



## Procurement Facts: Qualifications-Based Selection (QBS)

The Association of Consulting Engineering Companies - Manitoba (ACEC-MB) welcomes the constructive discussion on procurement of professional services for capital works during the municipal election in the City of Winnipeg. While ACEC-MB does not endorse any specific candidates, it does recommend that public agencies making investments in capital projects should adopt Qualifications-Based Selection (QBS) for procuring engineering and architectural services.

### QBS is the recognized *Best Practice* for Procurement of Engineering Services

QBS is also recommended by *Selecting a Professional Consultant*, the best practice developed in 2006 by the **National Guide to Sustainable Municipal Infrastructure** (InfraGuide). This guide was developed by the public sector for the public sector.

Capital works represent a significant investment of tax dollars. Upfront procurement decisions have a significant impact on the success of projects and their return on investment. Selecting the right engineering firm not only impacts the quality of the design and construction phase, but also operations and maintenance of infrastructure assets over their entire design life

### Choose the *right team, for the right project, at the right price*

QBS encourages the selection of the most qualified team who will work with the owner to jointly develop the required scope of services and the appropriate schedule and fees. QBS is similar to hiring people – identify the candidate who will provide the most value to the organization and help the organization achieve its objectives, and then negotiate terms of employment. If the owner and the preferred team cannot come to terms on scope and fees (e.g. project budget), the client is free to proceed to the next-preferred team.

### Public Benefit

#### ✓ Better value to taxpayers

QBS encourages innovation and provides better value to taxpayers and ratepayers on capital investments. It provides accountability by ensuring that fees will directly correspond to the level of service and the value of deliverables to be provided. QBS also results in more realistic and predictable budgets and schedules for capital expenditures.

#### ✓ Significant life-cycle savings

QBS maximizes the value of the engineer's contribution to a project while reducing the project's life cycle costs to the owner/client. Engineering typically accounts for only about 2% of the life cycle cost of a project, but dramatically impacts the cost and quality of the remaining 98%. A recent American Public Works Association study shows that using QBS for engineering services reduces construction cost overruns from an average of 10% to less than 3% - equivalent to a savings of up to \$700K on a \$10M capital project. (These savings are often greater than the original design fees!)

#### ✓ Better results: Quality, Innovation and Safety

QBS emphasizes **quality**, fosters **innovation**, and generates real **savings** in construction, operations and maintenance, saving taxpayer dollars while optimizing **public safety and welfare**.

#### ✓ A transparent and competitive process

QBS is a competitive process – the **cost of engineering services is a factor** in the procurement, but it is finalized after the most suitable firm for the project has been selected.

## **The lowest price does not equal the best value**

If delivery of capital works is based on the lowest possible fee, there are potential long-term consequences to both the economy (higher costs to taxpayers) and public safety. Selecting the lowest fee creates pressure to expend the least amount of resources necessary to meet the bare minimum requirements of the project – losing an opportunity to optimize the design, reduce lifecycle costs and enhance safety. It also discourages innovation and effectively penalizes proponents that anticipate potential complexities or who wish to propose value-added solutions all to save taxpayers money. The results of this will be felt in the years to come.

## **Who supports QBS?**

### **National Guide to Sustainable Municipal Infrastructure**

InfraGuide is a collaboration of the Federation of Canadian Municipalities; the National Research Council; and Infrastructure Canada.

### **Progressive Canadian Municipalities**

Some Canadian municipalities such as Calgary, Coquitlam, Kelowna and London use QBS for selecting engineering firms for public works projects.

### **Federal and Provincial Agencies in Canada**

Both Public Services and Procurement Canada and Alberta Transportation are currently using QBS on a number of projects as pilot studies to demonstrate the benefits of QBS.

### **Federal and State Agencies in the USA**

Since 1972, US federal law has required the use of QBS for procurement of professional engineering and architectural services on projects that receive federal funding. Similar laws have since been adopted in 44 US states.

### **The Canadian Standards Association**

The Canadian Standards Association, under its Infrastructure Solutions Program, has developed training tools for the implementation of QBS and will be available for all levels of government shortly.

### **Standing Committee on Government Operations**

In 2009, a report of the House of Commons Standing Committee on Government Operations recommended that QBS should be investigated and considered for Federal Government procurement of professional services.

### **Leading Industry and Professional Associations**

Engineers Canada  
Royal Architectural Institute of Canada  
International Federation of Consulting Engineers (FIDIC)  
American Public Works Association

## **About the Association of Consulting Engineering Companies - Manitoba**

ACEC-Manitoba is the voice of consulting engineering in the province. ACEC-Manitoba represents 29 companies that provide engineering and other professional services to both public and private sector clients in Manitoba and across Canada. Consulting engineering companies are directly involved in delivering public works and real property projects on behalf of the City of Winnipeg.

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