



**MORE FOR LESS:**  
The Surprising Way to Save Money on  
Infrastructure Projects

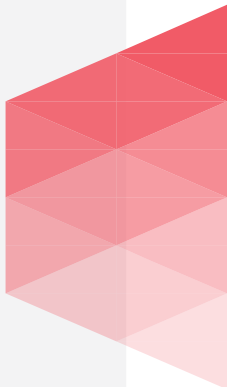
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**Steve Williams, QBS Facilitator**



# What We'll Cover

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- 1) How the design professional's work impacts the overall lifecycle cost of an infrastructure project.
  - 2) The four most important factors to use in evaluating professional service providers.
  - 3) The ten steps to match the right design professional to a project.
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**The way that we select goods and services has changed dramatically from 100 years ago**

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# The Problem with Low Bid

Some owners still select design professionals based on cost



Negative outcomes:  
Poor construction quality  
Cost and schedule overruns

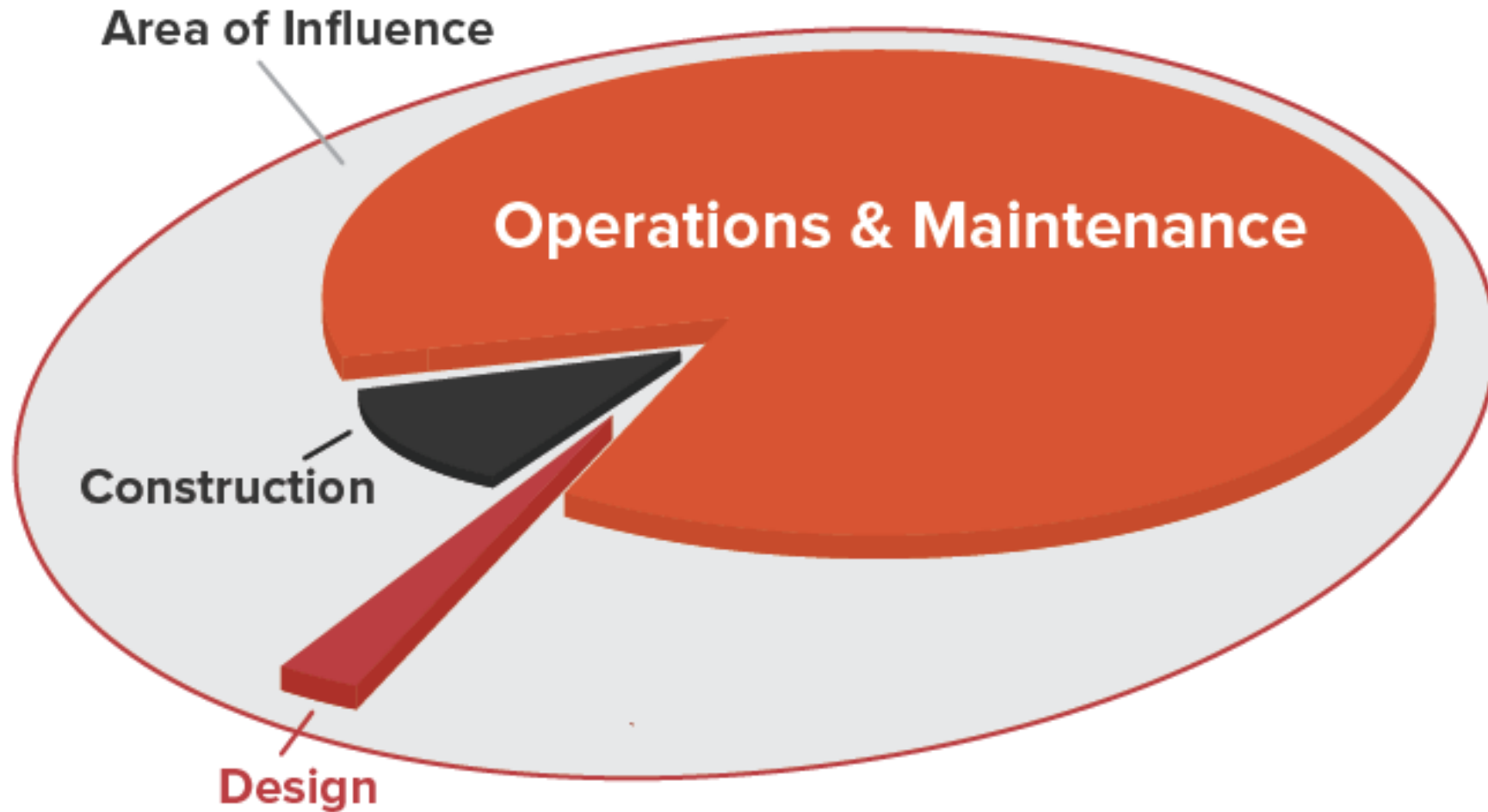
# The Problem with Low Bid

- Low bid procurement *seems* like the fiscally responsible method of selecting design professionals.
- Pressure from constituents.
- Busy schedules, overloaded staffers and unfamiliarity with engineering, architecture or surveying = single factor focus.

