



2003-#1

## QBS Colorado *Newsletter*

June 2003

### **Reverse Auctions: New Threat to QBS**

ACEC Minnesota is battling Governor Tim Pawlenty and the state legislature over a provision that allows agencies to use “reverse auctions” (or bidding) when acquiring professional engineering services.

David Oxley, executive director of ACEC/MN, said that “the valiant efforts of ACEC/MN members, lobbyists and staff could not overcome the governor’s desire to implement this new program.”

Reverse auctions have been proposed by government officials at the state level as an acceptable method for procuring engineering services, putting the process in direct conflict with qualifications-based selection (QBS). Under the reverse auction process, an agency collects bids from potential providers. The bids are posted for all competitors to view, and engineering firms are encouraged to submit new bids in a drive to find the lowest price.

ACEC strongly opposes reverse auctions and all other procurement methods that erode QBS, and will continue to work with ACEC/MN to overcome the implementation of the reverse auction provision. The council has also opposed similar efforts at the federal level.

ACEC members are encouraged to contact Camille Fleenor, Director of Procurement Policy, at [cfleenor@acec.org](mailto:cfleenor@acec.org) with any information on other instances of reverse auctions around the country.

*(reprinted from ACEC’s Last Word, June 6, 2003)*

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### **National QBS Awards \$2K Grant to Colorado**

Again, QBSColorado received support from National QBS to assist us in marketing the value of using QBS to select Architects and Engineers in the State of Colorado. The 2003 Grant is worth \$2000 to the committee and will be used to help defray the costs associated with exhibits, booth displays, promotional materials, seminars and advertising.

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### **QBSColorado - AIA/Colorado Director Position – Vacant**

Are you an AIA member interested in Qualifications Based Selection? If yes, we need you. QBSColorado is an organization formed by AIA/CO, ACEC/CO and PEC to become an advocate for qualifications based selection of professional services. Each organization has three seats on the Board serving on a rotation of three years. AIA/CO has an opening for a 3-year position. The group meets monthly on the 2<sup>nd</sup> Thursday at 7:00 am at the ACEC/CO office. Members sometimes accept assignments to make contacts or follow up on requests for bids in an effort to educate clients and promote QBS. Please contact Sue Bertram at 303.722.4664 for more information.

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### **QBS: A History Lesson**

Prior to 1939, government employees typically performed architecture and engineering (A/E) work on federal projects. However, a 1939 statute (Public Law No. 76-43) directed federal agencies to contract with private firms. In doing so, government managers recognized that the expertise and innovation brought by the private sector improved the aesthetic, functional, and safety characteristics of structures while minimizing life cycle, operation and maintenance costs.

While quality and on-time delivery quickly became trademarks of the private sector in serving government clients, the role that cost should play in the procurement of these services remained an open question.

The Brooks Act codified into federal law the selection process known as Qualifications Based Selection (QBS), in which contracts for design services are negotiated on the basis of demonstrated competence and qualification for the type of professional services required at a fair and reasonable price.

Unlike solicitations based solely on price, agencies using QBS publicly solicit A/E services, create a short list from qualified candidates, rank them and begin negotiations with the top-ranked firm to determine the scope of the project before price is ever discussed. If the parties are unable to agree on the terms of a contract, the agency is free to begin negotiations with the next ranked firm. QBS does not negate price as an eventual factor for contract negotiations with the design professional. Instead, price becomes a factor after the most qualified professional firm has been identified and the scope of work has been agreed to.

*(reprinted from Engineering Inc., Nov/Dec 2002)*

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### **Why Use QBS?**

- **Promotes Technological Innovation** While a low bid system of procurement will produce the least expensive services that meet minimum standards, QBS helps the client receive the biggest level of professional services based upon demonstrated technical expertise and innovation.
- **Provides Life-Cycle Savings** Procurement through QBS promotes life-cycle savings through designs that minimize long-term maintenance costs.
- **Public Interest** QBS allows owners to protect the public's health and safety by focusing on qualifications to achieve the owner's requirements rather than lowest cost.
- **Encourages Competition Based on Merit** QBS is a highly competitive form of procurement for clients interested in technological innovation, creativity, and high design standards.
- **Promotes Communication** Using QBS, the owner has the opportunity to fully define the project scope throughout the selection process.

