

# Qualifications Based Selection for Better Projects, Better Value

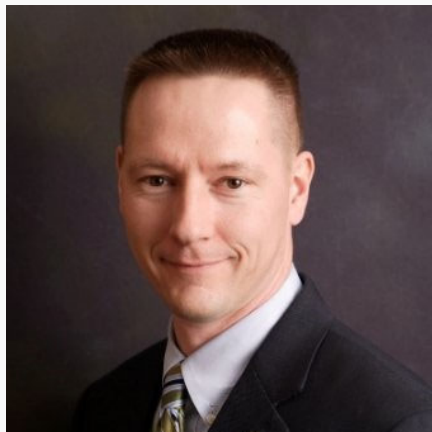
Mike Miller, PE  
Shane Spears

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A stylized white skyline logo featuring various building shapes, including a prominent dome and several skyscrapers.

**INDIANAPOLIS**  
FIVE CITIES PLUS

# Speakers



- Mike Miller, PE  
Manager - Technical Services  
& Construction  
Citizens Energy Group



- Shane Spears  
Deputy Division Director of Transportation  
RQAW DCCM



# Takeaways

- What is QBS
- QBS Process
- Why Use QBS
- Common Misconceptions
- Open Questions & Answers





# QBS Defined

- QBS stands for Qualifications Based Selection. This is the **preferred method** for selection of professional services. QBS is a negotiated, competitive procurement process for selection based on experience and competence in relation to the work to be performed.



# What makes architecture and engineering different than construction?

## Architecture & Engineering

- Require innovation to advance project solutions as well as develop better solutions for clients.
- Turn a concept into a set of plans and specifications.
- Appropriate to review qualifications and past experiences to select the best team for the project.

## Construction

- All major aspects of the project are defined, including the type and amount of construction materials required to complete the project.
- Take plans and specs provided by A/E and turn it into a physical reality.
- Appropriate to use lowest responsible bidder.



# Understanding the Law

- **Federal Brooks Act Law- 1972**

(P.L. 92-582)

- Requires that the U.S. Federal Government select engineering and architecture firms **based upon their competency, qualifications and experience rather than by price.**



# Understanding the Law

- **Indiana Local Projects**

(IC 5-16-11.1-5)

- A public agency ***may*** make all contracts for professional services on the basis of **competence and qualifications** for the type of services to be performed and negotiate compensation that the public agency determines to be reasonable.

- **Kentucky Local Projects**

(KRS 45A.730-750)

- In the **procurement of architectural and engineering services**, each local public agency may adopt the provisions of KRS 45A.740, 45A.745, and 45A.750. If any agency adopts the provisions of KRS 45A.740, 45A.745, and 45A.750, then it shall **accept qualification statements from firms engaged in the lawful practice of their professions.**





# Understanding the Law

- **Missouri Local Projects**

(RSMo 8.285-8.291 )

- It shall be the policy of the state of Missouri and political subdivisions of the state of Missouri to **negotiate contracts for architectural, engineering and land surveying services on the basis of demonstrated competence and qualifications** for the type of services required and at fair and reasonable prices.

- **Ohio Local Projects**

(ORC 153.69)

- For every professional design services contract, **each public authority planning to contract for professional design services shall evaluate the statements of qualifications submitted by professional design firms** specifically regarding the project, and may hold discussions with individual firms to explore further the firms' statements of qualifications, the scope and nature of the services the firms would provide, and the various technical approaches the firms may take toward the project.



## How QBS Works



1.

Identify the project and general scope of work.



2.

Issue a request for qualifications.



3.

Evaluate the qualifications.



4.

Develop a short list of qualified firms to interview.



5.

Conduct Interviews.



6.

Rank firms.



7.

Select your top-ranked firm.



8.

Jointly define scope with top-ranked consultant.



9.

Negotiate a fee.



10.

Execute a contract.

# What's in it for the client?

1. A structured process that that provides transparency.
2. Learn unique experiences and capabilities of each professional design firm to obtain the right firm for the right project.
3. Meet firm team members and gain insightful motives and issues important to the community owners upfront.
4. Promote better business relationship between all involved parties through dialogue of invested partners.
5. Help the community receive better service, better quality and better value.



# Evaluation Components for the Client to Consider



1. Quality of firm's Statement of Qualifications (SOQ) in relationship to information requested.
2. Firm's apparent knowledge of your project and your specific needs.
3. Firm's individual team member's qualifications.
4. Firm's experience in projects that are similar to your project.
5. Firm's experience with communities comparable in size.
6. Firm's familiarity with local conditions, needs and requirements.
7. Analysis of the firm's overall approach to your project.
8. Public awareness approach.

# The Facts: QBS Saves Money

- Cost growth on projects where QBS was used to procure engineering services was half the national average (3 percent versus 6 percent).
- Devoting more design effort has been shown to reduce the project's final cost from early estimates by solving construction problems during the design phase when the costs are lower than after construction has commenced.
- A study of 122 publicly procured A/E projects analyzed across North America revealed that greater consultation qualifications had no correlation with higher design fee costs.



Source: ACEC Research Institute with the study from Paul S. Chinowsky, University of Colorado Boulder and Gordon Kingsley, Georgia Institute of Technology



# The Facts: QBS Saves Time

- Hiring the most experienced and qualified design team reduces project schedule growth as compared to the national average (7 percent versus 10 percent).
- Specifically, 48%, or about half of the QBS projects met all construction milestones with no adjustment in schedule required. Conversely, only 32% of non-QBS projects had the same performance. From this result, it can be seen that the experience brought forward in QBS has an impact on the construction process.



Source: ACEC Research Institute with the study from Paul S. Chinowsky, University of Colorado Boulder and Gordon Kingsley, Georgia Institute of Technology



# PITFALLS OF NOT USING QBS

- Inhibits the community from garnering alternative and innovative solutions relative to the project from diverse design firms. This would be a disservice to the community if they didn't hear a variety of project approaches that may enhance value and ensure long-term cost savings to the community.



# PITFALLS OF NOT USING QBS





# Common Misconception: QBS Takes Longer

- **QBS fosters teamwork between the Owner and Engineer and leads to a better project outcome.**
- If you don't help facilitate a QBS process, the Owner will be challenged with the responsibility to independently prepare a detailed scope of services in an attempt to make the bidding field “apples to apples” among all competitors. The QBS process allows for the owner to discuss the project scope with qualified firms to consider all needs of the community.



# Common Misconception: QBS Eliminates Negotiating Price

- **Price is a factor!** But until the owner, architects and engineers agree in some detail what professional services are needed, a price discussion can't be meaningful.
- *If the first focus is on qualifications, you and the owner will be assured that the professionals hired will have the technical ability and professional judgment to turn the community's vision into an efficient, effective and economical reality.*



# In Closing, Why Use QBS?



...

**GAIN  
MAXIMUM  
VALUE**



...

**COMPETITIVE,  
TRANSPARENT,  
AND FAIR**



...

**ON TIME  
AND ON  
BUDGET**

# QBS Call to Action!

- Use QBS to find the right firm your next municipal water and/or wastewater project.
- Reach out to ACEC Research Institute at [institute@acec.org](mailto:institute@acec.org) for guidance on a quality-based system and more information on the QBS process.



# Questions & Answers

