

Qualifications-Based Selection (QBS) in Michigan

AESLC Committee

Presenters: Ron Brenke, PE QBS Manager
Larry Fleis, PE Chairman, QBS Board

Today's Agenda

- What is QBS?
- The QBS Selection Process
- QBS Confirmed to be Best Practice
- Trends Threatening the QBS Process
- QBS Coalition
- Michigan QBS Legislation

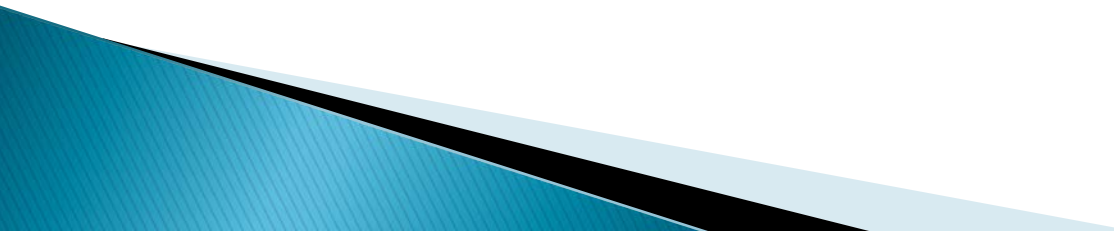


What is QBS?

Federal “Brooks Bill” Definition

- ▶ "Sec.902. The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirements for architectural and engineering services, and to negotiate contracts for architectural and engineering services **on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices.**

Brooks Bill Implementation

- All projects involving federal funds are to use the QBS process.
 - SRF/DWRF projects in Michigan will have to follow the QBS process as of October 1, 2014 to conform with recent federal legislation.
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Status of QBS Statutes by State

46 States have QBS laws (2013 ACEC survey)

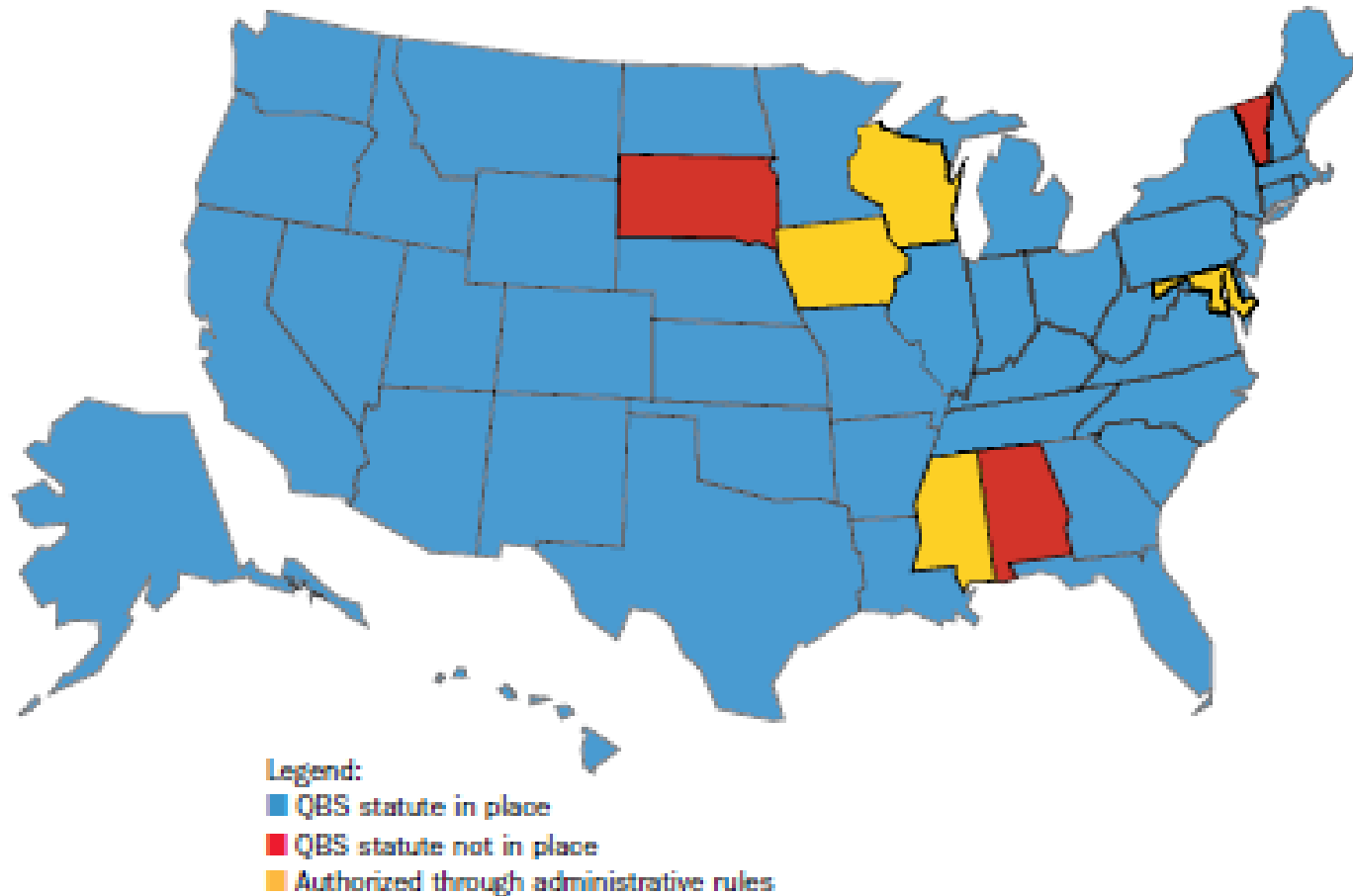
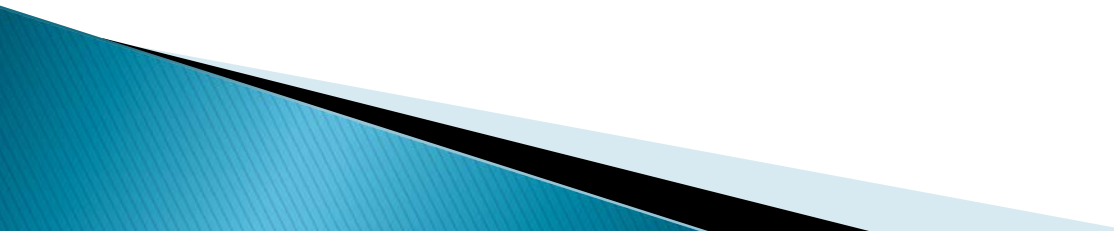


