



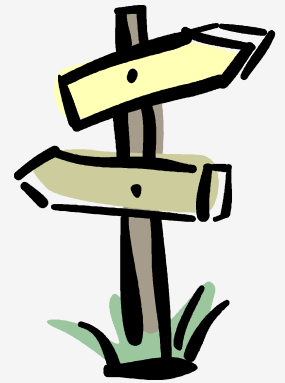
Contracting for Architectural and Engineering (A/E) Services Webinar

August 30, 2011
10 AM to 11:30 AM



Where We're Going Today

- Webinar Operation - Fred Ward
 - 5 minutes (+/-)
- Topic Introduction - John Carpita
 - 5 minutes (+/-)
- Questions for Panelists
 - 50 minutes (+/-)
- Questions from Webinar Participants
 - 20 minutes (+/-)
- Wrap-up and Available Resources
 - 10 minutes (+/-)



Who Are You?

- Poll in Progress



Public Works Webinars

- Third MRSC Public Works (PW) Webinar
- Recorded copies of previous MRSC PW webinars are available at:
 - [*Public Works Information and Resources, May 18, 2011*](#)
 - [*Contracting for Purchased, Personal and Professional Services, June 23, 2011*](#)
- Please contact John Carpita:
 - if you have questions on the above webinars
 - If you have suggestions for future webinars



Panelists

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Purpose of Chapter 39.80 RCW

- A uniform state-enacted policy for the procurement of architectural, landscape architecture, engineering, and land surveying services by all state and local government agencies in the State of Washington.
- The basic statutes were adopted in 1981 and went into effect Jan. 1, 1982.



MRSC Definition

- A/E Professional Services Under Chapter 39.80 RCW
 - Professional services rendered by any person, other than as an employee of the agency, contracting to perform activities within the scope of the general definition of professional practice in Chapters [18.08](#) (Architects), [18.43](#) (Engineers and Land Surveyors), or [18.96](#) (Landscape Architects) [RCW 39.80.020\(5\)](#).
 - Services are procured using the qualifications based selection (QBS) requirements in Chapter 39.80 RCW.
 - Licenses or certification by State agencies are required.



Questions for Panelists

1. Do you feel that Qualifications Based Selection (QBS) for A/E consultants is a good business practice?
2. What professional disciplines does QBS selection apply to and should it be used for some non-A/E contracts?
3. What are the advance notification provisions of Chapter 39.80 RCW and how have they been applied correctly and incorrectly?
4. More particularly, do you feel that agencies select directly from their A/E consultant rosters more frequently than they should?
5. What are some best practices for agencies to follow in their requests for qualifications, requests for proposals, interviews, and contract negotiations?



Panelist Responses

- Order of responses:
 - Mike Purdy (MP)
 - Mike Clark (MC)
 - Jan Ollivier (JO)
- Note initials in lower right corner of slide as to who is speaking



Question #1

- Do you feel that Qualifications Based Selection (QBS) for A/E consultants is a good business practice?



- **What is QBS?**
 - Selection based on qualifications only and not price
 - Establish selection criteria
 - Price negotiated with most qualified
 - Negotiate with next most qualified if unable to successfully negotiate with the most qualified
- **Is QBS a good practice?**
 - A qualified “yes”



Pros and Cons of QBS

- A/E is creative work and can't be bid since the scope of work is variable
- Public agencies shouldn't want the cheapest design
 - You get what you pay for
- QBS requires public agencies to have the skills to negotiate price
- The most qualified firm may be too expensive
- Should price be a limited factor in evaluation?
 - Not permitted under Washington State or Federal law



QBS Pros

- Ensures a competitive and cost effective process
- Enhances project effectiveness (manages risk)
- Addresses incomplete scopes
- Promotes building capacity



Agency Comments on QBS

- There are very often multiple equally qualified firms which makes selecting one difficult.
- I have not had a good or bad consequence based solely on the qualification based selection process.
- I find that establishing and maintaining good communications resolves most problems.
- I have encountered firms that change personnel on you or have personnel not up to the task that can't necessarily be sorted out through the selection process.



Agency Comments on QBS

- While we agree with QBS in general, sometimes we feel that level of effort indicators should be allowed
 - Ex.: approximate total billable hours without rates attached
- Without those indicators, we find sometimes after selection their level of effort and fee is substantially more or less than we estimated,
 - Often indicating the firm doesn't really understand the project.
- That lack of project understanding should be a factor during the selection process, rather than having to wait until the firm is selected and we've begun negotiations.



