



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

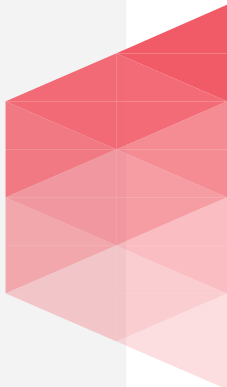
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Ron Brenke, QBS Manager



# 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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# Advertising

NO DIET - NO BATHS  
NO EXERCISE!

**NO DANGER**  
WHEN TAKEN  
AS DIRECTED

# FAT

the ENEMY that is shortening Your Life

## BANISHED!

HOW?  
with  
SANITIZED  
TAPE  
WORMS

Jar Packed  
"FRIENDS FOR A  
FAIR FORM"

Easy To  
Swallow!

Prepared By  
W. T. BRIDGE, Chemist  
New York

SEND NO MONEY  
PARTICULARS  
MAILED  
FREE

No Ill  
Effects!

# SAY GOODBYE TO-

If you are suffering from 'the hang-over,' **Phosferine Tonic Wine** will put new strength into you. If you are nervy, depressed—this vitalizing drink will give you a new joy of living. **Phosferine Tonic Wine** lifts you up when you are 'low,' puts you right with the world. Get a bottle today—and see how swiftly it does you good!

# - DEPRESSION!

"I feel I must write and tell you how much I have benefited from taking **Phosferine Tonic Wine**. I felt very tired and run-down and my nerves were very weak. I also felt terribly depressed.

"I tried lots of remedies without results so decided to try **Phosferine Tonic Wine**. Before I had finished the first bottle it gave me new energy and the awful depression lifted. I feel very grateful for such a good tonic and shall never fail to take it if I don't feel up to the mark."  
(signed) Miss A. K. Hereford.

Sold by all Wine Merchants, Licensed Chemists and Stores.

