



## RFI - Qualification Based Selection Model and Social Procurement

### ANNEX A QUESTIONS (Draft RAIC, BL)

#	Question	Response
Q1	Please provide a brief description of your organization (100 words or less). Your response could also include any experience you have in responding or working with QBS RFP's. Also, based on the definition of a diverse supplier (see section 4.), do you meet the criteria to qualify as a diverse supplier? Include the name, mailing address, phone number, and email of a designated contact.	The RAIC is a not for profit organization that advocates on behalf of Canadian architects. Contact: Bruce Lorimer Chair, Procurement Working Group 330-55 Murray Street Ottawa, Ontario 613-327-3896 <a href="mailto:blorimer@raic.org">blorimer@raic.org</a>
Quality Based Selection Model		
Q2	What advantages or disadvantages does the QBS method present in the selection of a Design Consultant? What advantages or disadvantages does the current model (using 90% technical and 10% cost) present in the selection of a Design Consultant? Would you recommend any other options?	QBS gives an incentive for consultants to add value through innovation and maximizing design life and associated life-cycle savings.  Current process penalizes consultants that wish to innovate, commit more resources or anticipate complexities. The lowest fee encourages the lowest service.  Protects against possibility of a vendor winning on an artificially low price resulting in a poor or unfinished product with associated claims.
Q3	Is there potential for QBS to have a positive/negative impact on the ability to support small and medium enterprises in the real property design Industry?	QBS generally focuses on the specific team committed to the project rather than the size of firm. Criteria in the qualification stage will be the impetus for supporting SMEs.  Experience in other jurisdictions have shown SMEs are more competitive under QBS



Q4	PSPC's intention is to only issue Phase 2 of the RFP to the three highest responsive bidders. The highest responsive bidder would provide PSPC a fee proposal to initiate negotiations; if this negotiation fails PSPC then begins negotiations with the second highest responsive bidder. What are your views? Or would you prefer to eliminate Phase 2 in its entirety and have a single phase QBS process?	<p>This depends on the complexity of the project, but generally agreed that a two-phase process is fair.</p> <p>A two-phase procurement would reduce pursuit costs for firms.</p>
Q5	How would the initial cost of design, due to innovations and improvements to Scope/TOR, be outweighed by final project performance that results from good design solutions (costs, schedule and quality)?	<p>This has been well documented in other jurisdictions. PSPC needs to consider capital and operating costs at the outset of a project.</p> <p>QBS has resulted in significant reductions in construction changes and schedule delays. High quality innovative design and contract documents can extend design life, allow more efficient operation and maintenance, and provide healthier living and working built environments.</p>
Q6	What type of project (or project characteristics) would most benefit from the QBS method? What type of project (or project characteristics) would benefit the least from the QBS method?	<p>Unique designs or outcome-based procurement.</p> <p>High complexity and/or high-risk projects. Design competitions benefit from QBS.</p> <p>Any project requiring technical competence can benefit.</p> <p>Simple repairs requiring a fast turn around may not benefit.</p>
Q7	How could this process allow for the discussion of innovative ideas, alternative approaches, and new technologies which should reduce life cycle costs? Could you provide an example and explain to which extent? Furthermore, In the event that three firms bring forward very different solutions, how can we fairly assess proposals?	<p>Ideas and approaches are generated by the requirements of the qualifications portion and depend upon the quality of the project team preparing them. Expertise is needed by those developing the RFP.</p> <p>Ideally the process should generate different solutions. The criteria in the process should be measurable and the evaluation team must be qualified. Firms must demonstrate how their submissions meet or exceed the criteria.</p>