Figure 3-1: Current status of QBS statutes by state (AIA 2006).

Michigan

- In 1987- Concurrent Resolution No. 206 urges state and local agencies to utilize QBS for selection of design professionals.
 - In 2002 - PA 504 requires the Department of Management and Budget to use a competitive QBS process for hiring design professionals.
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The QBS Selection Process

QBS Process – Selection

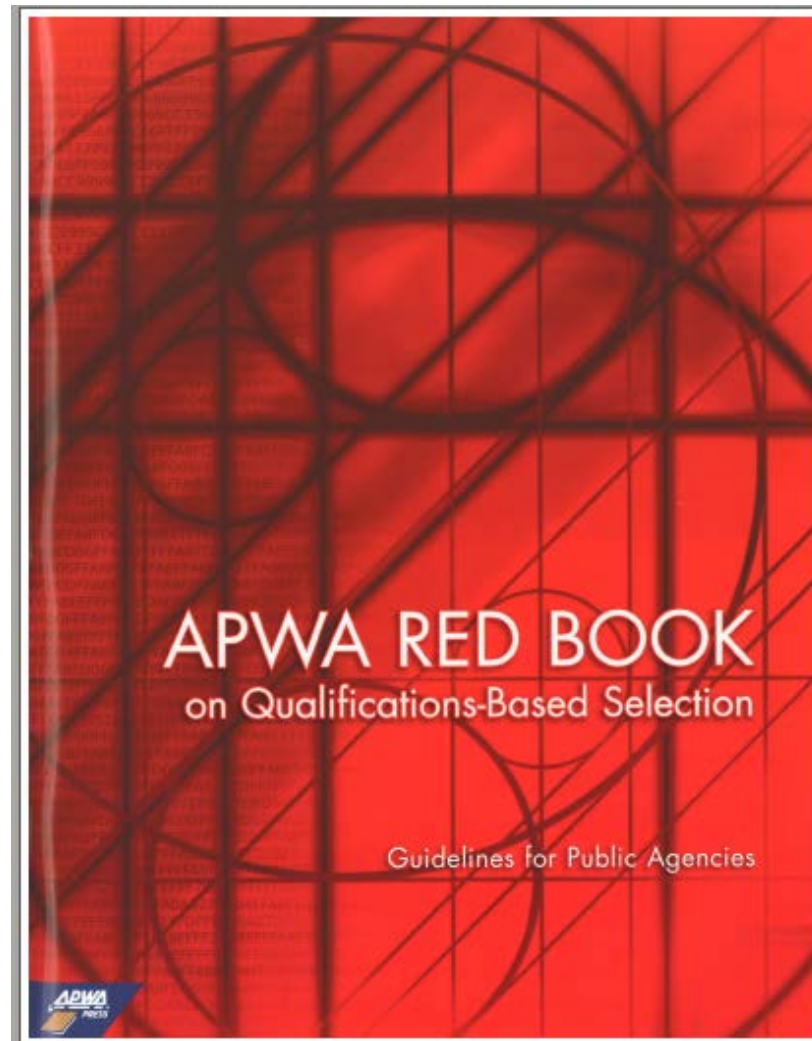
1. An owner establishes a selection schedule and criteria.
2. A request for qualifications (RFQ) is issued.
3. Statements of qualifications are evaluated and the owner creates a short list of qualified firms to be interviewed.
4. Interviews are conducted and the firms are ranked.

