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Happy Trail: A Case Study in Using Qualifications-Based Selection to Secure Professional Services

By: Ron Brenke, P.E. and Larry J. Fleis, P.E.

“Gorgeous color up north this weekend. Stayed with the kids at a charming bed and breakfast along the bike route from Traverse City to Charlevoix, and in the morning, after an excellent breakfast, rode our bikes to one of the area’s best wine tasting rooms and had lunch. We browsed the small stores along Main Street and picked up a few souvenirs from a quirky shop. Saw an art gallery with interesting pieces. But you know the kids’ tolerance for shopping and they were anxious to get back on the bikes. Bill and I resolved to come back later in the week to buy the small sculpture that would be perfect in our home office. (You can see it when we get back.) On the way back to the inn, we stopped for a refreshing swim at a beach so scenic you couldn’t believe you’re not on the coast of California. Let’s do this together next year. There is something for everyone up here, from the avid cyclist to the novice.”

A dedicated group of northern Michigan nonprofits, along with the support of a regional planning agency and numerous public partners, hope to make that experience (along with unlimited variations) a reality for residents and visitors to the northwestern shoreline of Michigan.

Traverse Area Recreation and Transportation Trails (TART) and Top of Michigan Trails Council (TOMTC) are spearheading the trail project, one that they hope will have a transformative effect on the area: designing and constructing a 46-mile non-motorized trail between Traverse City and Charlevoix. Networks Northwest is helping to coordinate the massive effort. Elizabeth Calcutt, a planner with Networks Northwest, the regional planning organization for a ten-county area in northwest Michigan explains that the endeavor involves three counties, seven townships, a village, three county road commissions, and many, many other parties.

Traverse City to Charlevoix Trail

Over a decade in the planning, the Traverse City to Charlevoix Trail (TVC-CHX Trail) has an ambitious goal to connect two regional trail networks that link the communities of Traverse City, Acme, Elk Rapids, Eastport, Norwood and Charlevoix and connect to hundreds of miles of other trails. This requires combining what trail users want with suitable land and road rights of way that can support a non-motorized recreation and transportation trail. The future trail will pass through beautiful scenery and provide access to parks, beaches, natural areas, communities, and other destinations along the US-31 corridor.

An advisory team made of representatives of Networks Northwest, Traverse Area Recreation & Transportation (TART) Trails, Top of Michigan Trails Council, Michigan Department of Natural Resources, and Michigan Department of Transportation, sought a professional services firm to make the concept a reality.

A project like the TVC-CHX Trail is daunting in its complexity. The search for similar complex, multi-phase, multi-jurisdictional projects to serve as guideposts led the Project Team to the qualifications-based selection method the group ultimately used to select the professional service firm to carry out the project.

Qualifications-Based Selection

Qualifications-based selection or QBS is a structured and competitive procurement process, designed to match the most qualified professional services firm to a particular project, based on the alignment between a project’s characteristics and a firm’s experience, quality, and past performance.

What sets QBS apart from a traditional request for proposal process is that in QBS, the owner selects the most qualified provider and together, the owner and professional develop a detailed scope of work and related fees.

Proponents of qualifications-based selection are quick to note that QBS does not preclude the consideration of price in the overall process. Instead, it takes place at the appropriate stage of the selection process, when the scope of services has been determined, with a preferred candidate who has a clear understanding of the project.

If the owner and top-ranked consultant cannot agree on a fair fee for the design services, negotiations are
terminated, and the next highest qualified firm is brought to the negotiating table.

“We initially reached out to find comparable projects and realized that we had to look beyond trails. In that effort, we learned more about QBS and thought that it might help us to see if it was feasible to do what we wanted to do,” Elizabeth explained. “In the past, we had issued an RFP for the first segment of the trail, but considering all of the different segments and phasing ahead of us, we realized that it would be time consuming to work with different firms for various segments of the project. Determining the best approach to execute this project seemed like it needed to be a conversation, with a partner. It made sense to find a firm that was the right fit to hash it out together with us.”

Here to help, the Michigan QBS Coalition

The Michigan QBS Coalition is an industry supported group (including APWA), with a mission to improve awareness of a proven, value driven approach to the selection of professional services. The Coalition provides education and assistance to project owners on the qualifications-based selection process. In addition to resources such as a website, workbook and templates, the coalition provides owners with a QBS facilitator at no cost. The QBS facilitator guides owners (and their elected bodies, if necessary) through the process step-by-step.