Question #2

- What professional disciplines does QBS selection apply to and should it be used for some non-A/E contracts?



Disciplines Covered

- QBS applies to different disciplines depending on funding source

Federal	State
Brooks Act	Chapter 39.80 RCW



Disciplines Covered

State (Chapter 39.80 RCW)

- Architecture
- Engineering
- Landscape Architecture
- Land Surveying



Disciplines Covered

Federal (Brooks Act)



- Program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services.

[49 U.S.C § 325(b)]



Disciplines Covered

Federal (Brooks Act)

- **Licensing:** Professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person licensed, registered, or certified to provide such services as describe in this paragraph.
- **Related to Real Property:** Professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and...

– 40 U.S.C. 1102



Disciplines Covered

- **Typically Performed By:** Other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual design, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operation and maintenance manuals, and other related services.

– 40 U.S.C. 1102



Disciplines Covered

Applicability of Brooks Act and RCW

- Federally Funded: Use list of Brooks Act disciplines
- Non-federally Funded: Use list of RCW disciplines

Only Use QBS When Required

- Use price as a selection criterion for work not meeting QBS definition



Disciplines Covered

- If a contract meets the definition of professional practice (for example) in RCW 18.43.020 (engineers), then it is subject to Chapter 39.80 RCW:
 - RCW 18.43.020 (5)(a) "Practice of engineering" means any professional service or creative work requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional services or creative work as consultation, investigation, evaluation, planning, design, and supervision of construction for the purpose of assuring compliance with specifications and design, in connection with any public or private utilities, structures, buildings, machines, equipment, processes, works, or projects.



RCW (State Only) Disciplines Covered

- Is a construction management contract subject to QBS?
- Is a contract administration (shuffling paperwork) contract subject to QBS?
- Is a material testing contract subject to QBS?
- Is a construction staking contract subject to QBS?



Question #3

- What are the advance notification provisions of Chapter 39.80 RCW and how have they been applied correctly and incorrectly?



Notification Provisions

2 Options: RCW 39.80 has two options for notification of consultant opportunities:

- 1. Advertisement:** Publish a project specific advertisement
- 2. Roster:** Publish an advertisement
 - Announcing generally the type of A/E consultant needs for the coming year
 - Inviting statements of qualifications be submitted



Notification Provisions

- **Notification to firms on Roster:**
 - Best practice is to contact firms on the Roster regarding their:
 - Interest, Availability, Specialized expertise
- **Roster evaluation process:**
 - Establish evaluation criteria
 - Evaluate roster information and specific information requested
 - Select most highly qualified firm



Notification Provisions

- **Cooperative Roster:**
 - Roster advertisement may be by a cooperative roster (MRSC, eCityGov, other)
- **On-Call Contracts:**
 - Advertised for general upcoming needed services
 - Formal evaluation process
 - Execute on-call contract
 - Negotiate and execute work orders as projects arise



