

# Quality Procurement Workshop



FIDIC Annual Conference  
Budapest, Hungary  
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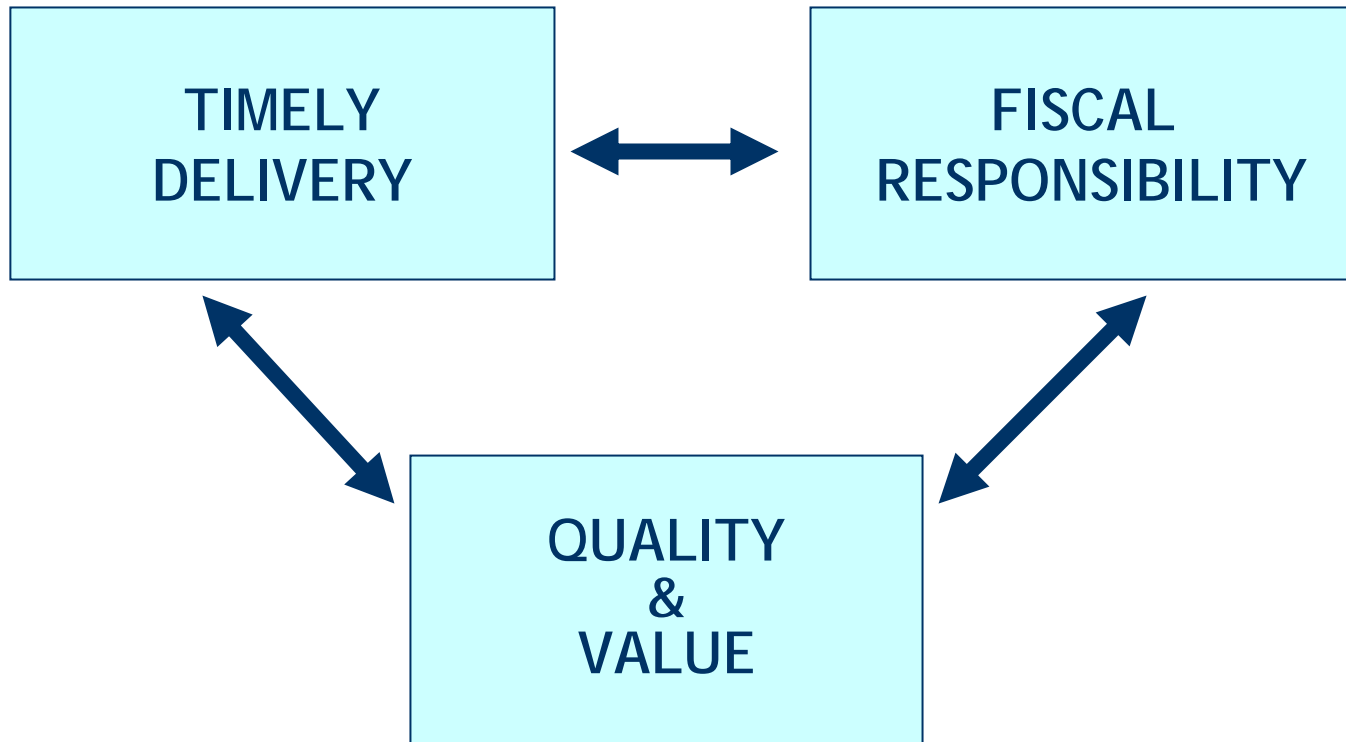
# How can professional services be acquired for the best results?

**Chair:** John Gamble  
Association of Consulting Engineers of  
Canada

**Facilitators:** Panos Panagopoulos  
ECOS Consulting S.A. (Greece)

Xie Shaozhang  
CHELBI Engineering Consultants, Inc.  
(China)

# What are the “best results”?



# What is quality?



- The Oxford Dictionary:
  - The standard of something measured against other things of a similar kind
  - General excellence or high social standing
  - A distinctive attribute or characteristic
- However, in the real world:
  - “Quality is in the eye of the beholder”