*(reprinted from Engineering Inc., Nov/Dec 2002)*

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### **Ohio Design Professionals and APWA Join Together to Promote QBS**

Ohio associations representing design professionals will be joined by the state chapter of the American Public Works Associations in forming a new coalition to promote Qualifications Based Selection.

In addition to ACEC Ohio and APWA, other participating organizations are: the American Institute of Architects of Ohio; the American Society of Landscape Architects of Ohio, and the Ohio Society of Professional Engineers.

Approximately twenty other states have formed similar coalitions. Most have hired a part-time "facilitator" to develop QBS educational materials, assist local governments in developing QBS selection procedures and promote the QBS concept at meetings and conventions of local government officials.

Each of the five participating groups has committed funding for the coalition for the next four years. Grant money also is being sought from the national QBS program.

Representatives of the participating organizations will meet in April to develop bylaws, operating procedures and the program for the coalition.

*(reprinted from ACEC Ohio Connection, March 31, 2003)*

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### **How to Make QBS a Reality**

Here are two scenarios to consider regarding Qualifications Based Selection (QBS). First, imagine the potential impact on us as professionals, on our businesses and our industry, if QBS was fully implemented. Now imagine the potential impact if recent trends toward more price-based selection continue. 2003 offers us the opportunity to determine which of these scenarios becomes reality.

ACEC of Tennessee continues to discuss with the business community the merits of QBS and the benefits it brings. The organization points out that Tennessee and federal law requires the use of QBS. However, it will require the combined efforts of us all as individuals and individual companies to make significant progress in implementing QBS across our state. I encourage you to meet with your clients and let them know the importance that we place on this issue. Take advantage of the opportunities available at Engineers' Day on the Hill and the Engineering Excellence Awards banquet to communicate the specific ways in which QBS offers potential benefits to owners and clients, as well as to the engineering community.

Point out that numerous studies confirm and reconfirm that owners benefit from lower project costs, lower administration costs, higher quality projects, fewer construction issues and change orders, and shorter project durations with a QBS procurement process. Likewise, the engineering community benefits from higher quality projects, better relationships with clients and greater opportunity to provide innovative services and ideas. Through QBS, our expertise and experience are viewed as professional services rather than a commodity.

Our task remains clear. We must take every appropriate opportunity to discuss QBS and its merits, solicit and consider the input of clients, and continue to educate those around us about the process and merits of a QBS process. The New Year gives us a new opportunity to reaffirm and demonstrate our commitment to the Qualifications Based Selection (QBS) process.

*by Jerry Stump, PE, Chair, Business Practices Committee  
ACEC of Tennessee*

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## **QBSColorado: Making Contacts**

QBSColorado board members have been busy promoting and educating on the benefits of practicing Qualifications Based Selection. The following counties, municipalities and agencies have been recently contacted:

- Denver Health and Hospitals
- Littleton School District
- City of Greeley
- Durango School District
- City of Fountain
- Academy School District 20
- St. Vrain School District
- Clear Creek County
- Littleton Fire District
- Denver Housing Authority
- Pueblo School District
- Sangre De Christo

Board members have also participated in the Colorado Association of School Executives conference held in January. A presentation was made at the annual meeting of the Professional Engineers of Colorado. QBSColorado has also placed an ad in the upcoming Colorado Municipal League annual conference program and the upcoming Colorado Association of School Executive annual conference. We also sponsored a luncheon at the recent Colorado Counties, Inc. convention. A QBS presentation is scheduled during the American Institute of Architects annual design conference to be held in November.

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## **QBSColorado Directors**

### **AIA Representatives**

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### **PEC Representatives**

Dave Hughes 303.948.4063    Steve Bagley 970.350.9792    Bernie Johnson (Chair) 719.579.6916

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### **CCEC**

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Duct tape is like The Force.

It has a light side and a dark side,  
and it holds the universe together.