Notification Provisions

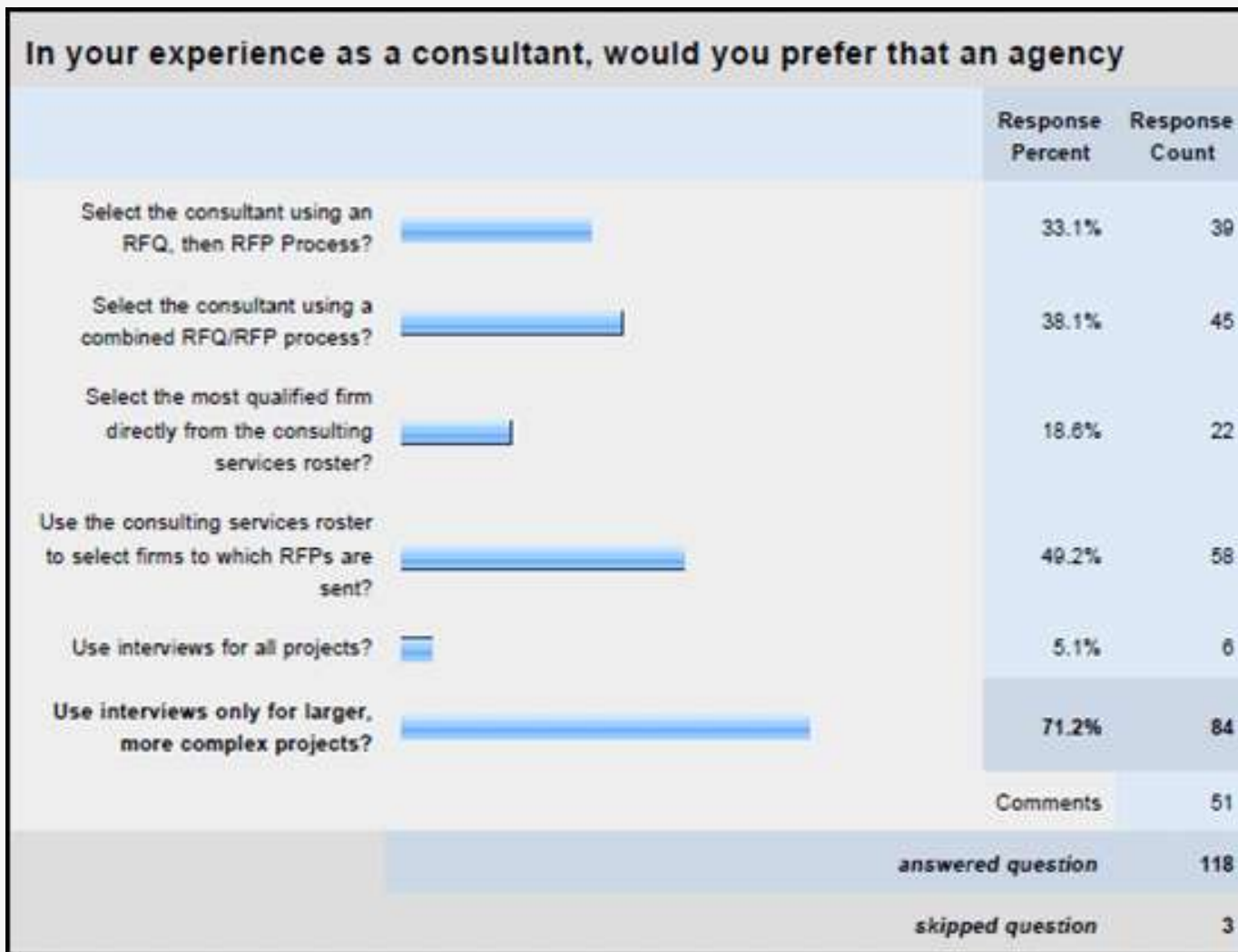
- Length of On-Call Contracts:
 - State Auditor position would limit On-Call Contract to one year or less
 - Auditor cites RCW 39.80.040 encouraging annual submission of qualifications
 - RCW 39.80.040 relates only to establishment of a Roster, not On-Call Contracts
 - MRSC position is that up to 3 year contracts are tenable
 - Public agencies should have policies for On-Call Contracts
 - Duration
 - Dollar amount



Contracting for Professional Services in Washington State

A Survey of Local Agencies and Consultants

June- July 2010



Consultant Comments from A Survey of Local Agencies and Consultants June- July 2010

It depends on size of project:

- 1. Small projects:** select off roster, or select small group of firms to submit RFP's.
- 2. Mid size projects:** select small group of firms to submit RFP's or follow traditional process. Be open to selecting without interviews if one firm's proposal clearly stands out.
- 3. Large projects:** follow traditional process and shortlist 3 firms to interview. Stay away from 4 and 5 team interviews.

- 1.** On smaller fee projects I would prefer that the Agency select the firm off of their roster and base the selection on project needs and past performance for the Agency.
- 2.** Consultants should be rewarded for doing excellent work on past projects: selection off a roster is one way of providing this reward.



