

Texas Society of Professional Engineers

Qualifications Based Selection Policy Statement

Use of the Qualifications Based Selection (QBS) process must be preserved because it not only ensures protection of the public health, safety & welfare, but it significantly reduces life-cycle cost and increases the quality of the overall project.

TSPE supports the procurement of professional design services using the existing Qualifications Based Selection method. TSPE also supports PL 92-582 (the Brooks A/E Act of 1972), which requires federal agencies to use QBS procedures when obtaining design professional services.

Background

QBS is the standard procurement method in 46 states for governmental projects and is currently mandated by statute in Texas. QBS is a competitive contract procurement process, whereby professional consulting firms (engineers, architects, and surveyors) submit qualifications to an entity that evaluates and selects the most qualified firm for a given contract, and then negotiates the project scope of work, schedule, budget, and consultant fee. If the entity can not come to an agreement on scope and fee with the selected firm, the agency may open negotiations with the next qualified firm ranked in their selection process.

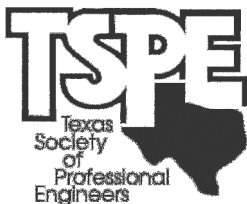
Protecting the Public's Investment

QBS provides the following public benefits:

- **Provides best value and lower overall lifetime cost** – Securing the best qualified professional greatly reduces construction, long-term life-cycle operating, and/or maintenance costs which represent 98% of the cost of the total project.
- **Protects public interest** - QBS ensures that projects are designed in a manner that is safe, innovative, environmentally sound, and cost-effective over the project's life cycle.
- **Fosters competition** - QBS allows small firms to compete for contracts based on quality of services provided on equal footing with larger firms. Larger firms would have a distinct advantage if competitive bidding were based solely on price.
- **Objective criteria** - Low-bid pricing for engineering and architectural services is not appropriate as the scope of services can not be defined in narrow enough terms at the inception of a project to allow for a fair and objective price comparison.

Who Endorses QBS?

- American Public Works Association (APWA)
- National Society of Professional Engineers (NSPE)
- American Council of Engineering Companies (ACEC)
- American Institute of Architects (AIA)
- American Bar Association (ABA)
- American Society of Civil Engineers (ASCE)



Adopted by the TSPE Board of Directors October 29, 2010

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Research and Case Studies

An Analysis of Issues Pertaining to Qualifications-Based Selection (2009) by Paul S. Chinowsky, PhD & Gordon A. Kingsley, PhD

"Public agencies that use Qualifications-Based Selection (QBS) to procure architectural and engineering (A/E) services are better able to control construction costs and achieve a consistently high degree of project satisfaction than those using other procurement methods, according to a two-year study led by Paul S. Chinowsky, PhD of the University of Colorado and Gordon A. Kingsley, PhD of Georgia Tech."

APWA Red Book on Qualifications-Based Selection, Guidelines for Public Agencies (2006)

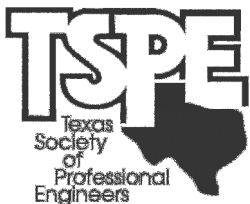
"APWA's "Red Book," a discussion of Qualifications-Based Selection (QBS), leads readers to the conclusion that it's qualifications - not price - that should drive their most important decisions. Learn how to conduct the interview, evaluate candidates, formulate the contract and how to manage it."

Bidding is not the Solution: Case Studies in Bidding, American Council of Engineering Companies (http://www.acec.org/advocacy/committees/pdf/bidding_not_solution_full.pdf)

Results of Recent QBS Study

The following conclusions came out of a two-year study (*An Analysis of Issues Pertaining to Qualifications-Based Selection*) led by professors from Georgia Tech and the University of Colorado:

- **QBS Ensures Cost Effectiveness:** QBS projects exhibit better measures than the national average in terms of both lower construction costs and lower schedule growth, which are key indicators of design impact on the construction facility. While the industry average on construction cost growth (defined by the value of the cost change orders as a percentage of the final construction cost) is approximately 10%, QBS projects are 3%. The national average for construction schedule growth is about 10%, while QBS projects average 8.7%, and 60% of those projects have schedule growth of less than 3%.
- **QBS Lowers Risks for Complex Projects:** Owners expressed special interest in using QBS on projects with higher risk factors and/or higher design complexity. QBS procurement enabled the owner to work with the design team to refine the project scope and explore alternatives on projects that have difficult technical, site location, or other engineering challenges.
- **QBS Results in Better Projects and Highly Satisfied Owners:** 93% of owners surveyed on QBS projects rated the success of their final project as high or very high. There was also a strong correlation between the ratings of owners and those of the design teams. The study found other similar indicators of satisfaction and quality, including a high level of trust between owners and designers on QBS projects.
- **QBS Takes Account of Emerging Societal Issues:** The team found that QBS procurement was more likely to address emerging societal needs, such as sustainability, than cost-based procurement methods. QBS also addressed the concerns of more stakeholders in the process than cost-based procurements.
- **QBS Encourages Innovation, Protects Intellectual Property:** The study confirmed widely held views that QBS promotes a higher level of innovation. In addition, design firms had a high degree of satisfaction that the intellectual property included in their innovations was properly protected.
- **QBS Supports Owner Capacity-Building:** QBS allowed owner organizations to gain specialized quality services from design firms as an extension of staff. Both owner and engineer-of-record gained knowledge and insight based on shared project experience.



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