QBS Process – Negotiations

1. The owner and highest-ranked firm jointly define the detailed scope of work.
2. The design firm submits a fee proposal based on the agreed-upon scope of work.
3. If the fee proposal is not acceptable to the owner, the owner and designer work together to modify the scope of work, schedule, and budget to determine if an agreement can be achieved.

QBS Process – Negotiations

4. If an agreement cannot be achieved, those negotiations are ended and the owner begins negotiations with the next-most-qualified firm.
5. An agreement covering the scope and fee is executed.
6. Firms involved in the selection process are notified of the selection and provided post-selection feedback, when requested.



The Public Official's Guide to Municipal Infrastructure



Enhancing Local Government
Preparing Public Officials for the New Millennium

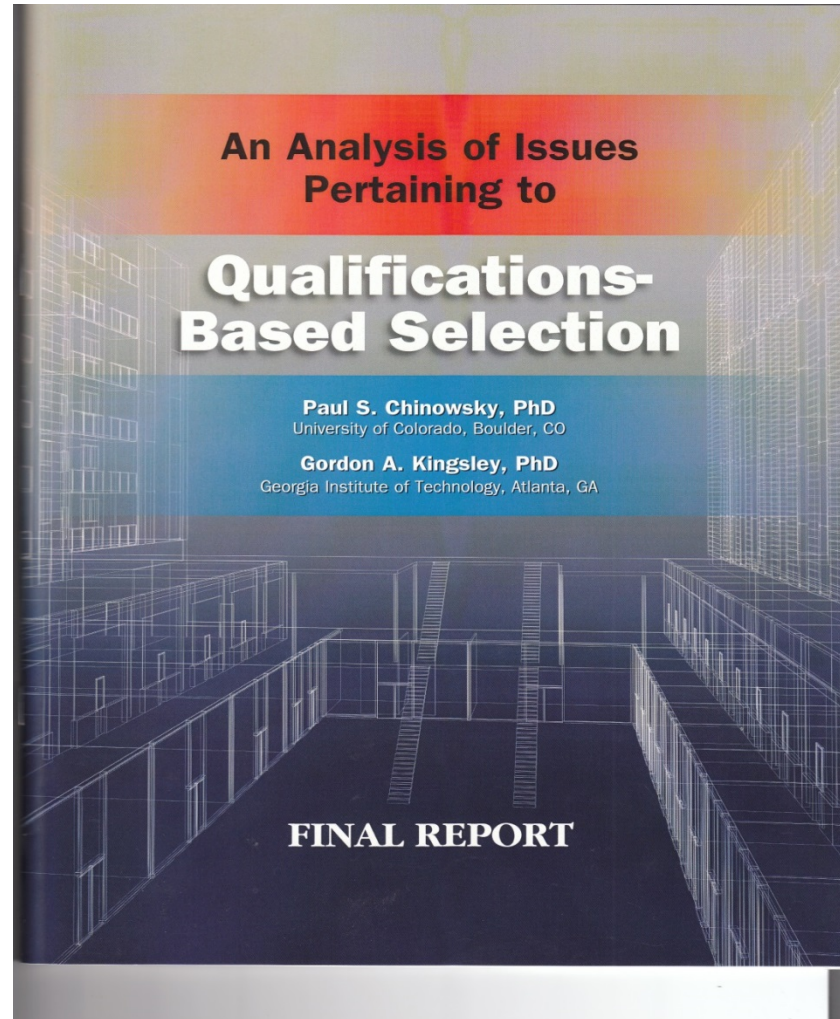


michigan municipal league
Better Communities. Better Michigan.