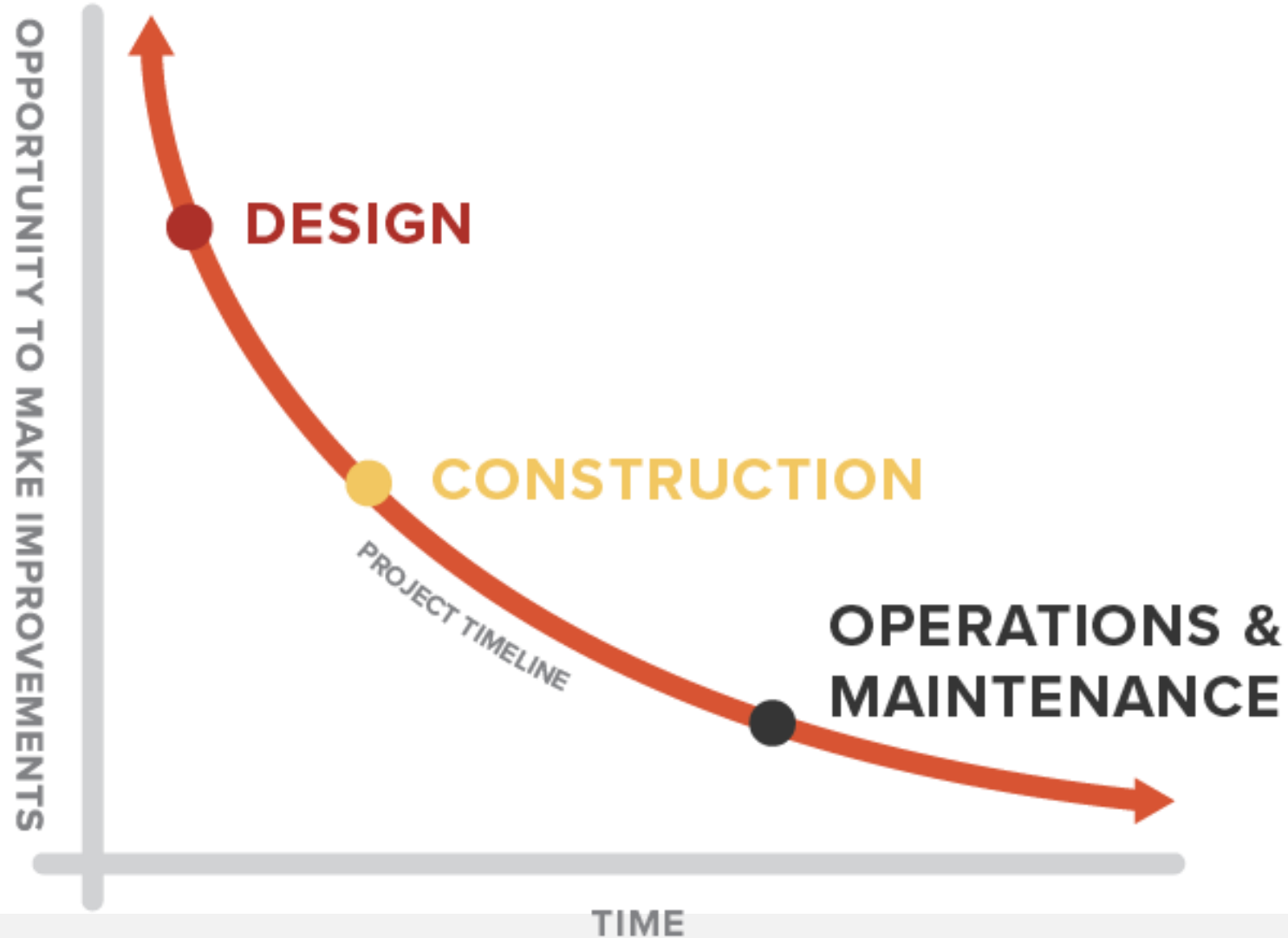
**Low bid procurement can actually  
*cost* owners and taxpayers over the  
life of the project.**

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# Design & Influence



# Opportunities / Cost





# Opportunities / Cost





# A Proven Better Way

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Evaluate and select design professionals based on  
*qualifications...*  
and then negotiate.



