

**WS9**  
**SELECTION OF CONSULTANTS**  
**NEW TRENDS & ISSUES**

**FIDIC GUIDELINES**  
**FOR THE SELECTION OF CONSULTANTS**

**Selection Task Force**

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SELECTION OF CONSULTANTS



**FIDIC Guidelines  
for the Selection of Consultants**

INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS

- **DEFINITIONS**

  - National Consulting Firm

  - Foreign Consulting Firm

  - Locally Based Foreign Consulting Firm

- **USEFUL TERMS**

  - Consulting Services

  - Individual Consultant, Consulting Firm

  - Client, Owner

  - Contract, Agreement

  - Design-Build, PFI, NGO

  - Not-For-Profit Organizations

- **INTRODUCTION (Purpose, Preparatory Steps)**

# DEFINITIONS

**National Consultancy Firm** : a consulting firm 1) with a registered office and centre of activities in the country where a project is realized, and 2) the majority (more than 50%) of the firm's capital is provided independently of foreign interests by nationals of the subject country.

**Foreign Consultancy Firm** : a consulting firm which is not a National Consulting Firm, in that it does not comply with the two above criteria.

**Locally Based Foreign Consultancy Firm** : a Foreign Consulting Firm with a registered office in the country where the project shall be realized.

**Not-For-Profit Organizations** :organizations providing consulting services which are not legally and financially autonomous and/or do not operate under commercial law and/or are non-profit entities, such as government owned institutions, UN agencies, universities, etc.

## **PURPOSE**

The purpose of these guidelines is to present the commonly used methods of consultant selection, to explain the respective procedures and to combine them all into one compact document, as well as to emphasize and explain FIDIC 's policies on the subject of selection.

# FIDIC RECOMMENDATIONS



Recommended Selection Method

Transparency

Capacity Building

Integrity

Fair Competition

Harmonisation

Limitation of Liability

Insurance

Life-Cycle Costs

Monitoring Outcomes

## **RECOMMENDED SELECTION SYSTEM**

FIDIC recommends that the preferred selection method for consulting services be the Quality Based Selection method (QBS). In particular, FIDIC recommends the QBS method as the only method for those projects where there's a multiplier effect, or significant complexity, or damage should the project fail.





## **TRANSPARENCY**

FIDIC recommends, in the interests of all parties (stakeholders) in a project, that the maximum degree of transparency be maintained during any consultant selection, regardless of the method used and the source of the project financing.

## **CAPACITY BUILDING**

FIDIC favors and works for building the capacity of the consulting industry at large, and especially of National Consulting Firms in developing and transition economies .

# INTEGRITY

FIDIC recommends that consulting firms adopt the **FIDIC Business Integrity Management System (“BIMS”)** wherever possible, and that clients have regard to this policy during selection.

# **FAIR COMPETITION**

FIDIC recommends that, in the public interest, consulting firms compete with each other for providing consulting services on a transparent , “level playing field” basis.

# HARMONISATION



FIDIC recommends that consulting firms and/or their national associations be consulted on the development or implementation of selection procedures, particularly where these differ from standard selection procedures. The costs to an economy of any unilaterally developed procedures can be high, and may impede the future export of services.

## **LIMITATION OF LIABILITY**

FIDIC recommends that it is in the interest of clients as well as consultants to limit the liability of the consultant at a fair level, and in accordance with the principles reflected in FIDIC's **“Client/Consultant Model Services Agreement”**.

## **INSURANCE**

FIDIC recommends that insurance required from the Consultant be limited to what is provided for, in FIDIC's **“Client Consultant Model Services Agreement”**, and in no case be requested for risks that are insured by other parties or otherwise reasonably to be carried by them.

## **LYFE CYCLE COSTS**

Lyfe cycle cosyts should be identified, with expert advice if necessary, and will logically influence the choice of design solution and emphasize the importance of quality in the selection of the consultant.



## **MONITORING OUTCOMES**

Clients such as government agencies, which have a series succession of projects over time, have the opportunity to monitor and analyze the outcomes and assess the performance of consultants against the methods adopted for selection. FIDIC recommends that this be done, and that the client assesses the information so gained to modify or at least fine tune the approach.

# SELECTION OF INDIVIDUAL CONSULTANTS



Kinds of Assignments, Procedures, etc.

# SELECTION OF CONSULTING FIRMS

Quality Based Selection (**QBS**)

Other Selection Methods

Quality & Cost Based Selection (**QCBS**)

The Budget Method (Target Price Method)

Design Competition

Price Negotiation

Cost Based Selection (Lowest Price Conforming Method)

Single Source Selection

# **BASIC CHARACTERISTICS & PROCEDURES FOR 'QBS' & 'QCBS'**



Announcement and Prequalifications (Long Listing)

Short Listing

Request For Proposals (RFP)

(Letter of Invitation, TOR, ITC, Proposed Agreement)

Preparation and Submission of Proposals

Receipt and Opening of Proposals

Evaluation of Proposals

Selection of the Consultant and Negotiations

Agreement

Notification

Debriefing

# EVALUATION OF CONSULTING FIRMS IN PFI PROJECTS

Importance of the consultant in PFI groups, etc.

## OTHER ISSUES

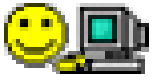
Conflict of Interest 



Alliances

Fraud and Corruption and The Need for Integrity

Sustainability



Capacity Building

Informed Purchasers