

# Local Governments Request For Qualifications

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# What is a Request for Qualifications?

- A Request for Qualifications (RFQ) is the instrument and process used by local governments in North Carolina for selecting Architects, Engineers, Surveyors and Construction Managers at Risk for professional work in their respective field.

# Request for Qualifications (RFQ) or Request for Proposals (RFP)

- The difference between a RFQ and RFP is, in the RFQ process the local government is seeking to secure the services of Architects, Engineers and Surveyors based on their qualifications to perform the specific work or project in lieu of selecting based on a fee proposal. In a RFP you are requesting pricing for specific services or commodities.

# Why a RFQ for Architects, Engineering and Surveyors?

- In most cases, qualification based selection is in your best interest
- It is the Law
- Brooks Bill

# Why is qualification based selection in your best interest?

- The RFQ process will allow all interested firms to submit for the project
  - Results: More participation, better selection of qualified firms.
- The process will allow you to select the most qualified based on submittals and interviews.
- You can expect to receive a higher level of services and quality.
- Fee based selection can lead to selecting an unqualified firm and therefore a poor design and other services.

# Why a RFQ for Architects, Engineering and Surveyors?

## Brooks Bill – North Carolina General Statutes


**143-64.31. Declaration of public policy.** (a) It is the public policy of this State and all public subdivisions and Local Governmental Units thereof, except in cases of special emergency involving the health and safety of the people or their property, to announce all requirements for architectural, engineering, surveying and construction management at risk services, to select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required without regard to fee other than unit price information at this stage,

# Why a RFQ for Architects, Engineering and Surveyors?

**and** thereafter to **negotiate** a contract for those services at a fair and reasonable fee with the best qualified firm. If a contract cannot be negotiated with the best qualified firm, negotiations with that firm shall be terminated and initiated with the next best qualified firm.

# Why a RFQ for Architects, Engineering and Surveyors?

Selection of a firm under this Article shall include the use of good faith efforts by the **public entity** to notify minority firms of the opportunity to submit qualifications for consideration to the public entity.



# Construction Manager at Risk

- (b) Public entities that contract with a construction manager at risk under this section shall report to the Secretary of Administration the following information on all projects where a construction manager at risk is utilized:
  - (1) A detailed explanation of the reason why the particular construction manager at risk was selected.
  - (2) The terms of the contract with the construction manager at risk.
  - (3) A list of all other firms considered but not selected as the construction manager at risk and the amount of their proposed fees for services.
  - (4) A report on the form of bidding utilized by the construction manager at risk on the project.

# Written Exemption of Particular Contracts

- Units of local government or the North Carolina Department of Transportation may **in writing exempt** particular projects from the provisions of this Article in the case of:
  - (a) Proposed projects where an estimated professional fee is in an amount less than thirty thousand dollars (\$30,000), or
  - (b) Other particular projects exempted in the sole discretion of the Department of Transportation or the unit of local government, stating the reasons therefore and the circumstances attendant thereto.

# Why a RFQ for Architects, Engineering and Surveyors?

- ...It is the public policy of this State and all public subdivisions and Local Governmental Units thereof.....
  - Political subdivisions and Local Governmental Units
    - Towns, Villages, Cities, Counties, Authorities expending public funds

- ....except in cases of special emergency involving the health and safety of the people or their property....

- In cases of Emergencies the unit of government should declare the emergency and the proceed as needed to rectify the situation as quickly as possible.

- ...to announce all requirements for architectural, engineering, surveying and construction management at risk services...
  - Announcement means advertising in the local newspaper of general circulation
  - May be announce electronically if the local unit has authorized the use of this type of advertisement

- ...to select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required...
  - “Qualified” – have satisfactorily performed the type of services in the past
  - “Demonstrated competence” – specific projects and references related to the services and project.

...without regard to fee other than unit price information at this stage...

– Governmental units may not ask for a fee for the services other than “unit” prices.

- Unit prices means hourly rates, reimbursable charges, and mark ups.

- ...and thereafter to **negotiate** a contract for those services
  - Negotiations:
    - Contract – Be careful of executing the contract provided by the selected firm, terms and conditions of their contract may not be in your best interest.
    - Make sure your attorney reviews the contract.
    - Develop your own contract form in consultation with your attorney and make it part of the RFQ submittal.

- ...at a fair and reasonable fee with the best qualified firm....
  - What is a fair and reasonable fee?
    - Must be based on the level of effort to perform the services
    - Involve as many staff employees with experience in the particular field in the negotiations
    - Beware of the “cookie cutter” approach to fees
      - A percentage of construction costs is not necessarily a good approach
        - 2004 to present construction cost increases have skewed the percentage charts that were the standard for years.
        - Use percentages as a guide only
        - Be tough, most firms are not going to walk away after being selected as the most qualified.

- Selection of a firm under this Article shall include the use of good faith efforts by the **public entity** to notify minority firms of the opportunity to submit qualifications for consideration by the public entity.
  - Mail notices of the RFQ to all known MBE firms providing the services requested.
  - Use the State NVDOT and Dept. of Administration listings

## Advice in selecting consultants or negotiating consultant contracts.

- On architectural, engineering, or surveying contracts, the Department of Transportation or the Department of Administration may provide, upon request by a county, city, town or other subdivision of the State, advice in the process of selecting consultants or in negotiating consultant contracts with architects, engineers, surveyors.