# So, who decides quality?

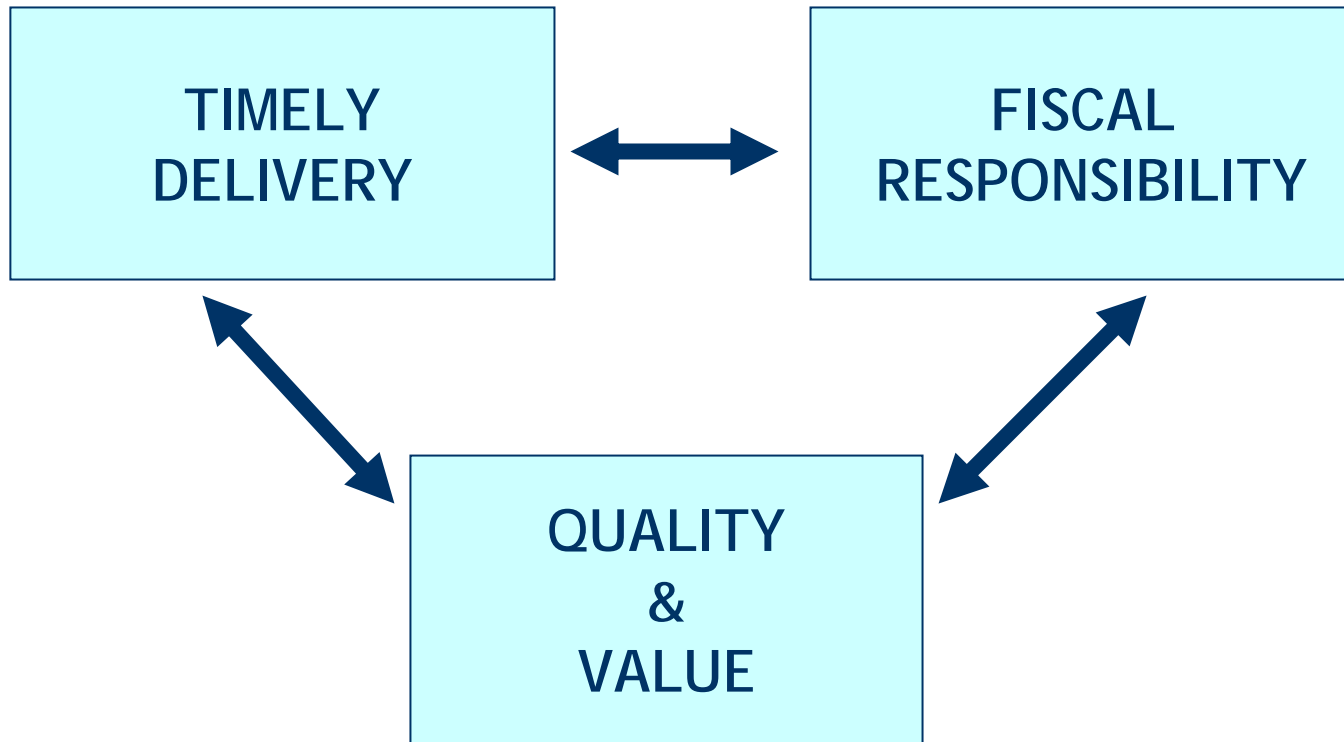
- The “user” perspective:
  - Did I get what I wanted?
  - Did I receive good service?
- The “accountant” perspective:
  - Was it on budget and on schedule?
  - What is my risk and liability?
- The “consultant” perspective:
  - Did I deliver what was asked for?
  - Was the project commercially successful (finance & risk)?



# How do we deliver quality?

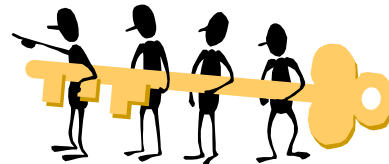
- The “user”:
  - Identifies objectives & requirements
  - Provides available baseline information
- The “accountant”:
  - Sets reasonable budgets and schedules
  - Clearly defines expectations for risk
- The “consultant”:
  - Provides professional services and informed advice
  - Allocates and manages sufficient resources

# Quality requires consensus



# Procurement is the key to quality

- Establishing common objectives and agreeing on desired outcome
- Understanding cost-benefit-risk relationships
- Clarifying roles and responsibilities (trusted advisor)
- Selecting the right team for the job (qualifications)
- Determining needed resources (fees and schedule)





# Quality-Based Selection (QBS)



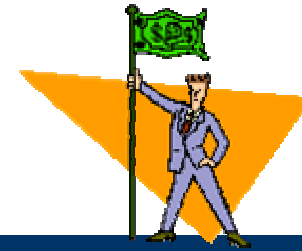
- QBS is designed to achieve a desired level of quality and service
- Professionals compete based on qualifications and understanding of client's needs
- The client ranks the proposals based on ability to achieve project objectives
- The fee (and sometimes schedule) is negotiated with the top ranked proponent

# What about QCBS or low-price?

- Long-term value sacrificed for short-term interests
- Firms penalized for better anticipating client needs or potential complexities
- Conversely, firms rewarded for committing less effort and fewer resources
- Innovation discouraged