QBS is Confirmed to be the Best Practice Following National Study

QBS National Study





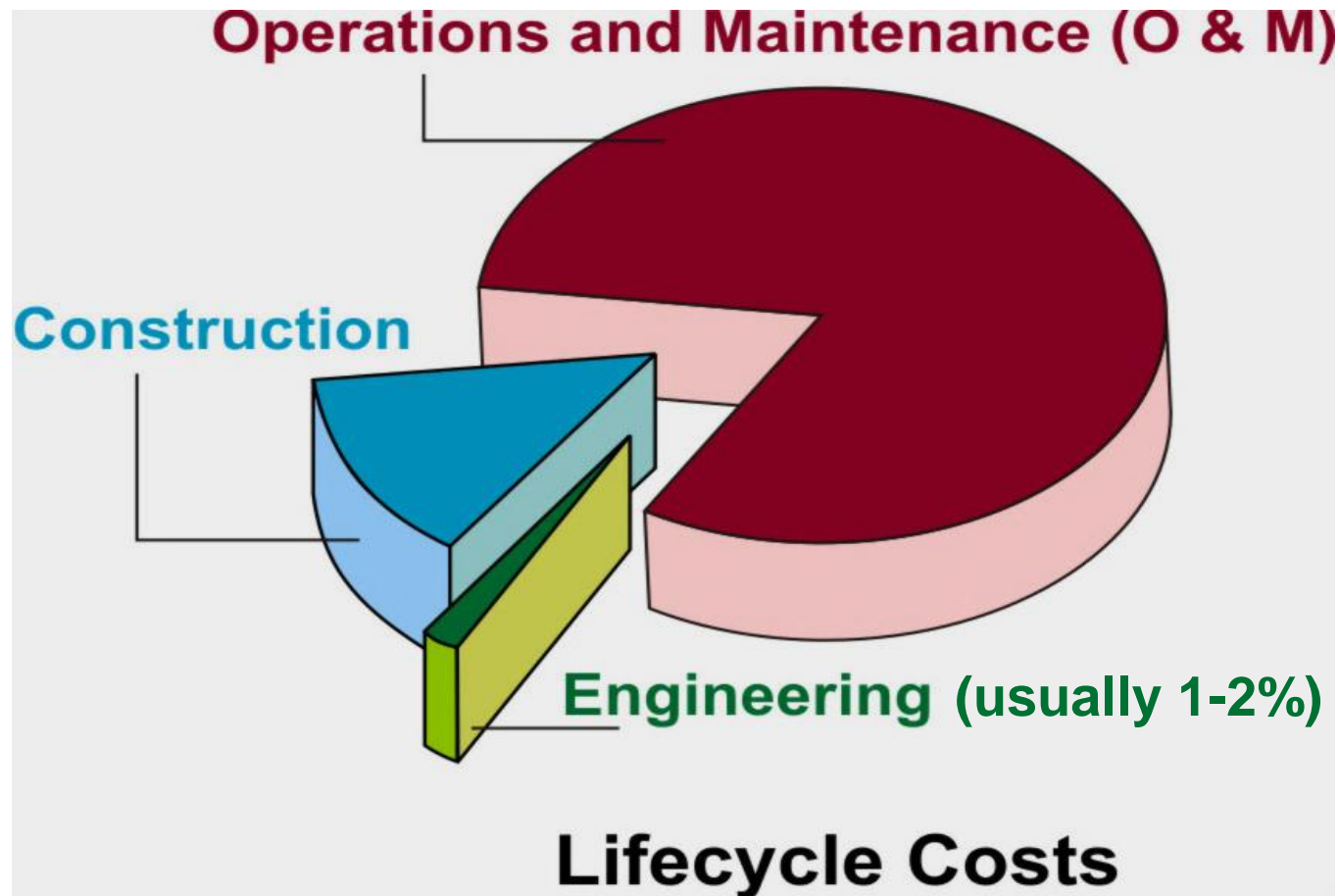
QBS Works (APWA/ACEC National Study)

