

Why use Qualifications-Based Selection to Procure A/E Services: Talking Points

- **Engineering Services are Unique**

Engineering Services are procured differently than services in other project phases. When an engineer enters a project, the scope of the work has not been entirely defined; therefore, there are no specific parameters on which to base a price estimate. Price bidding only works when there is clearly a specified project scope such as the construction phase.

The critical element in the design process is the creation of a collaborative spirit between professional and client. If price is an initial consideration, design professionals' proposals will attempt to assume the client's needs. Minimal standards will most likely be used, because a firm cannot judge exactly what the client wants; advanced technologies or new features which could save a great deal over the life of the project, may not be added because another firm not including those features, may offer a lower price.

- **Long-Term Savings**

A high-quality engineer's design can have a dramatic savings effect on maintenance and operations over the life-span of a project. Even though the fee for the design professional amounts to only a small percentage (no more than 6% on Federal work) of the overall project cost, the result of their design can greatly impact the life-cycle costs.

A study on project costs comparing low-bid and qualifications-based procurement procedures – in Maryland and Florida – demonstrates conclusively that the low-bid process can ultimately be more time consuming and cost more than qualifications-based procurement (i.e., when considering the final cost, with change vs. the negotiated price which has a well defined scope of work).

When engineers compete for projects by the qualifications-based method, price is considered; it is taken in to account after the most qualified firm is selected. The Brooks Act procurement procedure for A/E services requires that the negotiated fee for the A/E firm must be "fair and reasonable." If the most qualified firm cannot agree with the owner on a fee, the second most qualified firm is contacted. This process continues until a "fair and reasonable" fee is obtained.

- **Safeguarding Public Interest**

Public health and safety considerations are at stake with public sector projects. There is a responsibility to the taxpayers to obtain the highest quality and safest project design possible. To assure that the highest standards are obtained, the qualifications-based procurement method is most suited for A/E services.

The qualifications-based procurement procedures help to safeguard against abuses often found in the low-bid method of procurement. The QBS selection process creates six

objective steps which a public client follows: public notice, submittals, review of submittals, ranking of respondents, negotiations, and engagement. All evaluations for selection are systematic and consistent. This creates an accountable record of the public owner's selection of the design professional.

- **Encourage Competition**

QBS is the most competitive and open form of federal procurement possible. The process is based on a firm's ability to perform a job, not merely on the lowest price a firm can offer. Since each firm is reviewed with respect to the personnel that will actually work on a project, a small firm has the opportunity to match its design team (of ten including the key principals of the firm) against a larger firm's design team (who may not be the key principals in the firm). Additionally, the skills, experiences and specialization of the firm and specific design team members are considered, not merely a firm's number of employees or national reputation.

When following the Brooks Act procedures, request for design proposals are widely publicized. This encourages a large number of all sizes of firms to compete for federal projects. Far fewer design firms will compete for contracts under the price bidding method. Small firms cannot afford to submit the elaborate and expensive price proposals which are required to compete for projects.

Small and minority firms are at a disadvantage under the price bidding method; to win they must have a lower bid than a larger firm, which is able to spread its cost among a greater number of projects. Frequently, a larger firm will perform certain projects at very low price with the hope of securing the market and making-up for the lost profits on other projects.

- **Summary**

The main advantage of the qualifications-based system is that the design professional and the client work in a collaborative spirit to maximize the quality, value, cost effectiveness and usefulness of the final product. Design professionals believe strongly that their services should be selected on the basis of qualifications and competence. This widely accepted method, adhered to by the Federal government and more than 35 states, provides for vigorous and open competition among design firms in the areas of personnel, experience, prior performance, and technical skills. Using the qualifications-based selection method can assure the acquisition of the most capable professional, while at the same time obtaining a price that is "fair and reasonable" to the client.