# A Better Way

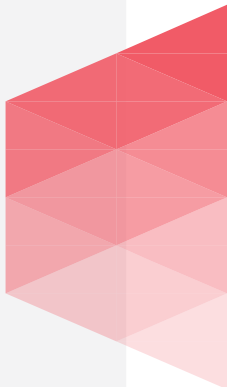
**Qualifications-Based Selection (QBS)** is a simple, competitive process that matches the right design professional to your project.



# QBS History Lesson

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Lawmakers frustrated by lack of innovation by  
government engineers



# QBS History Lesson

- 1972 Brooks Bill
- Makes QBS policy on federally-funded projects
- Michigan law
  - 1987 Concurrent Resolution encouraging QBS
  - 2004 Public Act 504 requires Department of Management and Budget use QBS

# QBS History Lesson

- United States: 46 states have QBS laws
- American Bar Association's Model Procurement Code for State and Local Government recommends the QBS process



# Results Backed By Research

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“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*

# Results Backed By Research

University of Colorado and Georgia Institute of Technology Study:

- 70% reduction in change orders
- 63% reduction in schedule growth
- 93% of owners 'highly satisfied' after using QBS



# Evaluation Criteria



**Qualifications**

**Previous  
Performance**

**Competence**

**Expertise**

# QBS Process

**Identify Your Project**

**Issue Request for Qualifications**

**Evaluate Qualifications**

**Make a Short List**

**Conduct Interviews**

STEP 1



STEP 2



STEP 3



STEP 4



STEP 5



# QBS Process

**Rank Firms**

**Select Top-Ranked Firm**

**Jointly Define Scope**

**Negotiate a Fee**

**Execute a Contract**

STEP 6



STEP 7



STEP 8



STEP 9



STEP 10



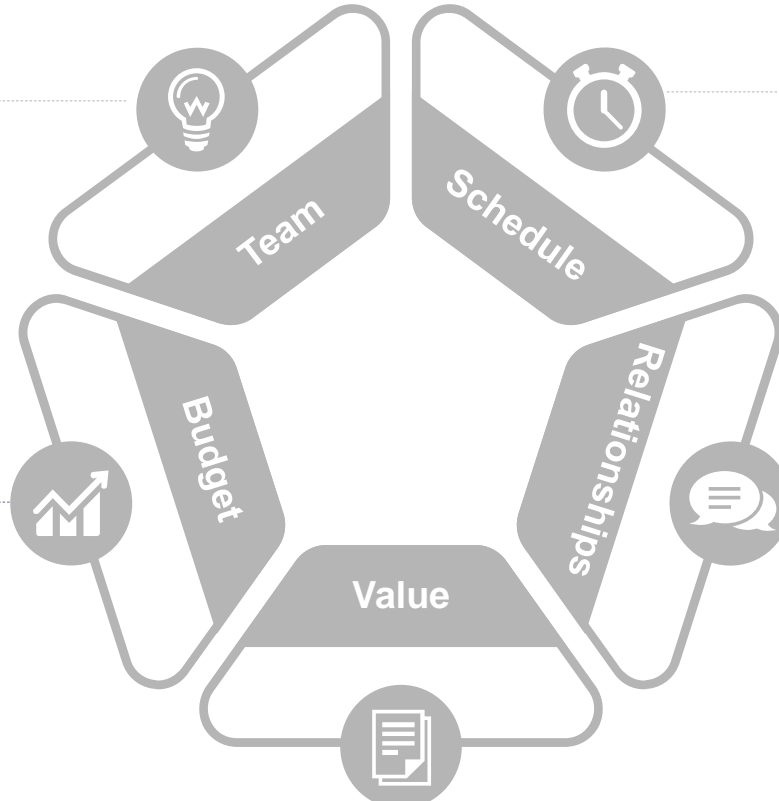
# Owner Outcomes

**The right team for  
the right job**

**Realistic  
schedules &  
budgets**

**Fewer change  
orders, disputes**

**Better  
relationships**



**Better service,  
quality & value  
for the taxpayers**



# Owners Agree, QBS Works



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“The City of Livonia has used the QBS process for years with great success.