- ▶ Georgia Institute of Technology and University of Colorado reviewed over 200 projects across the USA
 - 93% of clients expressed high or very high satisfaction with consultants selected using QBS
 - QBS reduced construction cost growth by 70%
 - QBS reduced schedule slippage by 20%
 - QBS provided better ability to address societal issues or stakeholder concerns

What's in it for the Owners?

- ▶ The right team for the right job
- ▶ Realistic schedules and budgets
- ▶ Fewer change orders and disputes
- ▶ Better business relationship between parties
- ▶ Better service, better quality & better value for taxpayers

Design Professional Fees are a Small Fraction of the Lifecycle Cost

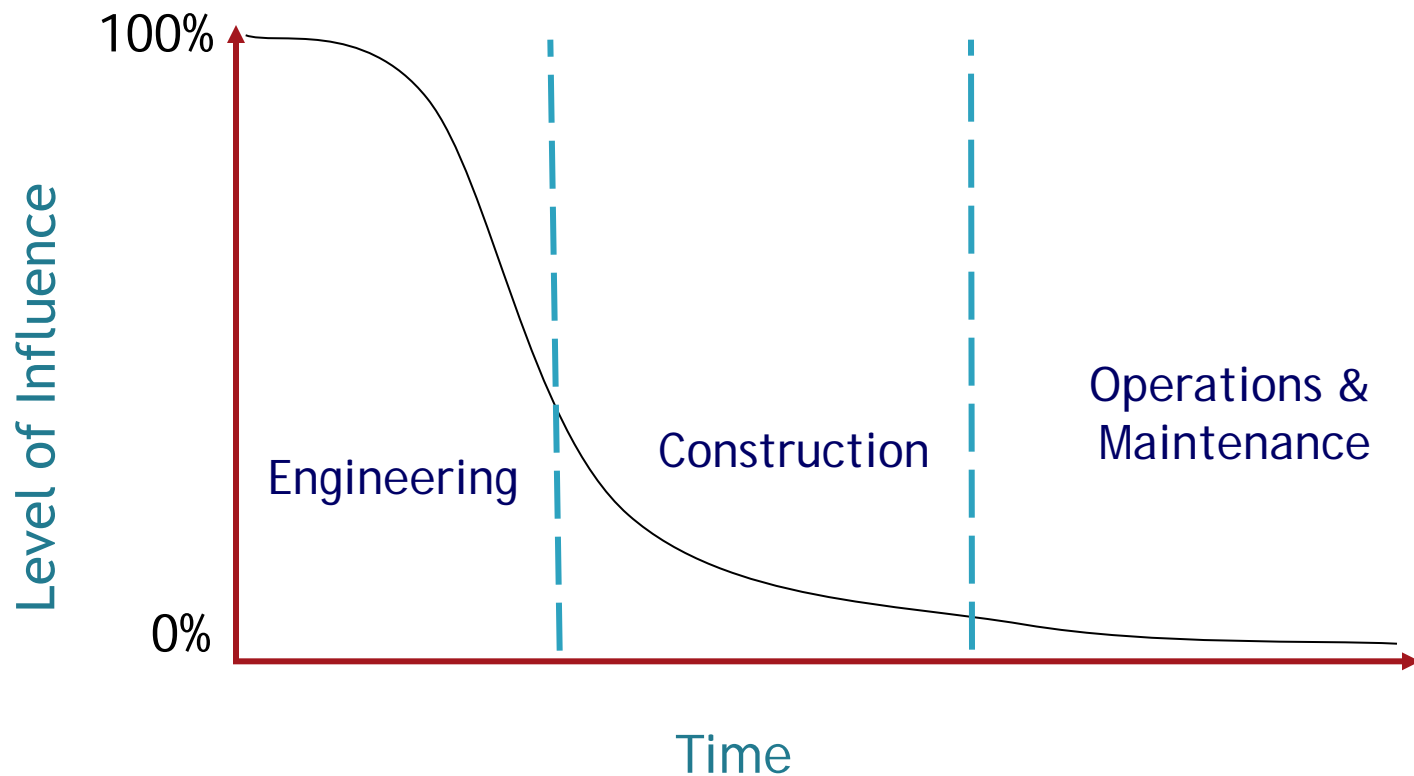


Life Cycle Costs vs. Design Fees

