIATION

Select the top-ranked firm and initiate the negotiation for the scope of work, the terms and conditions of a contract and compensation. The negotiation process includes:

- _ Preparation of comprehensive proposal by the top-ranked firm
- _ Presentation of scope of work, schedule and level of effort by the top-ranked firm
- _ Agreement on scope of work, schedule fee, and areas of responsibility and liability
- _ Preparation of written contract binding both parties to agreement