Facilitators do not participate in the actual selection of design professionals or recommend firms for consideration.

Steve Williams is a registered professional engineer and a retired principal with Williams & Works, Inc., a professional engineering firm, headquartered in Grand Rapids, Michigan. Steve serves on the board of directors of the Michigan Coalition and is a QBS facilitator.

“We’re assistance was really critical in the first few months. There was so much going on and we were so busy that it was helpful to have a structure and process and to have a resource like Steve to address our questions.”

The American Public Works Association (APWA) offers a guide for public entities, the APWA Red Book on QBS. The Red Book includes a flow chart on the use of consultant services, sample selection criteria, sample interview rating forms with weighted scoring and detailed discussions on formulating contracts with professional service providers.

Building trust to tackle the tough topics

A concern that some officials and members of the public raise about using a qualifications-based selection process rather than a traditional request for proposal and bid submitted in advance of selection is a fear of “paying too much.”

Elizabeth said the Advisory Group saw the risk differently:

“We held almost the opposite concern of someone coming up with a budget when we didn’t know the scope. We were choosing a firm to move forward with to the next stage. Our advisory committee was strong, with extensive experience. By the time we got to the budget development with the most qualified team, there were strong relationships, more trust. Frankly, it was easier to ask the tough questions about budget elements.”

The group also believed that spending the time on the front end to find a qualified firm with a strong team and developing a scope with project tasks and schedules would help the team be more efficient moving forward.

The good news for owners considering using QBS is that it’s proven to be more effective than a traditional bidding process.

A two-year study conducted by the University of Colorado and the Georgia Institute of Technology found that public agencies using QBS to procure architectural and engineering services are better able to control construction costs and
achieve a consistently high degree of project satisfaction than those using other methods. Projects using a QBS process had 70% fewer cost overruns, shorter schedules and improved construction quality.

The selection process

To find qualified firms, the advisory committee developed a request for qualifications, and compiled a list of firms to invite to submit, culled from the member list of MI-ACEC, the Michigan Association of Planning, and its own database, as well as national firms that might be interested, based on the scale of the project.

The advisory group received and evaluated nine Statements of Qualification, shortlisting three firms and conducting interviews with all three. The qualification review process took considerable time, discussing values and coming up with a scoring matrix.

Scoring the qualifications and winnowing the list of candidates was tough, as the advisory committee had a strong desire to be fair to the contenders. One of the biggest challenges was one that is often unanticipated: scheduling. The group elected to interview all three short-listed firms in one day.

Ultimately, architecture and engineering firm C2AE was selected to design the 46-mile TVC-CHX Trail. The project team jointly developed a scope of work and executed a contract in September 2019.

A 46-mile asset

The Traverse City to Charlevoix Trail vision paints a powerful picture of the future: “People are drawn to the trail by the wonderful opportunity to travel through exceptional scenic and agricultural landscapes which showcase the region’s tremendous recreational, natural and community assets.”

American Trails, a national nonprofit organization working on behalf of all trail interests, touts the economic, community and health benefits of trail systems, citing the rewards that northwestern Michigan communities can hope to reap in return for their tremendous efforts in building the network.

“Studies show that the longer a trail is, the farther people will travel to visit it, the longer they will stay, and the more money they will spend. A day-tripper will spend four times as much as a local user will spend, and an overnight visitor will spend twice the amount that a day-tripper will spend.” [AmericanTrails.org]

When asked if she felt that the advisory team would use the same procurement process if they had the opportunity to approach the project anew, Elizabeth was firm, “QBS seemed essential for this project.”

Ron Brenke, PE is the QBS Coalition Manager. He also is the Executive Director for the American Council of Engineering Companies (ACEC) of Michigan based in Lansing. The Michigan QBS Coalition is a group of professionals, organized with the mission to enhance public safety through educating and assisting public officials and public owners on the qualifications-based selection process.

Larry J. Fleis, PE is the Chairperson for the Michigan QBS Coalition. He also is the co-founder of Fleis & VandenBrink and currently serves as Chairman of the Board for F&V Companies, Inc. in Grand Rapids.