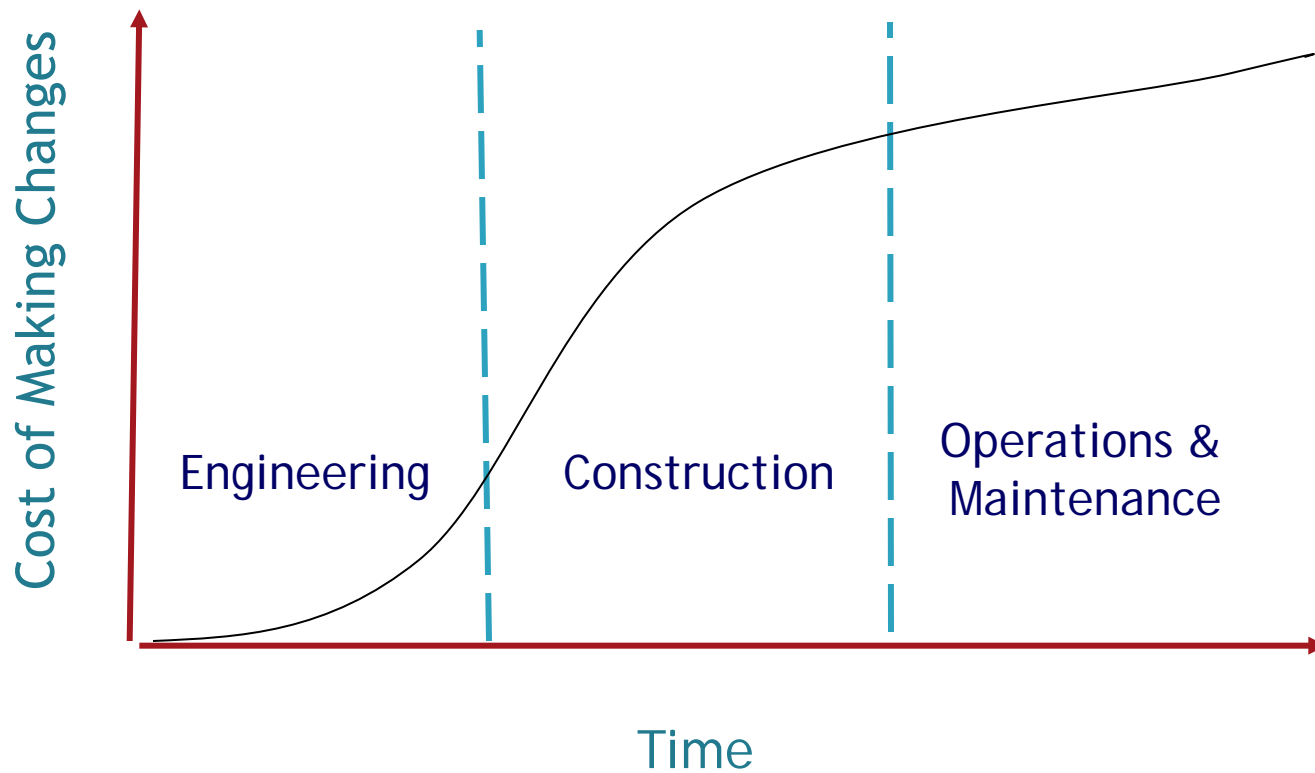
“Professional fees usually represent only 1 percent to 2 percent of a project’s life cycle cost. Most consultants create savings or quality improvements, which more than offset their fees through their expertise and creativity.”

Excerpts from APWA Red Book on QBS Selection (August 2006)

Opportunities to improve outcomes



Opportunities to improve outcomes



Trends Threatening the QBS Process



What is Happening in Michigan Regarding the Selection of Professionals?

➤ Electronic Age

- Owners and Managers talk to each other – share badly written RFP's/RFQ's .
- Examples shared – more like requests for bids –
- Or – they go through qualification process, then award based on lowest price from top three.



