

QUALIFICATIONS-BASED SELECTION FOR ARCHITECTURAL & ENGINEERING SERVICES¹

STANDARD

When contracting for architectural and engineering services, procurement professionals must understand and follow Qualifications-Based Selection (also referred to as Quality Based Selection) wherever required by law.²

RELATED VALUES & GUIDING PRINCIPLES

Accountability:

- Apply sound business judgment
- Be responsible stewards of public funds
- Maximize competition to the greatest extent practicable
- Practice due diligence
- Use procurement strategies to optimize value to stakeholders

Ethics:

- Maintain consistency in all processes and actions

Impartiality:

- Be open, fair, impartial, and non-discriminatory in all processes
- Treat suppliers equitably, without discrimination, and without imposing unnecessary constraints on the competitive market
- Use sound professional judgment within established legal frameworks to balance competing interests among stakeholders

Definition

Qualifications-Based Selection (QBS) is a procurement process for the competitive selection of architectural and engineering services under which the most appropriate professional or firm is selected based on qualifications such as knowledge, skill, experience, and other project-specific factors, rather than on fees. Fair and reasonable fees are negotiated with the top-ranked firm for an agreed-upon scope of services.

Element 1.1: Qualifications-Based Selection Led by Qualified Procurement Professionals:

QBS is typically carried out through a formal, competitive process of seeking information on the qualifications, experience, and capabilities of the firm and the key individuals to be assigned to the project.

QBS is designed to allow procurement officials to identify the most qualified firm for a specified project and scope of work, and then to negotiate a contract for a price (or other factor) that is fair and reasonable, where permitted. The most qualified firm should not be construed as the largest or longest-tenured firm, but the firm that is the best match for the project scope, size, location, and other factors as described in the solicitation document.

QBS gives organizations great latitude in selecting architects and engineers through both objective and subjective criteria such as innovation, unique design approaches, sustainable design, and total life cost of the project. Therefore, it is critical that the selection process be managed by fully trained and qualified procurement professionals to ensure that the process is carried out in accordance with laws and best practice.



PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT



Public Procurement Practice

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Element 1.2: Use of a Qualified Acquisition Team:

The process should be led by a qualified procurement professional and include an acquisition team. The acquisition team (also known as a technical evaluation committee) should be actively involved in project planning, developing the scope of work, evaluation criteria and firm selection. Even if the acquisition team or technical evaluation committee is not involved in planning and budget decisions, the committee should be aware of project issues as they draft the solicitation document.

It is critical that the procurement team include one or more professionals who are knowledgeable in the services to be provided to ensure a complete understanding of the services sought. This expertise may be provided by in-house or third party resources.

Element 1.3: Selection Criteria:

The selection criteria are determined by the technical evaluation committee under the guidance of the procurement officer and stated by relative order of importance in the solicitation document. Price is not an initial selection criterion under QBS. The focus is on evaluating and ranking the responding firms based on such factors as:

- Professional Qualifications of the firm and the individuals assigned to perform the work,
- Specialized Experience and technical competence of the firm and individuals in the type of work described in the solicitation or invitation to tender,
- Capacity and Capability of the firm to perform the services,
- Method of Approach demonstrating the firm's understanding of the project, risks, challenges and strategy that will be employed to complete the project on time and under budget,
- Demonstrated Success on similar projects, and
- Past Performance on contracts in terms of cost control, quality and schedule. Past performance may be used both to determine responsibility and as an evaluation factor.

Element 1.4: Two-Step Proposal Process:

QBS is best achieved through a two-step procurement process – statement of qualifications and detailed technical proposals.

- **Step 1: Statement of Qualifications:** In this step, firms are invited to submit documentation that establishes an ability to meet the established criteria, scope, and other requirements as described in detail in the solicitation document. The technical evaluation committee evaluates the submissions and ranks the firms based on the criteria stated in the solicitation document. The top-ranked firms (usually 3 – 5) are short-listed and invited to submit detailed technical proposals.
- **Step 2: Detailed Technical Proposals:** The technical evaluation committee assesses the thorough, in-depth responses submitted by the service providers and considers the previously submitted rankings of the firm based on the criteria stated in the solicitation document.

Element 1.5: Conducting Interviews or Design Competitions with Top-Ranked Firms:

QBS may go beyond evaluating written proposals to include interviews and design competitions with the top-ranked firms. These may be conducted to obtain clarification of the proposals, discuss project strategies, and to gain a greater understanding of the respective expertise, competence, qualifications, and capabilities of each firm. Following interviews and design competitions, the technical evaluation committee convenes to rank proposals and select the most qualified firm. In the UK/Europe, interviews, design competitions, and negotiations are dependent upon the EU procedure used.

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Element 1.6: Negotiation with the Highest Ranked Firm:

In the UK/EU, price comparisons are usually left until the best and final offer stage of the process. Currently under EU law, price negotiation is not allowed. The best and final offers are developed by the firm as a result of the clarification/negotiation process previously conducted.

The object of negotiations, where permitted by law, is to detail a statement of work, acceptance criteria for work products, cost control measures, and/or budget limitations to achieve the project objectives at a fair and reasonable price. Negotiating fees under QBS is somewhat more challenging than other competitively negotiated contracts due to the absence of priced offers to compare. By jointly refining the scope of services and concurrently developing fee estimates, the acquisition team and the firm reach an understanding among scope risk, scope creep, and fees, and then agree upon necessary versus desired services.³ However, ultimately, the organization is the judge of what is considered to be fair and reasonable. If negotiation does not result in an agreement, the organization must terminate negotiation and select the next most qualified firm and continue with succeeding firms until an agreement is reached. Once negotiation is terminated, the firm is eliminated from further consideration.

Background

“Before the ABA Model Procurement Code was developed and released in 1979, with its inclusion and endorsement of the competitive sealed proposals (RFP) procurement method, problems were created by overreliance on the Invitation for Bids (IFB) method (“low bid”), especially related to complex projects requiring advanced professional services and judgment. The architectural and engineering (A&E) industry, now usually including land surveying, developed a procurement method called Qualifications-Based Selection (QBS) for federal acquisition of their services, notably during the 1960’s, as an antidote to problems created by awarding contracts according to low price. The intent of the QBS method is to select service providers only on relevant qualifications and experience, and that comparative price information should be prohibited, based on a belief that any price competition creates incentives that could negatively affect the quality of services. Congress passed the Brooks Act in 1972, requiring federal agencies to use QBS for the procurement of A&E services. A large majority of state governments have also adopted similar mandates since then.”

- 1 This Public Procurement Practice, except as specifically noted, is adapted from: Lawther, W. C. and Adler, J. O. (2008). Contracting for Construction Services. Herndon, VA: NIGP.
- 2 In the U.S., where required by the Brooks Act (Public Law 92-582) and similar state “mini-Brooks Acts,” competition is based solely on qualifications; price is not a selection criterion. In general in the UK and Europe the qualifications based criteria are used to select a shortlist of the most appropriate firms as detailed above. The price is only considered at the very end of the competitive process. The shortlist will then submit their best and final offers based on the price based criteria contained with the invitation to tender.
- 3 International Federation of Consulting Engineers (FIDIC). (2011). *Quality Based Selection (QBS) Guidelines*. Retrieved from: fidic@fidic.org.
- 4 FIDIC, 2011, *op. cit.*