LARGE BOTTLE  
**39**  
CHAMPAGNE  
QUART SIZE

# PHOSFERINE TONIC WINE

THE BEST THE WORLD PRODUCES

A MOST DELIGHTFUL BEVERAGE—CHEERING AND COMFORTING

Streets





# Customer Reviews



# The Problem with Low Bid

Some owners still select design professionals based on cost



Negative outcomes:  
Poor construction quality  
Cost and schedule overruns



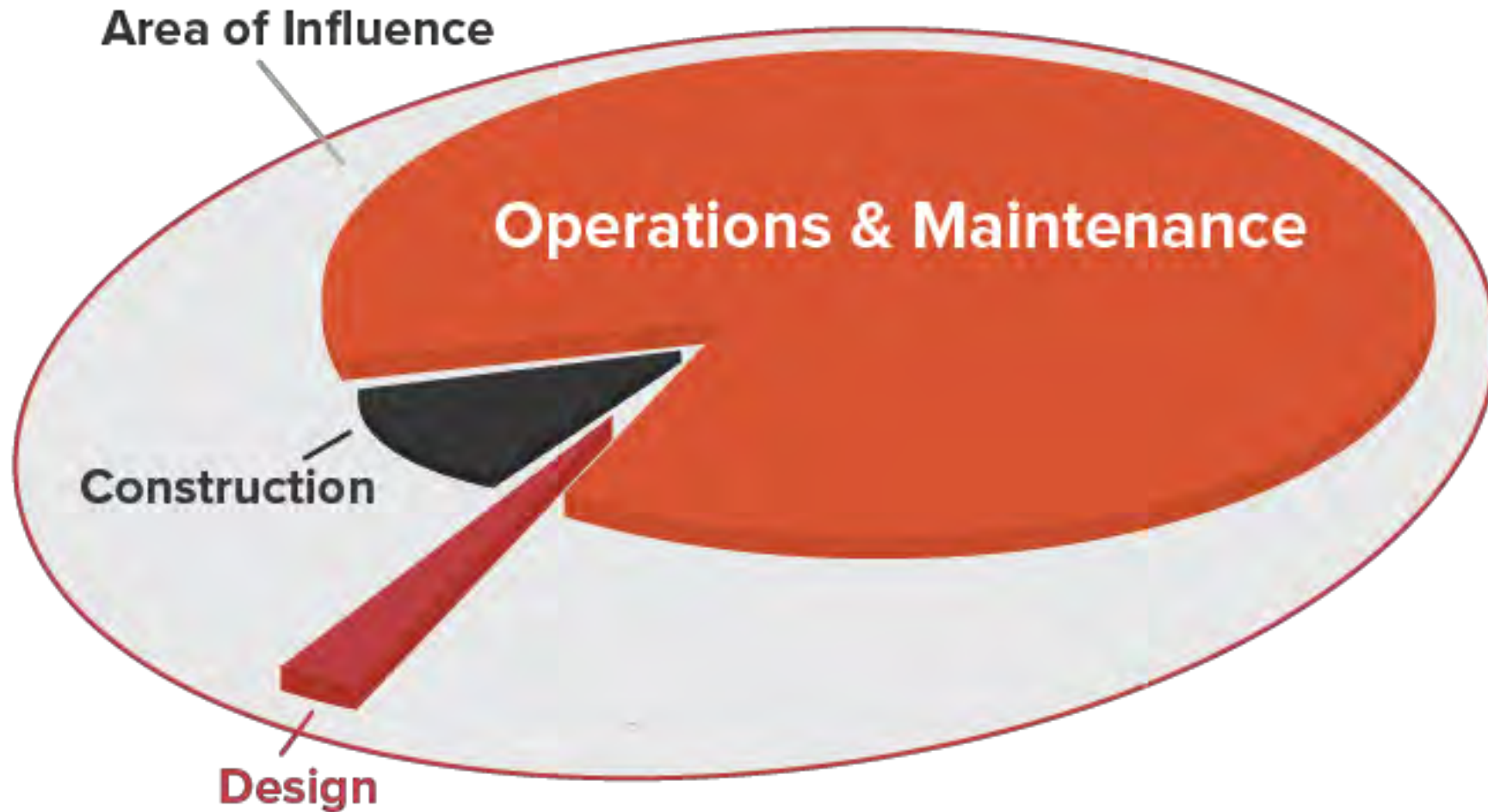
# The Problem with Low Bid

- 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.

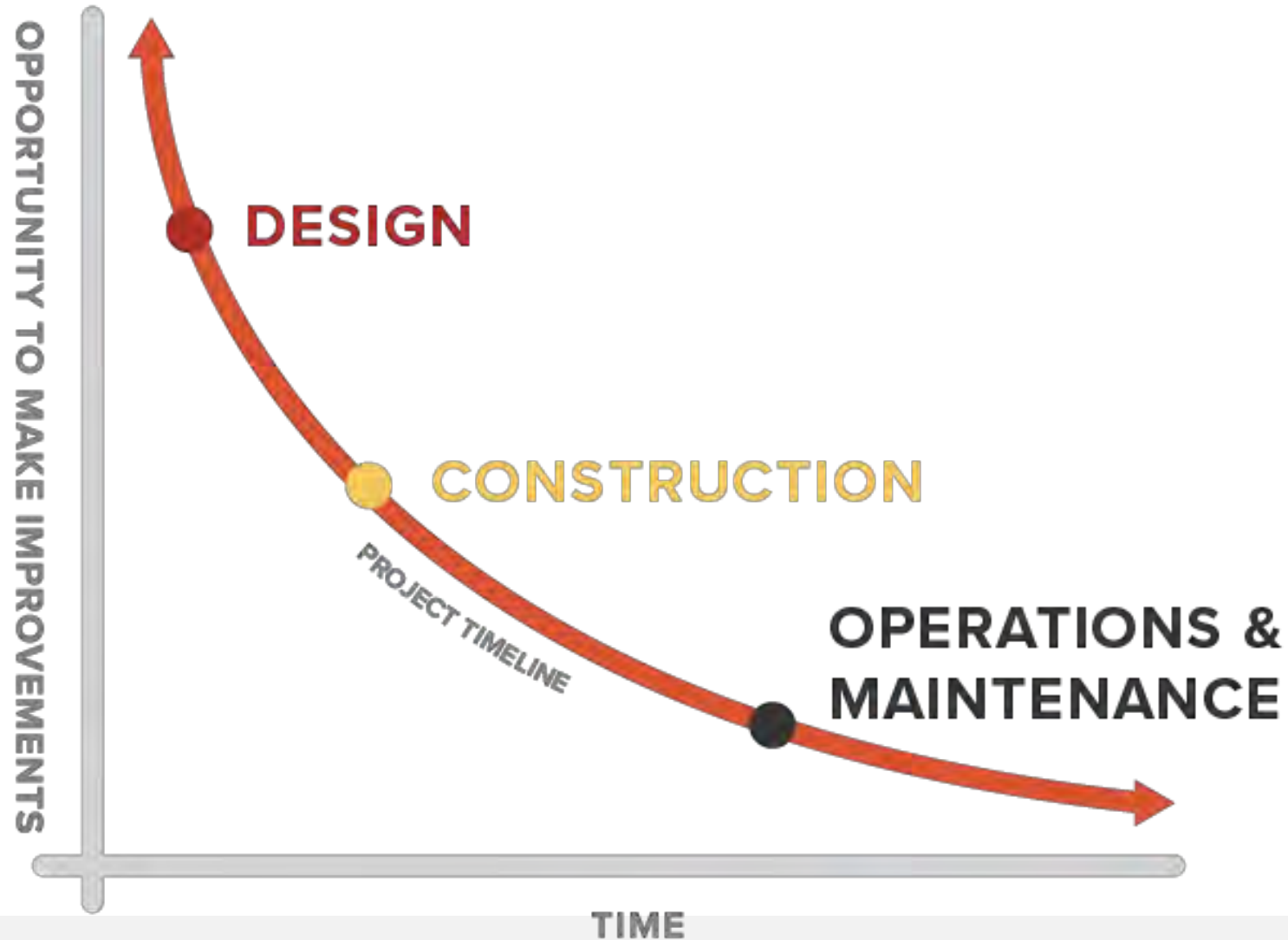
**Low bid procurement can actually  
*cost* owners and taxpayers over the  
life of the project.**

