

Qualifications-based selection, not bidding, is best to contract with professional services

Many believe governments should bid for jobs over a certain dollar amount. But bids are not always the best selection system. When hiring professional services Qualifications-Based Selection is the better system to use.

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Updated from an original article written by Kurt Schindler.

“Fair compensation – expect quality results.”

“Low bid – you get what you pay for.”

Sometimes government selecting the lowest bidder is not the best idea, or the best way to go about selecting certain services. It is far better to use the qualifications-based selection (QBS) process when seeking to contract with a consulting planning firm.

Seeking bids are best used when a local government is looking for a contractor to build something: a road, bridge, sewer system, building, building repair. In other words when the service desired is for something tangible. But when looking for a consultant to perform professional services research shows using QBS is a better selection process. Professional services include seeking to hire an attorney, architect, engineering, environmental specialist, land surveyor, and consulting planner. This article will focus on the selection of a consulting planner.

The main reason bids work best with tangible items is the focus on price. If one is constructing a new bridge, the bridge has to be built according to its design. That will not change, so the goal is to find the best bid/price for the bridge.

When seeking a professional service, when quality and value matter, it is often wiser to use QBS to select who is contracted because the system focuses on finding a professional that has the best experience and skill for the job sought. For example, one can find an attorney that charges \$150 an hour. That is a better per hour price than one who charges \$200 an hour. However, when contracting for professional services it is often more important to hire the attorney that is very experienced in municipal (planning and zoning) law than one who is not. That attorney may be able to respond to your work needs in one half hour ($\$200/\text{hr} \times 0.5 \text{ hr} = \100 amount due). The attorney who does not specialize in the type of work wanted may need an hour to do the same work - to do more research and time to check things ($\$150/\text{hr} \times 1 \text{ hr} = \150 amount due). The same is true for a consulting planner as well as other professional services.

Thus local government should use QBS to select the best qualified for what is wanted. Local purchasing policy should require use of bid or QBS, so the more suited of the two can be used for the particular search and selection process. In 1972, QBS was recognized as an appropriate and proper process for election of professional services in Michigan (MCL 18.1237b). That statute, about the state Department of Management and Budget (DMB), specifically requires DMB to use QBS in the selection of certain professional services. QBS meets the concept that public procurement should be done on a competitive basis. The 1984 Competition in Contracting Act, in which the U.S. Congress explicitly declared that "competitive procedures" for Executive Branch agencies includes procurement of architectural or engineering services under the Brooks Act of 1972 (Public Law 92-582), is the legislation mandating the use of qualifications-based selection for

projects using Federal funds. In 1987, the Michigan Legislature approved Concurrent Resolution No. 206 urging state and local agencies to utilize QBS processes for selection of design professionals.

A study, *An Analysis of Issues Pertaining to Qualifications-Based Selection*, Paul S. Chinowski, PhD., University of Colorado and Gordon A. Kingsley, PhD., Georgia Institute of Technology, (2009), on the use of QBS found:

- Ensures cost-effectiveness
- Lowers risk for complex projects
- Results in better projects and highly satisfied owners
- Does a better job taking into account emerging social issues
- Encourages innovation
- Does a better job protecting intellectual property
- Does a better job building capacity of staff which work for the client-owner government

In the study's conclusion the authors wrote:

“In summary, projects incorporating the QBS procurement method outperform the national average in traditional measures and exhibit positive results in emerging areas. The combination of these results indicates that QBS should continue to be strongly considered as the procurement method of choice for contracting entities. The combination of historical success with continued positive performance should dissuade contracting entities from abandoning this procurement method. . . .”

The QBS system starts with the local government preparing a general scope of work. This is a document that explains what the services wanted or needed are. This needs to be in a lot of detail for selecting the proper consulting planning firm. That is because there are so many different ways a master plan, zoning ordinance, and other planning services might be done. It is essential to narrow down as much as possible what is desired.

From this scope of work, local officials should be able to identify the particular skills, qualifications, strengths that will be best suited to do the desired job. Remember this is a process that first selects on the basis of qualification and particular experience.

A request for qualifications is then sent out. Often one can use the [Michigan Association of Planning's](#) (MAP) list of [planners in private practice](#) as the mailing list. This list will include those consulting planning firms that are members of MAP and in their planners in private practice division.

From the responses received, and using listing of particular skills, qualifications, strengths to do the desired job, a short list of candidates is developed. Usually this short list will include three to five firms. Those firms are then interviewed.

After the interviews the short list is ranked, with the first choice, second choice, third choice and so on. In an ideal situation, all the firms on the short list are best qualified for the job, reducing how critical it will be to identify the one awarded the job.

The next phase is to meet again with the first choice to start negotiation of contract and maybe including more detail in the scope of work. It is at this point that a detailed fee proposal is submitted. It is the first time in the process that price becomes part of the discussion. This is also the time when a skilled negotiator representing the local government is important.

If negotiations are successful, then that becomes the firm that receives the contract. If that does not happen, then the local government goes to the second firm on its ranked shortlist and begins negotiating with them and so on.

In Michigan, there is a [Qualifications-Based Selection Coalition](#) that provides [assistance](#) to local governments in conducting a QBS process. Also their [website](#) contains sample forms, requests for qualifications, interview questions, form letters, reference check lists, studies, and more. Also when working to contract with a consulting planning firm, or zoning administration consultant those in [Michigan State University Extension](#) that focus on [land use](#) provide technical assistance. Contact your [local land use educator](#) for more information.

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