

## DBIA POSITION STATEMENT

### QUALIFICATION BASED SELECTION

#### Background

DBIA has long espoused the view that the predominant factor in the selection of a design-builder should be the qualifications of the design-build team. Owners who choose their design-builders based largely on qualifications reap substantial benefits — such as increased teamwork, proactive behavior and collaboration – that help achieve project success. Many private owners have long understood these benefits and they have weighed qualifications heavily in selecting their design professionals and contractors. These benefits are also well understood by federal and state agencies, who have for decades selected their design professionals through qualifications under the Brooks Act and “mini” Brooks Acts and have also developed shortlists based on the qualifications of design-builders proposing under a best-value procurement process.

DBIA acknowledges that many public agencies are required by statute to evaluate price in selecting a design-builder. However, for those agencies that have procurement flexibility, DBIA believes that a pure qualifications-based selection (QBS) process can be a highly effective way of procuring a design-build team and ensuring project success. QBS is a competitive procurement method in which the final criteria for selection are qualifications and demonstrated competence. This method allows owners to define their goals and selection criteria so that they can select the design-build team that best responds to their criteria. In addition to the qualifications, experience and past performance of the design-build team, QBS procurements for design-builders will often include such criteria as: (a) qualifications of key personnel; (b) the capacity of the design-build team to perform the work; (c) the design-builder’s management plan for the project; and (d) project-specific ideas that demonstrate the design-builder’s ability to innovate and think out of the box.

While price and cost are not selection criteria under pure QBS, they are considered during contract negotiation. Some owners who are inclined to use a form of QBS that includes an element of price competition will ask for cost-based items, such as the design-builder’s fee and general conditions expenses. These items are generally afforded relatively small weights in the selection process so that they don’t overwhelm the qualifications portion of the selection process and result in a “low bid” competition.

Owners that select design-build teams through QBS view the design-builder in the same way they view engineers and architects. They see the design-builder as a professional, place a high value on collaboration and want to have the design-builder involved in the project as early as possible. They want the benefits that come from making the design-builder a strategic partner in programming, project definition, technical innovation, creative construction means and methods, budgeting and scheduling.

QBS can be used on any type of project — vertical, horizontal or industrial, large or small. It is particularly well suited to projects on which complexity, technical risks and/or evolving scope make it difficult to prepare a clear and stable criteria package upon which to base a competitive price selection. It is also well suited to owners that lack the expertise, funding or time to prepare a criteria package, but would still like to have single source responsibility for the project and have direct participation with the design-builder as it develops the early stages of the design. In all cases, owners are best-served using QBS when they demonstrate transparency in their decision-making process.

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**Position:** In addition to early involvement of the design-builder, the owner derives many other benefits from using QBS. Because the owner retains control of the selection process absent a price consideration, it has the opportunity to select the best design-build team for its particular project and its unique, defined, goals for that project. The QBS procurement process has the advantage of being familiar to most owners — it mirrors the process they historically have used in selecting design professionals. This procurement process is relatively inexpensive and far quicker than a typical best-value process, particularly because it does not require the type of detailed criteria package often associated with a best-value process. The streamlined nature of a QBS competition also benefits the industry since it precludes the need for costly design effort during the competition itself. This in turn benefits owners by supporting a strong competitive base.

**Position:** QBS gives the owner valuable early insight into project parameters. When the owner takes the lead in placing emphasis on teaming, collaboration and driving innovation into the project, price and schedule are jointly derived by an engaged team. The owner will directly participate with the design-builder through an open book process and can help develop the cost model and, in collaboration with the design-builder, can balance design alternatives with budget and schedule implications. Owners are very familiar with this process in equipment selection, as a piece of equipment may initially cost more than an alternative, but could save money for the owner over the life of the asset due to power savings, durability or other advantages. The analogy of equipment selection applies to many other design decisions, and the QBS process gives the owner the opportunity to make informed decisions about the design based on real-time schedule and budget input from the design-builder.

**Position:** While the use of pure QBS procurement in public sector design-build is somewhat limited at this point in time, several public agencies have evaluated QBS and enacted legislation that makes this an available procurement option. DBIA strongly believes that public owners need to have flexibility in implementing the best procurement approach for a particular project, and endorses the concept of expanding procurement laws to allow pure QBS as one of the procurement tools available to the public owner.

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