# The RFQ Process

- Project is identified and the A/E services funded.
  - If unsure of the amount of funds needed, consult with other governments or the State
  - A reasonable rule of thumb for budgeting purposes is 10%- 12% of the estimated construction costs.
    - Go higher for small project , less for larger projects
    - Complexity also plays a role in design/study costs

# The RFQ Process

- Project Manager develops a specific Scope of Services.
  - Scope should include:
    - Purpose of the Request
    - General description of the project
    - Detailed description of the services requested
    - Contract terms and conditions

# Scope of Project

- May Include:
  - Public meetings on the project
  - Feasibility Study
  - Environmental Review (Phase 1 and II)
  - Geotechnical/Soil Services
  - Conceptual Design
  - Presentations to the Board or the Public
  - Easement and/or ROW Descriptions
  - Final Design
  - Permitting
  - Bidding Services
  - Construction Phase Services
  - Project Representation During Construction
  - Preparation of “As Built” drawings

# The RFQ Process

- Upon completion and final review of the RFQ
  - Identify firms that may be qualified to perform the services (names, addresses, phone numbers, e mail, contact person)
  - Prepare a cover letter (Do not ask for a fee)
  - Post on the internet, if available through your web site
  - Prepare an advertisement for the local newspaper

# The RFQ Process

- Identification of firms
  - Look locally first for qualified firms
  - Listing of a large number of A/E firms available at my office.

# The RFQ Process

- Prepare the cover letter
  - Include:
    - Brief project description
    - Required submittals – references, list of past similar projects, team members, deadline for submitting, address and office to turn in responses.
    - Sample cover letter in information packet

# The RFQ Process

- Distribute the RFQ notification to a broad audience.
  - E mail or fax cover letter to firms
  - Letter should state that the full RFQ is available at your offices or via e-mail.
  - Post full RFQ on internet or web site if available.
  - Keep good list of firms requesting the RFQ
    - Clarifications or addendum may be required
  - Adhere to the deadline for receiving the responses

# The RFQ Process

- Receipt of the responses
  - Identify the review team
    - Seek team members that are experienced in the type of work and services requested
  - Distribute copies of the responses to team members.
  - Set a date for reviewing the responses
  - Review the responses and select the 2 -4 most qualified firms to come in for an interview.
  - Set date for interviews
    - Complete in one day if possible
    - Allow no longer than 1 1/2 hours per interview
    - Prepare a list of questions

# The RFQ Process

- Select the most qualified firm to perform the work based on knowledge, experience, past projects, team members specific experience in providing similar services, past project fees vs. Final fees (ask for these in the cover letter) and references.

# The RFQ Process

- Evaluation of firms
  - Interview team discussions immediately following the interview
    - Leads to a better understanding of the firms understanding of the services required
    - Sharing of team members perspective
    - Agreement on positives and not-so-positives about the firm.
    - Attempt to reach a consensus

# The RFQ Process

- Evaluation Point System
  - Some agencies like using a point system based on major criteria for the project
    - Set up point system with weights
    - Evaluate each firm on each criteria
    - Develop a score for each as a basis of selection.
      - Weighted

- *Criteria.*

Develop a hierarchy of decision *criteria*,

*Weights.*

Assign a *weight* to each criterion based on its importance in the final decision.

- *Scores.*

Rate each option on a ratio scale by assigning it a *score* or *rating* against each criterion **decision**

# Sample Evaluation Criteria

- **A.** Design philosophy and approach to design in general.
- **B.** Prior design service experience with projects of similar scale and complexity.
- **C.** Prior experience with public-sector clients and processes for projects of similar scale and complexity.
- **D.** Clear understanding of the project.
- **E.** Professional qualifications of individuals assigned to the Project.
- **F.** History of effective schedule and budget management for projects of similar scale and complexity.
- **G.** Use of processes that creatively engage staff and other stakeholders in all stages of design.

# The RFQ Process

- Notify the selected firm and those not selected.
- Be prepared to answer questions from firms not selected as to why they were not selected.
  - Selection based on qualifications and experience for the specific tasks required

## Negotiate Final Scope and Fee with the Selected firm

- Ask selected firm to submit to you a written Scope of Services based on their understanding of the services requested.
  - This tells you for sure if they understand the project and scope.
  - Make sure their Scope matches the services required.
- Ask for a fee proposal.
  - Ask that the fee proposal be broken down
    - Employees:
      - By Task, including hours allotted by Task
      - By Hours Allotted, total
      - By subconsultants, if applicable
      - By reimburseable fees, if any
      - Permitting services, if applicable
      - Project Representation during construction, if applicable

# The RFQ Process

- Make recommendation of final scope and fee to the appropriate parties
  - Department/Division Director
  - City Manager
  - Governing Board

# Approvals

- The N. C General Statutes are silent on the need to have Governing Board approvals for these types of contracts
  - Good rule is to seek approval rather than ask forgiveness
  - Make sure funds are appropriated prior to seeking approval in order to be in compliance with the Fiscal Control Act.

# The Contract

- Prepare the contract for authorized signatures.
  - Use City contract with scope of services and fees attached if possible
  - Beware of the consultants contracts
    - Many time these are written by them for them and offers the local government limited protection
    - Work with your Attorney on the contracts terms and conditions.
    - Do not back down readily from your terms and conditions, the selected firm wants to work for you!!!

# The RFQ Process

- Finalize and execute the contract
- Prepare purchase order (encumbers funds)
- Send copy to selected company with a letter authorizing them to begin work
- Send copies internally to Project Manager and key employees.