Q8	Would oral presentations be valuable to validate the content of the submissions presented in Phase II? How do we ensure this is a success?	<p>Yes. Particularly for complex scopes or innovative proposals.</p> <p>Oral presentations should focus on features of the proposal that will distinguish proponents from one another rather than “boilerplate” information. The nature of the presentation will vary according to the criteria in the qualifications stage.</p>
Q9	To what extent would the scope and schedule need to form part of the negotiations in order for QBS to be of value in the selection of a Design Consultant?	<p>The negotiation of scope and schedule ensures a mutual understanding of project outcomes by owner and consultant and can identify issues and risks.</p> <p>The negotiation of scope and schedule ensure a correlation between services to be provided and fees</p>
Q10	<p>Under NAFTA and other trade agreements, Canada may not be allowed, under the QBS context, to negotiate the Terms of Reference resulting in a change or deviation from the scope, project description, etc., set out in the solicitation document.</p> <p>Do you think that QBS could be achieved without negotiating the TOR?</p>	<p>This is not true. In fact, the ability to negotiate is explicitly recognized in some agreements</p> <p>QBS is mandated by federal law in the US and applies to any project using Federal funds.</p> <p>QBS would bring federal procurement practices more closely in line with the US.</p>
Q11	How could PSPC conduct fee negotiations in the framework of QBS? How could Canada support best value as a result of these negotiations?	<p>The City of Calgary has had decades of success with QBS and can share its experience. Both the City and its consultants feel that the QBS process, including negotiations, have been successful and beneficial to both.</p> <p>Additionally, GSA in the US has trained negotiators, PSPC could follow this model. Negotiations should consider operations and maintenance, and occupancy costs as well as construction cost to put the services and fees in perspective.</p>
Q12	Would the price support clause, referred to in section 3.3, be valuable or the most difficult	A&E firms cannot be measured as if they were producing commodities. PSPC should enter a procurement process with a solid idea



	<p>during fee negotiations to support best value? Please explain your response.</p>	<p>of the range of fees to be requested. The selected firm should be expected to demonstrate how its fee base was established. This can be done through previous projects, analysis of time required for the various aspects and so on.</p>
Q13	<p>In your experience, would the use of Engineering or Architectural Association fee guidelines such as the following, be appropriate to support price during fee negotiations? How would this ensure best value for taxpayers? Could it serve better than the current process?</p> <p><u>Association des firmes de génie-conseil du Québec</u> Schedule of Fees 2015-2016 edition <a href="http://www.afg.quebec/uploads/AFG_Bareme_honoraires_2015_EN.pdf">http://www.afg.quebec/uploads/AFG_Bareme_honoraires_2015_EN.pdf</a></p> <p><u>Ontario Society of Professional Engineers (OSPE)</u> Fee Guideline 2015 <a href="https://www.ospe.on.ca/public/documents/general/2015-fee-guideline.pdf">https://www.ospe.on.ca/public/documents/general/2015-fee-guideline.pdf</a></p> <p><u>The Royal Architectural Institute of Canada © 2009</u> A Guide to Determining Appropriate Fees for the Services of an Architect <a href="https://www.mbarchitects.org/docs/guide_architectservicefees(e).pdf">https://www.mbarchitects.org/docs/guide_architectservicefees(e).pdf</a></p>	<p>Fee schedules are used in context of QBS in some jurisdictions.</p> <p>The owner would be expected to use realistic fees and be prepared to adjust them to reflect inflation, risk, method of delivery, and geographical variations in costs.</p> <p>It is important that guidelines are regularly updated to reflect current market and economic conditions.</p> <p>Best value for the tax payer needs to be considered over the life of the facility. To achieve best value RFPs must be set up in a manner that recognizes life cycle costs. A low initial fee, if inadequate, provides no value to the taxpayer.</p>
Q14	<p>Please see previous question: do you know of any other supporting documentation that could be used to support best value during fee negotiations?</p> <p>What other documentation or supporting method would you propose?</p>	<p>A number of provincial associations publish suggested fee schedules and/or salary surveys that can be used to benchmark negotiations. It is important that guidelines are regularly updated to reflect current market and economic conditions.</p>
Q15	<p>The QBS Model in the United States has a maximum on the professional AES fees of 6% (of the construction costs) relating to the production of tender drawings and</p>	<p>Design fees as a percentage of construction are only appropriate in simple designs.</p>



