

QBS Facts

Myth: QBS eliminates price as a selection factor. We'll be at the mercy of firms who can inflate prices.

Fact: Price is a factor! Price becomes a factor after the owner identifies the most qualified firm and jointly develops a detailed scope of work. QBS lets the owner and design professional negotiate a fee based on the scope of services developed and agreed upon by both parties. If the owner and design professional cannot agree on a fair and reasonable fee, the owner can negotiate with the next highest ranked firm.

Myth: Procuring design services using the QBS process takes significantly more time than awarding a contract based on low bid.

Fact: A QBS process may add a week or two to the selection process, but it significantly lowers an owner's risk of selecting the wrong design professional. Emphasizing qualifications as the prime selection criteria can substantially reduce the time to complete the overall project. With appropriate budgets, designers have the time to develop proper construction phasing and evaluate impacts of the construction on the stakeholders. This saves time and money.

Myth: State and local agencies should use low bid to procure services to save taxpayers' money.

Fact: Low bid procurement can increase the cost to taxpayers over the life of the project. A price-based selection rewards firms that provide the minimum scope — committing fewer resources and hours, and often using less experienced staff. This could put the owner at risk.

Public health and safety are undermined by low-bid procurement. It encourages firms to minimize the effort to address project complexities. If plans aren't clear, owners end up paying for it through change orders and construction claims.

By using price to select design professionals, you may miss out on innovations or development of alternatives. Federal, state and local government agencies have a responsibility to procure high quality and safe design through QBS.

Experts Agree

“Public agencies that use Qualifications-Based Selection (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, according to a two year study.”

Source: University of Colorado and Georgia Institute of Technology

“QBS has served MDOT well for many years. The process allows the owner to select the best qualified firm for a given project – resulting in quality designs and lower construction costs — which is good for Michigan taxpayers.”

— Roger L. Safford, PE,
Region Engineer (Retired), Michigan Department of Transportation

“Placing the focus on qualifications and experience affords the owner the flexibility to select a design professional firm best suited for the project and creates an atmosphere of trust where the owner and the professional can jointly develop a detailed scope of work and fair and reasonable fee for the services provided. This reduces misunderstandings and cost increases down the road.”

— Robert Kosowski,
State Representative

QBS

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QBS

Qualifications-Based Selection

THE PROVEN PROCESS
FOR PROJECT SUCCESS

QBS Explained

QBS is a simple and structured competitive process to select the best-qualified design firm for engineering, architectural or surveying needs for the project.



Improves quality



Encourages innovation



Reduces cost

People who use QBS agree — the QBS process prevents problems.

“

It's a very good system. We use it now for all engineering because it just saves a bunch of potential problems.”

— **Steve Sobers,**
Former Big Rapids City Manager

Rather than select design professionals based on the lowest cost, the QBS process lets owners assess expertise and qualifications of competing design professionals. The owner selects the most qualified provider and together, they develop a detailed scope of work and negotiate a fee.

Federal agencies have been required to use a QBS process since 1972, when Congress enacted the Brooks Act (P.L. 92-582.) Since then, 46 states have passed laws adopting QBS. The QBS process is widely endorsed by the American Bar Association, the American Public Works Association and all major design professional associations.

Here's how QBS works



1. Identify scope for project



2. Issue a Request for Qualifications



3. Evaluate the Qualifications



4. Make a short list of firms to interview



5. Conduct interviews



6. Rank firms



7. Select top-ranked firm



8. Jointly define scope with top-ranked consultant



9. Negotiate a fee

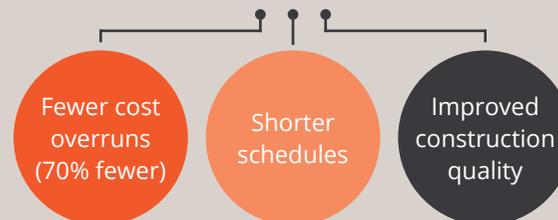


10. Execute a contract

But what if you can't agree on a scope and fee?

It's simple — just move to the second-ranked firm and negotiate.

Projects that use QBS have

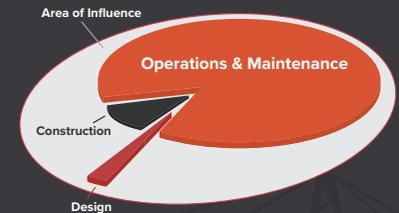


How QBS Leads to Cost Savings

Selecting a professional service provider based on price seems like the fiscally responsible choice. But while low bid procurement may save a small amount on up front design costs, it can actually cost owners and taxpayers way more money over the life of the project.

The services provided by design firms are the most important factor in determining a project's overall construction and lifecycle costs. The design fees amount to approximately 1%-2% of the total lifecycle

cost of the project. Yet, these design services determine the other 98%-99% of costs, as well as the overall quality of the project.



By selecting the most qualified design firm, your consultant can introduce innovations like alternative materials and designs that can lower construction, maintenance and operations costs. If you seek low bids for design services, you force firms to use less experienced people and reduce the time and resources to complete the project.



The opportunities to add value are highest during the early part of the design phase. The cost to make changes to a project increases dramatically in later stages of design and during construction. QBS rewards teamwork, innovation and proactive problem solving and moves away from an adversarial relationship between the owner and the consultant. Ultimately, the owner and the taxpayer both win.