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FIDIC-SIDiR-EFCA Regional Infrastructure Conference

**Krakow
7 & 8 March 2016**

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FIDIC experiences with QBS

QBS?

Quality (Qualification) Based Selection



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FIDIC experiences with QBS

Agenda

- QBS – the principles
- QBS – the mechanics
- ‘Why QBS’

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The Principles

- Selection of firms for A/E services on the basis of
 - Demonstrated competence
 - qualifications
- ‘Fair and reasonable’ fee negotiated
- An exception to the government's reliance on awarding contracts to ‘lowest bidder’
 - A precursor to the 1990s trend to move to ‘best value’ procurement

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The Rationale

- Public procurement of constructed facilities involves billions of euros
 - ROI highly dependent on A/E services
 - feasibility studies
 - design
 - operation and maintenance.
 - Quality of the A/E services determine what the life cycle cost



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The Results

- QBS provides the public with quality, cost effective and efficient A/E services on projects that stand the test of time
- Fosters a true public-private partnership that stands as a model for how government and private sector can work together to enhance the built environment
- Tried and tested by the US Government since 1972



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The Mechanics

- Public announcement for all architectural and engineering services
 - Submission of qualifications statements
- Selection based on demonstrated technical competence and professional qualifications directly related to the professional services required
- Discussion and a ranking of firms in order of preference
- Negotiation with the highest qualified firm
 - To reach 'fair and reasonable price'
- Negotiation with the second highest qualified offeror if a satisfactory agreement cannot be reached with the first ranked offeror



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The Mechanics

- Two levels of selection criteria
 - Primary: Used for selection
 - Specialized experience and technical competence
 - Professional qualifications
 - Past performance
 - Capacity
 - Familiarity with locality/site conditions
 - Secondary: Used as 'tie-breaker'
- Money considered at the 'right' time
- Competence of selection board
 - Negotiation amongst equals
 - Procurement and technical competence required



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QBS: A Three Step Process

Step 1


Identify Most Qualified Firm

Establish Project Specific Requirements and Evaluation Criteria


In Case of Agreement, go to Step 3

In Case of No Agreement, Continue Step 2 with Next Most Highly Qualified Firm

****Proceed to Step 3 only after agreement on Step 2**

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QBS: A Three Step Process

Step 2

Define Scope and Negotiate Terms

Invite Most Highly Qualified Firm to Define Scope and Negotiate Terms

Obtain Statements of Qualifications from Firms [no price data]

Identify Shortlist of Firms

Interview and Rank Firms on Qualifications

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QBS: A Three Step Process Step 3

Advantageous Contract Agreement

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graph TD
    A[Obtain Fee Proposal from 'Successful Firm [in step 2]'] --> B[Negotiate Price to ensure 'Fair and Reasonable']
    B --> C[Meeting of the Minds?]
    C --> D[Enter into Agreement]
  
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Obtain Fee Proposal from 'Successful Firm [in step 2]

Negotiate Price to ensure 'Fair and Reasonable'

Meeting of the Minds?

Enter into Agreement

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FIDIC experiences with QBS

- “FIDIC recommends QBS as the preferred method, and as best international practice for the selection of Consultants for Consultancy Engineering Services.”

Why?


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FIDIC on QBS

WHY QBS?

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Conclusion

“It is unwise to pay too much, but it is worse to pay too little ...

...If you deal with the lowest bidder, it’s well to add something for the risk you run, and if you do that, you will have enough to pay for something better. “

John Ruskin (1819 - 1900), English art critic and social thinker.

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