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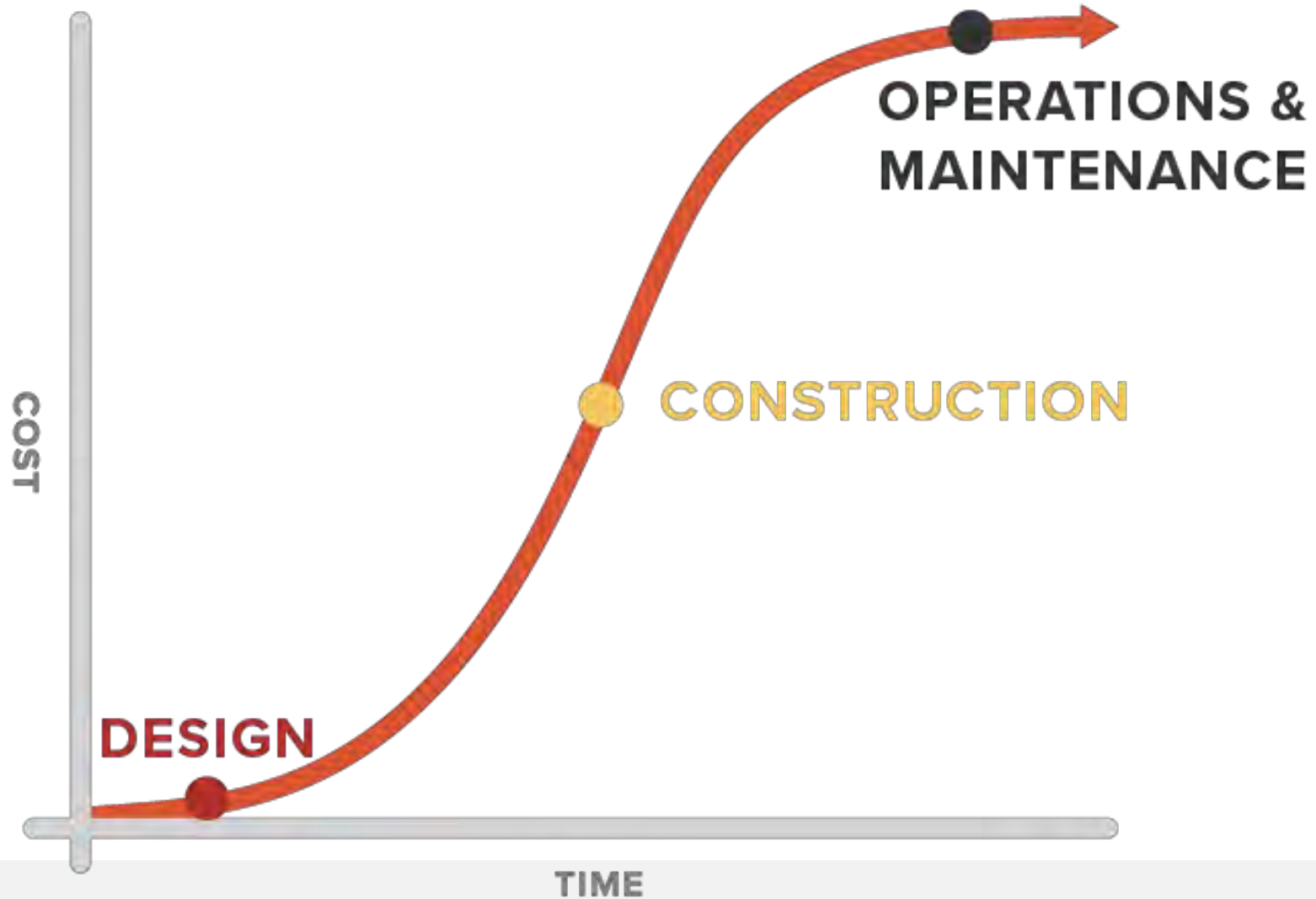
# Design & Influence