Consultant Comments from A Survey of Local Agencies and Consultants June- July 2010

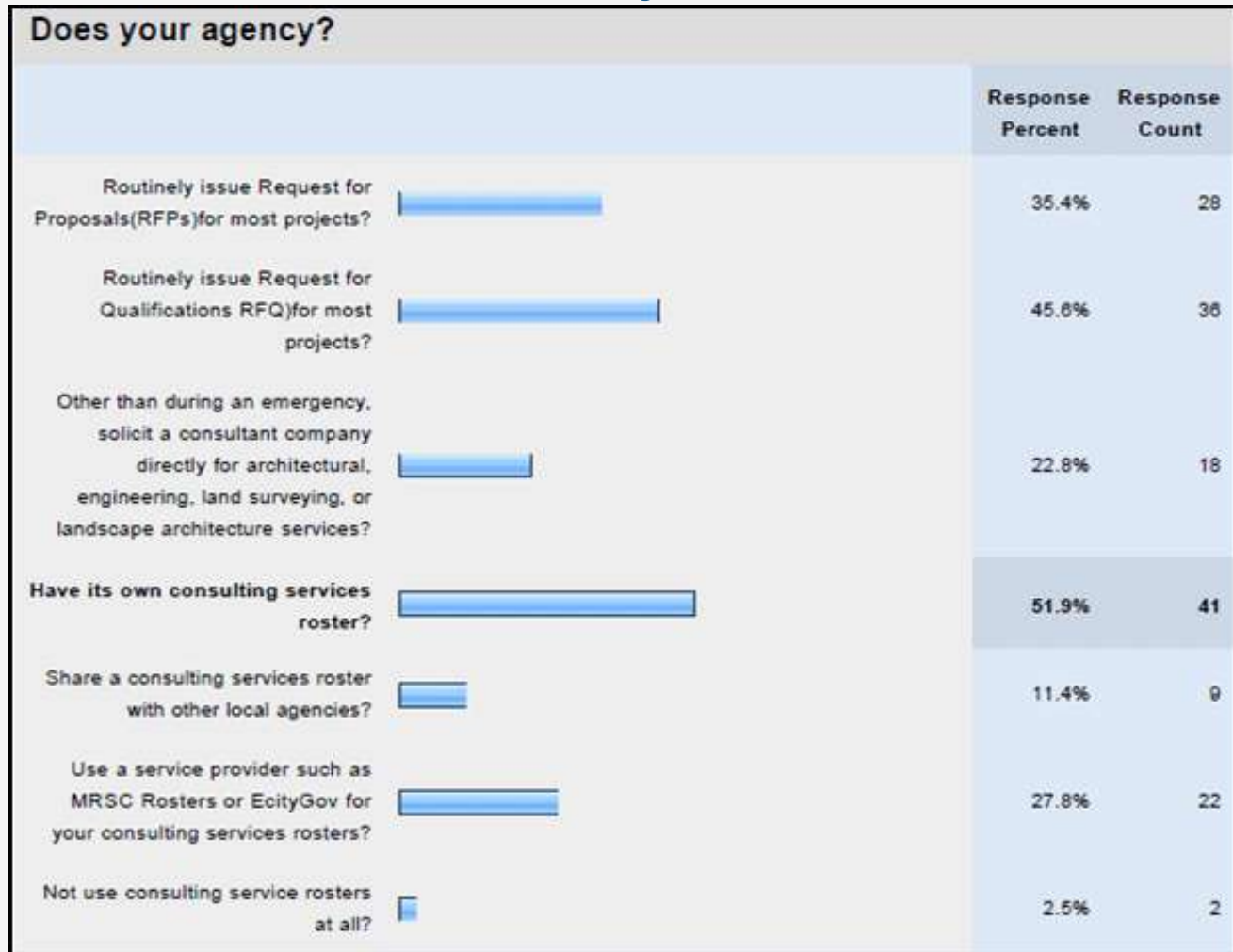
For transparency, projects still need to be advertised so consultants can know which agencies are actively selecting consultants for work.

1. It can easily cost \$5-10K for a full marketing process including an interview.
2. On smaller projects (less than \$100K fee) even the winning firm has already spent the profit if they have to go to a formal interview.

