

# FAQs on QBS

## **Q. What does QBS evaluate?**

The QBS process evaluates a firm's experience, expertise, training, availability, and references. This simple and competitive process matches the right firm for the project based on qualitative factors over cost alone.

## **Q. Why is QBS preferred over other methods of selection?**

At the beginning of a project, the scope of work for architectural and engineering services is often unclear. As a result, competing firms are unable to provide definitive pricing. Project owners and agencies must evaluate qualifications, competence, availability, and other factors to determine the best candidate for the job. For public projects, this is especially important for balancing complicated social factors and providing quality service and value to taxpayers. In a review of 76 design-build projects in the United States, QBS was found to have the lowest cost growth and the fastest construction speed when compared to sole source, best value, and low bid procurement methods.

## **Q. Why should price not be the primary factor in selection?**

Project owners focused on qualifications over price ensure that the engineering partners selected for the work will have the technical ability and professional judgment to turn a vision into an efficient, effective, and economical reality. The American Bar Association Model Procurement Code and the American Public Works Association both caution on selection of engineering services based on price.

## **Q. QBS sounds like it takes much longer than soliciting bids. What if I am on tight timeframe?**

QBS actually saves time. QBS procurements result in fewer project delays and improve the likelihood of owner satisfaction with the overall project. It is worthwhile to spend time at the beginning of the process to find the right partner and have a clear, mutual understanding of the scope of work in order to save time and cost during the overall project. Research shows QBS outperforms the national average by keeping projects on schedule.

## **Q. How does QBS benefit the client or the public?**

QBS promotes collaboration and innovation, often lowering overall costs and reducing construction change orders. Recent research shows that overall growth of QBS projects is 3% compared to the national average of 6%. Similarly, 48% of QBS projects met all construction milestones compared to 32% of non-QBS projects. Research also shows there is a strong association between the use of QBS and the quality of construction documents developed by the design team, the final cost, and schedule performance.

## **Q. Does QBS help or inhibit competition?**

QBS focuses on the most meaningful factors, including qualifications, competence, previous

performance, and availability. The process aids the competitive process so that it is not based primarily on a single factor, such as price. This is especially important for complex projects that can require community involvement, political sensitivities, and other social factors that call for experienced teams with broad knowledge and understanding.

**Q. Does QBS increase project cost?**

No. QBS outperforms the national average by keeping projects on budget. Investing more design effort has been shown to reduce a project's final cost from early estimates by solving construction problems during the design phase when the costs are lower instead of after construction has commenced. A 2022 study found that QBS performed better in terms of cost when compared to best value procurement in 160 design/build projects between 2008-2019. Better plans result in fewer unknowns for the contractor which in turn results in better bids and fewer change orders.

**Q: Why not bid engineering services?**

Selecting a firm to construct a project differs from selecting a firm to design the same project. A construction contract can be awarded to the lowest responsible bidder because all major aspects of the project are defined, including the type and amount of construction materials required to complete the project. On the other hand, you retain architects and engineers are engaged to turn a simple concept into a detailed set of plans and specifications that meet a myriad of codes, rules, and regulations. The engineers and architects take an idea and give it detailed, constructable definition. The contractor takes that definition and turns it into a physical reality.

**Q: Is a two-envelope system where qualifications are placed in one envelope and price is placed in the second envelope with an assurance from the public body that the price will not be opened until the selection, based on the most qualified firm, is acceptable?**

This is still considered a submission of a price in a competitive process and is considered a bid. Considering price at any point prior to the development of a mutually agreeable detailed scope of work results in the potential for considering price outside of the context of a detailed scope of work.

**Q: What about the delivery of unit prices for the project?**

The delivery of unit prices as a response to a Request for Proposals identifies relative information with respect to general fees and is not specific to tasks related to the project. The submission of a fee or rate schedule is acceptable during fee negotiations after a mutually agreeable detailed scope of work has been developed. Fee schedules vary widely between firms, and this is seldom an apples-to-apples comparison because it does not capture the experience and qualifications of those employees who may work on any given project.

**Q. Is a public entity required to accept the price of the most qualified firm?**

No. The most qualified firm is given the first opportunity of negotiating a contract at a fair and reasonable price – the firm is not guaranteed a contract. If the proposed fee is unacceptable, the owner and firm work together to modify the scope of work, schedule, and budget to determine if an agreement can be reached.

If the owner and firm work cannot agree on price, the owner has complete flexibility to cease negotiations and turn to the next firm on the short list.

**Q. We have frequently used the same engineering firm on numerous projects and would like to begin negotiations with that firm on our next project. Does QBS require us to go through the competitive qualification-based election on every project?**

No. Both federal and state law allow you to begin negotiations with a firm in which you have had previous experience.

**Q. What if there is federal money involved in the project?**

For the past 50 years federal law has required engineering services to be selected using a QBS election procedure based on competency, qualifications, and experience. If federal dollars are involved in your project, you must follow the QBS selection process.