# Opportunities / Cost



# Opportunities / Cost





# A Better Way

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



# A Better Way

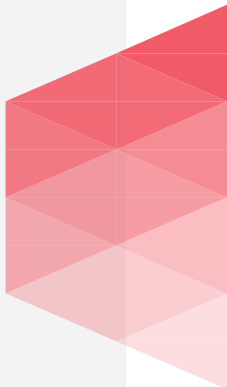
**Qualifications-Based Selection (QBS)** is a simple, competitive process that matches the right design professional to your project.



# 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

# 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**



Team

**Realistic  
schedules &  
budgets**



Schedule

**Fewer change  
orders, disputes**



Budget

**Better  
relationships**



Relationships

Value



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



# 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





# 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** → Improved Quality → Encourages Innovation → Reduces Costs

**Projects that use QBS**

- Transportation
- Water
- Buildings

**HOW QBS WORKS**

- Identify your project
- Issue a Request for Qualifications
- Evaluate the qualifications
- Make a short list of firms to interview
- Interview shortlist
- Rank firms
- Select your top-ranked firm
- Justify award prices with the top-ranked consultant
- Execute a fee
- Execute a contract

**Selection Criteria**

- Qualifications
- Financial Performance
- Compliance
- Expertise

**The Problem with Low Bid**

Low bid can result in a project that is over budget, over schedule, and of lower quality. QBS is a proven process that results in a project that is on budget, on schedule, and of higher quality.

**Proven Results with QBS**

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

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Infographic



Video

**QBS** QUALIFICATIONS-BASED SELECTION

**WHY VALUE OUTWEIGHS SELECTION OF ENGINEERING**

- Step-by-Step Procedures
- Examples
- History

A red cover for a workbook with a photograph of a construction site.

Workbook

**QBS Explained**

QBS is a simple and competitive process that matches the right design professional to your project. It encourages innovation and reduces cost.

**Here's how QBS works**

- Identify scope for project
- Issue a Request for Qualifications
- Evaluate the Qualifications
- Make a short list of firms to interview
- Conduct interviews
- Rank firms
- Select your top-ranked firm
- Justify award prices with the top-ranked consultant
- Execute a fee
- Execute a contract

**How QBS Leads to Cost Savings**

By selecting the most qualified design firm, you can reduce the risk of cost overruns, change orders, and schedule delays. QBS results in a project that is on budget, on schedule, and of higher quality.

**Projects that use QBS have**

- Reduced change orders (70%)
- Reduced schedule growth (63%)
- Highly satisfied owners (90%)

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Brochure

# Free Assistance & Resources

- QBS Facilitator to guide you through the process (100% free!)
- Conference, meeting presentations
- Meet one-in-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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