*If we don't ask for QBS, we won't get QBS*

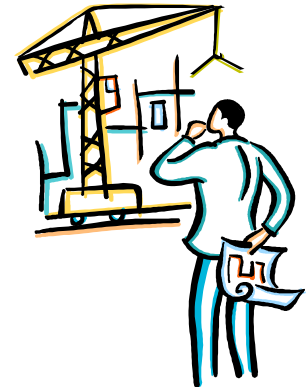
# QBS is good business



- Competitive and transparent process
- Provides proper fees and remuneration
- Better reflection of the value of the professional services offered
- Allows consultants to innovate and to re-invest in their practices
- Allows higher quality service and long-term value
- Encourages strong and sustainable engineering sector

# What's in it for the client?

- The client gets the right team for the right job
- Better service and better quality
- Better value and life-cycle savings
- More innovation and better sustainability
- More realistic schedules and budgets
- Better business relationship between client/consultants/contractors



# What are the barriers to QBS?

- Perception that engineering is a commodity rather than a professional service
- Political and economic factors (pressure to seek short-term savings)
- Clients that don't understand the long-term benefits of QBS
- Consultants that don't understand the long-term benefits of QBS
- We give up too easily (we "play the game")

# How do we overcome barriers?

- Deliver a consistent message on QBS
- Educate our members of the importance of QBS to the industry
- Educate clients of the long-term, sustainable benefits of QBS
- Coordinate our efforts and share information among members
- Be selective in pursuing clients

# Recent Canadian experience



- QCBS still common in Canada
- ACEC established promotion of QBS as its greatest priority
- Members agreed to a common definition of QBS supported a common message
- ACEC earned credibility with public sector
- ACEC invited to collaborate on a Best Practice by *InfraGuide* - a national government initiative

# *InfraGuide*



National Guide to Sustainable  
Municipal Infrastructure

- *National Guide to Sustainable Municipal Infrastructure:*
  - Federation of Canadian Municipalities
  - National Research Council
  - Infrastructure Canada
  - Canadian Public Works Association
- National network of public infrastructure experts
- Published over 50 Best Practice documents to assist infrastructure decision makers



# *Selecting a Professional Consultant*

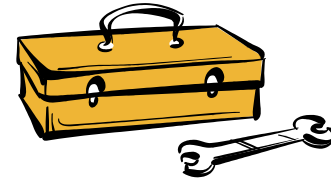
*“The recommended consultant selection process is a competitive qualifications-based process (QBS)”*

- Developed by the public sector for the public sector
- Supported by extensive interviews and research
- Gives enormous credibility to QBS

# What can FIDIC do for its members?

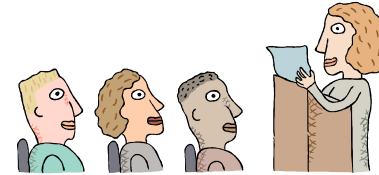
- Advocate a strong position on QBS
- Encourage the sharing of information and experiences of its members
- Develop tools such as best practice guides
- Collaborate with organizations that support QBS
- Identify and recognize clients that adopt QBS
- Provide training for members (for clients?)
- Consider a “code of practice” for members

# What tools do we need?



- A consistent industry-wide message to promote QBS
- A QBS “library” including successful QBS strategies
- Documentation of successful uses of QBS by clients
- Roster of QBS “champions” (especially clients, legislators and financiers)
- Best Practices and other resources that establish FIDIC as a leading authority on QBS and quality

# Who is the audience?



- Our members
- Our clients (and end-users)
- Policy makers and regulators
- Financing organizations
- Other organizations and associations (opportunities for collaboration?)

*We also need to recognize cultural, political and economic diversity*

# What can we do?



- As FIDIC members:
  - Support a strong FIDIC position on QBS
  - Promote the adoption of the FIDIC position by other organizations (especially clients)
  - Share information, experiences and successful strategies
- As practitioners:
  - Be selective in the projects we pursue
  - Prepare realistic proposals and project budgets
  - If selected using QBS, deliver the expected quality

# How can professional services be acquired for the best results?

- Identify two or three actions that promote “quality procurement”
- Each table selects a scribe to record and present its findings (using QBS of course!)
- Our recommendations will help FIDIC develop an integrated strategy at tomorrow’s plenary session



# Where the roads meet...

- We can choose to be the “trusted advisor” ...  
or to be contractors
- We can choose to offer professional services...  
or to be a commodity
- We can choose to lead...  
or to follow

*Let's choose to be successful!*