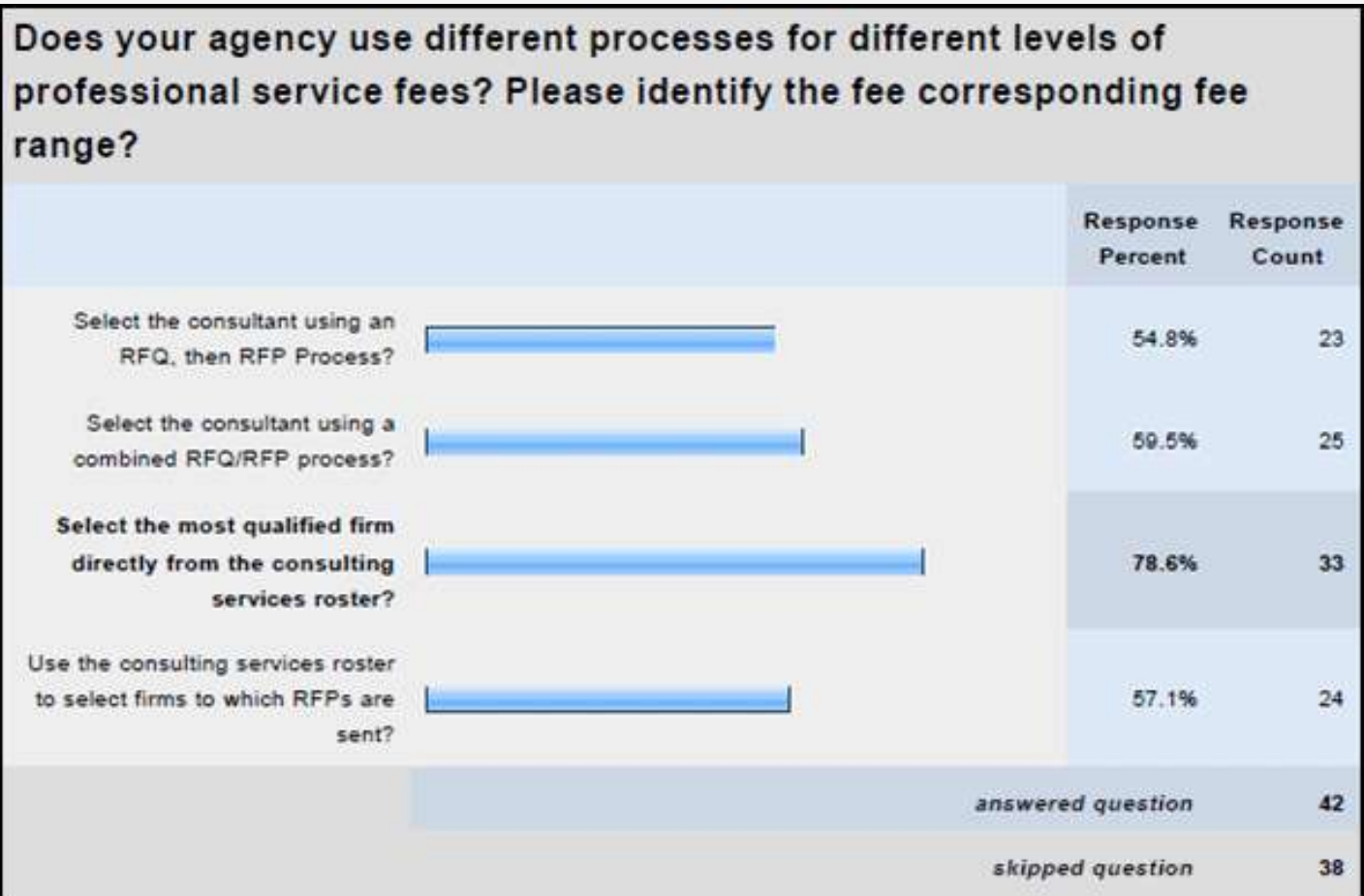
1. Selecting directly from a roster, without some open competition is a bad idea except for small things.
2. If on-call services are required, set up an on-call contract with several consultants.
3. Interviews should always be used. How could you hire somebody without meeting them?



Agency Comments from A Survey of Local Agencies and Consultants June - July 2010



Agency Comments from A Survey of Local Agencies and Consultants June- July 2010



Recommended Contracting for A/E Services Guidelines

- Below \$"Y"
 - Minimal competition.
 - RFQ/RFP encouraged, but not required.
 - Select directly from roster?
- \$"Y" to "X"
 - Informal Competition
 - Prepare RFQ/RFP
 - Send to minimum of three firms
 - Evaluate responses and make award decision.
- Over \$"X"
 - Formal Competition
 - Prepare RFQ
 - Publish legal notice
 - Review RFQs
 - Shortlist Firms
 - Send out RFP
 - Interview short listed firms
 - Formal evaluation with a committee
 - Select best firm based on qualifications.