This is Happening in Michigan

- Procurement by State agencies such as MDEQ
 - All our State agencies don't follow a true QBS process – some groups look at price as the final criteria for selection from prequalified firms



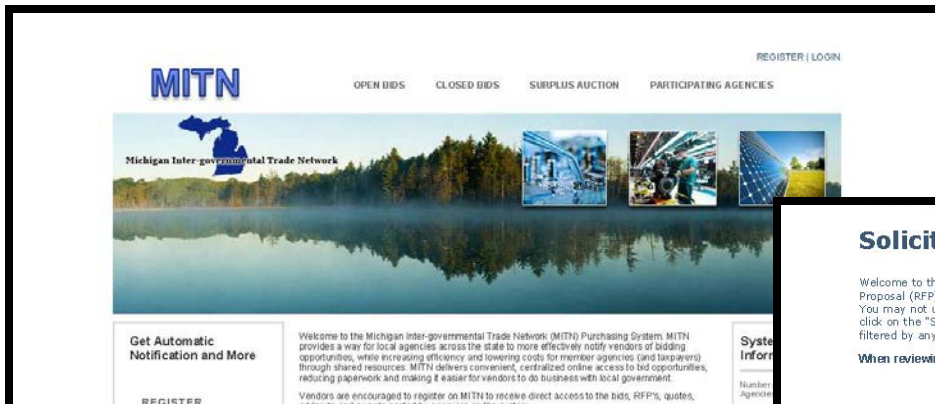
Trends in Michigan

➤ Electronic Age

- More engineering services are being advertised like a commodity on various web sites

Bidding

“in a cyberspace vacuum”



Solicitation Board



Welcome to the City Of Grand Rapids Solicitations Board. Come here to see the latest Invitation for Bid (IFB), Requests for Proposal (RFP), Requests for Quotation (RFQ), and more from City Of Grand Rapids . You may not use any documents or information printed from this Solicitations Board for the purpose of submitting a bid. Please click on the "Supplier Registration" link above to register to bid on opportunities with City Of Grand Rapids . The Board may be filtered by any of the criteria below.

When reviewing bid summaries on this solicitation board: ✔ Means "yes" ✗ Means "no"

Filter the Board By:

Status: ☐ All ☐ Open ☐ Closed

Type: ☐ All ☐ RFP ☐ IFB ☐ RFQ

Commodity:

Keyword:

Results Displayed: 0 - 10 of 150 solicitations

Bids or Quotes About To End

Solicitation Number	Solicitation Title	Status	Issue Date	Opening Date	Actions
910-27-15	Dumpster/Roll Off Service, Refuse, Yardwaste, Recycling	OPEN	Jan 5, 2012 10:00 AM EST	Jan 24, 2012 11:00 AM EST	
RFP 915-58-57	Printing and Mail Services, Utility Billing	OPEN	Jan 3, 2012 4:45 PM EST	Jan 27, 2012 11:00 AM EST	
RFP 918-32-02	Consulting Svcs, Tree Ordinance Review	OPEN	Dec 7, 2011 3:00 PM EST	Jan 6, 2012 11:00 AM EST	
936-33-51-A	Fire Alarm System Maintenance	CLOSED	Dec 5, 2011 9:00 AM EST	Jan 4, 2012 11:00 AM EST	



Purchasing Services
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Policy/Procedure Manual
Commodity Listing
Vendor Registration
Unified Certification Application
Diversity Out-Reach Efforts
Bid/Proposal Solicitations
Bid Tabulations
Forms - Tax Exempt W-9
Purchasing Group
Finance & Management
Muskegon County



An Official Muskegon County Website

Purchasing - Bid/Proposal Solicitations

The following is a list of all solicitations currently available from the County of Muskegon. The first section lists all solicitations that are available through the download process. The last section lists the solicitations that cannot be downloaded or require the purchase of plans.

The recipient of any downloaded solicitation documents from this website takes full responsibility for checking on any subsequent addenda.