By selecting the **most qualified firm** and working with them to prepare a **refined scope of services**, we’ve been able to **cultivate a team environment** that results in more **proactive problem solving** focused on delivering the **best project with the lowest life-cycle cost.**”

~Jacob A. Rushlow, PE, Superintendent of Public Service, City of Livonia



# Owners Agree, QBS Works

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“Our attorney recommended that we go with QBS and we were all in favor of going that route.” ~Connie J. Cargill, Treasurer, Golden Township

Golden Township used the QBS process on a recent USDA Rural Development project for a multi-million-dollar wastewater treatment plant and collection system improvements project.



# Owners Agree, QBS Works



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“By utilizing QBS we are able to balance transparency in the procurement process with selecting the most qualified team for our projects, many of which are complex.”

~Nicolette Bateson, CPA and chief financial officer/treasurer for the Great Lakes Water Authority.

# Free Assistance & Resources

## QBS Resources:

**QBS**  
The Proven Process for Project Success

Qualifications-Based Selection (QBS) is a simple and competitive process that matches the right design professional to your project.

**QBS** → Improves Quality → Encourages Innovation → Reduces Costs

**Projects that use QBS:** Transportation, Health Care, Higher Education, Government, Water/Wastewater, Industrial, Manufacturing, Commercial, Residential.

**HOW QBS WORKS:**

1. Identify your 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 your top-ranked firm
8. Justify design issues with the top-ranked consultant
9. Negotiate a fee
10. Execute a contract

**Selection Criteria:** Qualifications, Previous Performance, Competence, Expertise.

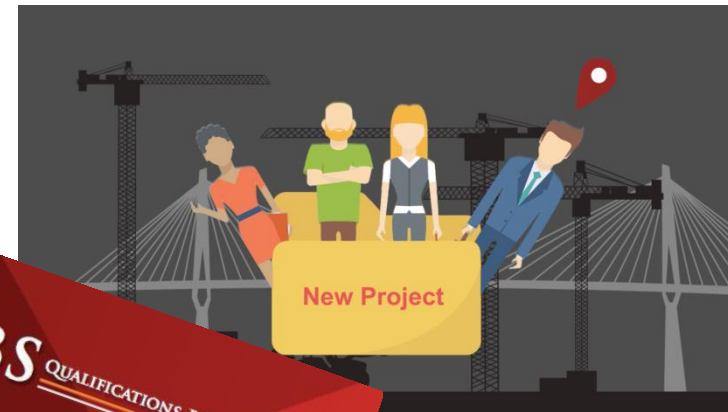
**The Problem with Low Bid:** Low bid can result in a project that is over budget, has a higher risk of cost overruns, and a higher risk of schedule delays.

**Proven Results with QBS:**

- Reduction in change orders: 70%
- Reduction in schedule growth: 63%
- Owners are highly satisfied after using QBS: 90%

Source: The University of Tennessee Research Center  
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Infographic



Video

**QBS QUALIFICATIONS-BASED SELECTION**

**WHY VALUE OUTWEIGHS SELECTION OF ENGINEERING**

DETAILED WORKBOOK for QUALIFICATION SELECTION CONTAINING:

- Step-by-Step Procedures
- Examples
- History

Workbook

**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.

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

**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 your top-ranked firm
8. Jointly define scope with top-ranked consultant
9. Negotiate a fee
10. Execute a contract

**How QBS Leads to Cost Savings:** Selecting a professional service provider based on price seems like the logical approach. However, the low bid approach may save money on paper, but it can actually result in higher overall project costs. The services provided by design firms are the most important factor in determining a project's overall construction and lifecycle costs. The design firm amount to approximately 10-20% of the total lifecycle cost of the project. Yet, poor design services determine the other 80-90% of costs, as well as the overall quality of the project.

By selecting the most qualified design firm, your consultant can save the client thousands in construction, maintenance and operations costs. If you look for the lowest price for design services, you force the design firm to use less experienced people and reduce the time and resources to complete the project.

**Projects that use QBS have:**

- Lower cost owners (10-20% savings)
- Greater innovation
- Improved construction quality

Brochure



# Free Assistance & Resources

- QBS Facilitator to guide you through the process (100% free!)
- Conference, meeting presentations
- Meet one-on-one with owners
- Meet with your Board or Selection Committee



# QBS is Best

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“We use QBS now for all engineering because it just saves a bunch of potential problems.”

*~Steve Sobers, former Big Rapids City Manager*





# Contact

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