Select the most qualified firm directly from the consulting services roster?

- Responses range from \$3K to \$350K
- Average of \$80K
- Less than \$25K to \$50K is typical

Use the consulting services roster to select firms to which RFPs are sent?

- Range from \$20K to \$200K
- Typically \$100K and above



Select the consultant using a combined RFQ/RFP process?

- Range \$25K to \$350K
- Typically above \$50K to \$100K

Select the consultant using an RFQ, then RFP Process?

- Range \$50K to \$350K
- Typically over \$250K



Question #4

- Do you feel that agencies select directly from their A/E consultant rosters more frequently than they should?



Heavy Use of Rosters?

- **Dollar Thresholds for Roster:** Public agencies need policies for when to
 - Advertise for a specific project
 - Select from the Roster
 - Use an On-Call Contract



Heavy Use of Rosters?

When to Use the Roster?

Decision to use roster should be based on:

1. Agency policies
2. Size of A/E contract
3. Are services specialized requiring a project advertisement?
4. Number and quality of firms on the roster



Heavy Use of Rosters?

Issues on use of Rosters:

1. A/Es like not having to respond to each project advertisement
2. Smaller firms find it hard to get noticed and selected based on rosters
3. More expedient process for agency with no advertisement needed
4. May still require submittal of information by firms on the roster to verify, if nothing else, their availability
5. Evaluation criteria still needed
6. Contract negotiation still needed



Heavy Use of Rosters?

- Some agencies - too much
- Some agencies - not enough
- Some agencies - use inefficiently
- Focus on appropriate use of rosters.
- Every consultant selection could have a QBS approach— make it scalable for the size and type of project.



Agency

- Agencies use rosters when appropriate to save time
 - the QBS process can be time consuming.
- On-call consultants save agencies time for repetitive work tasks.



Question #5

- What are some best practices for agencies to follow in their requests for qualifications, requests for proposals, interviews, and contract negotiations?



Best Practices

Request for Qualifications

1. Distribution of RFQ: Hard copy, your website, Builders Exchange, e-mail
2. Evaluation criteria and weighting: Should reflect the project's objectives and your agency's values. What should be submitted with the qualifications?
3. Contract language: Disclosing standard contract language to help in contract negotiations
4. Administrative issues: pre-submission meeting, number of copies, submittal deadline and location, contact person with agency, page limits on qualifications, addenda, protests, public records requests, debriefing, federal provisions if applicable
5. Scoring: Evaluation committee members score qualifications individually followed by consensus meeting



Best Practices

Interviews:

- Good practice to interview, especially on advertised projects
- Establish evaluation criteria for interviews
- Committee members score separately followed by a consensus meeting in which scores may be modified
 - Keep all records



Best Practices

Contract Negotiations:

1. Scope of Work
 - Accurate
 - Clear
 - Handling disputes
2. Reasonable Hours by Task
 - Correct staff allocation
3. Hourly Rates
 - Fully loaded
 - Audit of overhead rates
 - Profit is a factor of risk
4. Terms and Conditions



RFQs vs. RFPs

- Request for Qualifications (RFQ)
 - Ask only for firm's general capabilities, list of principals, previous projects, number of employees, licenses, etc.
- Request for Proposals (RFP)
 - May include RFQ items, unless already on file
 - Ask for firm's capabilities with respect to a specific project , including tasks and milestones



RFQ/P - What's Helpful

- **Clear and concise written RFQ/Ps**
 - Review before sending out to eliminate conflicting information
- **Reasonable deadlines** – 2-3 weeks
- **Call out contact person** available for questions via email or phone
- **Link or contact to additional information** on the project available for the team to review when RFP is issued



RFQ/P - What's Helpful

- **Copy of contract terms and conditions attached to the RFP, if available**
- **Scope of work** included in the RFP
- **Agency's decision schedule**
 - Dates for final decisions, shortlist, award and contracting
- **Specify 2-sided proposal** page limits
 - For example: "20 pages (10 double-sided pages)"
- **Provide scoring criteria**
 - We like it when we know what we have to address in the proposal and in what order will make it easier for you to score



RFQ/P - What's Helpful

- **Have the RFP available the same day the public notice is out**
 - Provide a specific link to the RFP, not just the general site link – make it easy to share electronically
- **Electronic submittals**
 - Tell us the file size
 - Make sure the person who is to receive them is available and that the mailbox isn't on the verge of being over size limit
 - Acknowledge receipt
- **Keep submittal requirements, page limitations, due date, etc. in the same area of the RFP**