DOWNLOADABLE SOLICITATIONS (PDF Format)

Number	Title	Pre-Bid Mtg. Date	Due Date
RFB12-1955	Pigging Landfill Gas Pipeline Issued: December 19, 2011		01/05/12
RFB12-1950	Vehicle Lubricants Issued: December 27, 2011		01/11/12
RFP12-1946 www.tlids	Sustainability Consulting & Planning Issued: December 7, 2011		01/06/12
RFB12-1945	Calcium Chloride & Application Issued: December 20, 2011		01/09/12
RFQ12-1944	Sale of Benches Issued: December 19, 2011 Meeting Location: Muskegon Hall of Justice, 990 Terrace Street, Muskegon, MI	12/28/11 Noon Mandatory	01/05/12
RFB12-1939	Police Vehicles Issued: December 19, 2011		01/04/12

OTHER SOLICITATIONS:

Michigan QBS Coalition 7/17/2011

Trends in Michigan

- Local elected officials change all the time.
 - There is lack of education to the elected officials that make the decision on hiring of professionals.
 - How would a local official know that the lowest bid professional may not result in the lowest cost project or the best designed project?
 - There is no law requiring local officials to consider qualifications as the primary method to hire professionals.

Trends in Michigan

- The bottom line is that Michigan is going in the wrong direction for procurement of professionals. It would take multiple full time staff with large financial resources to reverse these trends – if they can be reversed.
- A properly adopted QBS law would reverse this trend immediately.



The QBS Coalition



QBS Coalition

- Formed in 1989 as a legal entity as a result of House Concurrent Resolution 206
- Only organization in Michigan dedicated to promoting QBS
- Almost every state has a QBS Coalition – many formed with grants from ACEC/MSPE/ASCE

QBS Coalition in Michigan

ACEC/Michigan	American Council of Engineering Companies
AIA/Michigan	American Institute of Architects
ASCE/Michigan	American Society of Civil Engineers
ASLA/Michigan	American Society of Landscape Architects
APWA	American Public Works Association
AGC/Michigan	Associated General Contractors
ESD	Engineering Society of Detroit
MSPE	Michigan Society of Professional Engineers
MSPS	Michigan Society of Professional Surveyors
MWEA	Michigan Water Environment Association
AWWA/Michigan	American Water Works Association of Michigan



Vision Statement

- »» Five years from now, qualifications-based selection (QBS) will be known and accepted by owners, fellow design professionals, and the public as the best method to select design professionals.

Mission Statement

- Communicate the benefits of QBS and provide education and assistance to public and private owners/officials and fellow design professionals towards the implementation of a qualifications-based selection process for hiring design professionals in Michigan.



Strategic Goals

1. Rebrand QBS: Clearly define what QBS is.
2. Define value of QBS: Cost savings, reduced risk, higher quality, defined scope, etc.
3. Market QBS Coalition – “go-to organization for information on selecting professionals”.
4. Promote a state QBS law.
5. Improve education tools on “the best way to select design professionals”.
6. Monitor process for QBS on alternative delivery methods. (IPD, Design/Build, etc.).
7. Properly fund the Coalition.
8. Provide feedback to Coalition members on accomplishments, strategies, and value.
9. Collectively use QBS in the selection of professional services.



QBS Coalition

- Meets bi-monthly
- Revenue for activities from Coalition Members and Firms – operating with less than \$15k/year
- ACEC/Michigan manages Coalition; reimbursed for part-time staff



QBS Coalition Activities

- Exhibit at Owner/Client Conferences
 - MML, MTA, MPPOA, MADDC, CRAM, MLGMA
- Produce Education Materials
 - QBS Brochure, Workbook, Study, Etc.
- Speak at Conferences and Meetings
- Meet one-on-one with Owners
- Website (www.qbs-mi.org)
- Author articles for publications

Materials Prepared by Coalition

QBS QUALIFICATIONS-BASED SELECTION



WHY VALUE OUTWEIGHS COST IN THE
SELECTION OF ENGINEERING SERVICES

DETAILED WORKBOOK *for* QUALIFICATIONS-BASED
SELECTION CONTAINING:

- » Step-by-Step Procedures
- » Examples
- » History

Michigan QBS Legislation

Michigan QBS Bill

- ▶ We have a sponsor
- ▶ Mirror Washington and Missouri Laws
- ▶ Copies of these states are provided

Good QBS Laws in Other States

- ▶ Washington
- ▶ Missouri
- ▶ Ohio
- ▶ Indiana
- ▶ Minnesota
- ▶ Illinois
- ▶ Arizona
- ▶ North Carolina
- ▶ Texas



“We have to start getting some attitude folks. We’re good. If you want engineering work anywhere in the world, why wouldn’t you do it here?...We’re not the cheap place to be; we’re the value place to be.”

–Governor Rick Snyder

QBS Coalition Wants to Help!

Questions?