	<p>specifications. All remaining costs are negotiated. Is this 6% cap deemed fair in the Canadian marketplace?</p>	<p>Design fees as a percentage of construction costs could be a disincentive to reduce constructions costs.</p>
Q16	<p>How appropriate would it be to apply a percentage cap to the Consultant's fees for the entirety of the services? If appropriate, what % cap would be considered fair and reasonable?</p>	<p>A critical part of staying within a fee base is the behaviour of the client. If initial requirements are not accurate or change, if decisions are not timely, etc. the consultant's time may increase with the need for more fees. A cap only works if nothing changes.</p>
Q17	<p>It would be Canada's plan that the basis of the price negotiation could include as an option an "open book" approach to negotiation. Under this scenario, potential consultants could be required to provide Canada with the necessary supporting costing details of its operations and the planned project costs. How would this condition affect your firm's decision to participate in the RFP process?</p>	<p>Note that this may require consultants to reveal employee salaries in violation of PIPEDA.</p> <p>This may also require firms to reveal commercially sensitive information which could discourage innovation or even participation.</p> <p>In any event, this would have to be clear in the RFP so that firms can make an informed decision whether to participate.</p>
<b>Social Procurement</b>		
Q18	<p>Could you recommend approaches for incorporating social procurement measures along with A&amp;ES procurements?</p> <p>For example, one approach could be to include a rated criterion in the RFP Phase I to award 5-15% of the total technical score to diverse suppliers. A diverse supplier is currently defined as a business owned or led by Canadians from underrepresented groups, such as women, Indigenous Peoples, persons with disabilities and visible minorities. Each business is usually defined as being owned, operated and controlled by 51% of a given group (e.g., women-owned business, Indigenous-owned business, persons with disabilities-owned business, or visible minority-owned business).</p>	<p>The ownership in a firm does not always mirror the roles of employees or their career development. For example, there are many firms with female partners but they may not make 51% of ownership. Also, indigenous architects may not yet be in a position of ownership in a firm so consideration should be given to the diversity in a firm and the role of underrepresented groups.</p> <p>One of the key benefits of QBS is the emphasis on the project team, therefore these measures should request information on who would be placed on the project and their role in the firm. The principal should be to promote career development to help place under represented groups in ownership positions.</p>



		<p>Government procurement practices by exaggerating experience requirements can favour larger firms over SMEs that are capable of doing the work. There is a trend currently towards very large firms which could hurt the groups that this effort is trying to help. PSPC needs to change its experience requirements.</p>
Q19	<p>With respect to increasing supplier diversity what measures would you propose PSPC consider?</p>	<p>As a principle, it is better to reward firms that propose diverse teams than to “punish” or prohibit participation by firms that do not meet a “benchmark”.</p> <p>RAIC is supporting the Canadian Architectural Licensing Authorities through an educational program for ESDC for the licensure of foreign architects.</p>
Q20	<p>What approaches could PSPC undertake to increase accessibility and capacity of diversity in the procurement system?</p>	<p>PSPC must select pertinent projects and design a qualifications section which recognizes diversity in the consultant team with criteria that can be measured.</p>
Q21	<p>Are you aware of any other organizations, besides those listed in section 4 of this RFI, that certify diverse suppliers or social enterprises?</p>	<p>R21</p>
Q22	<p>Certification bodies typically charge a fee to certify a business as a diverse supplier or social enterprise. Are you willing to pay an extra fee to be certified? Do you think it is fair or creates a barrier for your entry?</p>	<p>This will depend upon how diversity is defined and how it is measured. Given that it will be primarily applicable to SMEs the size of the fee could be contentious.</p>
Q23	<p>Should PSPC use attestation (self-certification) followed by audits, or certification by established certification organizations to qualify diverse suppliers and social enterprises? What other methods would you propose we use to verify diverse suppliers?</p>	<p>Some form of certification can be required during contract negotiation.</p> <p>Both professional engineers and architects are licenced and regulated under provincial law and can be relied upon to self-certify based upon clear requirements.</p>



Q24	Do you anticipate the government of Canada's commitment to increasing the diversity of businesses owned or led by Canadians from underrepresented groups will have an impact on your participation in A&ES procurements?	<p>This initiative, if not overly prescriptive or overly punitive, could possibly aid smaller firms and encourage them to diversify. However, we anticipate that some firms may object.</p> <p>PSPC should select the projects carefully so that the requirement for underrepresented group participation is easily explained.</p>
Q25	What other measures could be incorporated into this method of supply to leverage the government's buying power to support the objectives of the Minister's mandate letter stated in 4.2 of the RFI?	<p>Leveraging the Government's buying power is not the objective. The objective is to aid in the development of A&amp;E firms significantly made up of underrepresented groups and to provide the best possible life cycle value to PSPC.</p>
Q26	Do you have any other comments or recommendations?	<p>With respect to QBS, PSPC must be committed to follow through. Expectations will be raised and credibility will be severely affected if pilot projects using QBS do not follow.</p> <p>With respect to social procurement, consultants often find it difficult to compete for the limited number of employees currently available from diverse backgrounds due to the more stable employment and more generous benefit usually offered by the public sector.</p>