RFQ/P - What Presents Challenges

- **Page limitation**
 - How does 11 X 17 size count towards the total page count? Specify whether resumes or cover letters are included in the page limit
- **Submittal Requirements and Scoring Criteria**
 - Quite often the submittal requirements listed in the RFP does not match the scoring criteria (also listed in the RFP)
- **Proposals due around holidays**



Best Practices

- Provide all firms interested in solicitation with same information if possible.
- Assign one contact person to answer questions and update website.
- Make sure administrative staff know key points: contact person, what information is available, and where it can be found.



Best Practices

- Have different personalities and viewpoints on the selection committee.
- Encourage debate among selection committee members prior to scoring.
- Build consensus among team members when making final ranking.



Questions?

- Even if your question is directed at one panelist, the others will respond if they wish to.
- Please be patient: we are out numbered 25 to 1
- If we can't get to your question today, you will get a response from MRSC and/or the panel members in the near future



Available Resources

- **2010 APWA Preconference Workshop**
Help Build Your Extraordinary Future (Projects) by Selecting Extraordinary Consultants Now
- **Purchasing, Bidding, and Contract Management Sourcebook**
- Sample MRSC RFPs
- Or you can ask MRSC to find samples for you.



2010 APWA Fall Conference Workshop

Municipal Research and Services Center of Washington Web Site - Internet Explorer provided by Dell

http://www.mrsc.org/

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QUICK LINKS: Court Decisions | Codes | City Profiles | County Profiles | MRSC Index | Inquiries

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Announcements

MRSC Names New Executive Director
The Board of Directors of the Municipal Research and Services Center of Washington ("MRSC") has named Tracy Burrows as the organization's new executive director. [Read the full press release.](#)

Management In Focus E-Newsletter

SIGN UP for MRSC's Management In Focus Monthly E-Newsletter
This bi-monthly e-newsletter features selected management related information

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2010 APWA Fall Conference Workshop

Public Works

This page contains information on public works issues and topics or similar interests. If you have information to share (e.g., ordinances, other Web sites that we should link to, please contact John Carpita, call (206) 625-1300. John is also liaison for the [APWA Forum](#), or Chapter of APWA and the greater Washington State public works co

Hot Topics

See MRSC's [2009 Legislation Update](#) on Public Works and Contract

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- Construction
 - [Building Code/Permit](#)
 - [Green Building Design](#)
- Finance
 - [Latecomers Agreement](#)
 - [Local Improvement Di](#)
- [Geographic Information](#)
- [Intergovernmental Cooperation](#)
- [Personal Services Contracting Manual for Ports](#)
- Property Management and Public Facilities
 - [Corporate Sponsorship, Naming Rights for Public Facilities](#)
 - [Naming Public Facilities](#)
 - [Public Facilities Including City Halls](#) (List of Recent Projects)
- [Public Works Safety Manuals](#)
- [Purchasing and Bidding](#)
- [Purchasing, Bidding, and Contract Management Sourcebook](#)
- Right-of-Way Management

A	J6	Port of Everett Consultant Contract Tracking Templates
A	J7	2010 APWA Preconference Workshop A/E Consultant Selection J7 A: Workshop Flier and Handouts J7 B: MRSC-APWA Contracting for Services Survey J7 C: Winter 2010 Newsmagazine Article on QBS



See Next Slide

Municipal Research and Services Center
Washington State Chapter APWA

Contracting for Professional Services in Washington State
A Survey of Local Agencies and Consultants
June- July 2010

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Mike Purdy's Public Contracting Blog

Contracting and Procurement Resources - for Government Agencies and Businesses



<http://publiccontracting.blogspot.com/>

- ⇒ [Consultant Contracts](#) (19)
- ⇒ [Consultant Selection](#) (61)
- ⇒ [Contract Administration](#) (21)
- ⇒ [Contract Centralization](#) (12)



A Great Big Round of (Virtual) Applause to Our Great Panelists

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This Concludes Contracting for Architectural and Engineering Professional Services

Stay Tuned!

The next MRSC Public Works
Webinar will focus on purchasing
goods, supplies and equipment and
will feature a cast of thousands.

(Well a few, anyway)

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