Behind the Curtain –
The RFQ/RFP Process from the Consultant's Perspective

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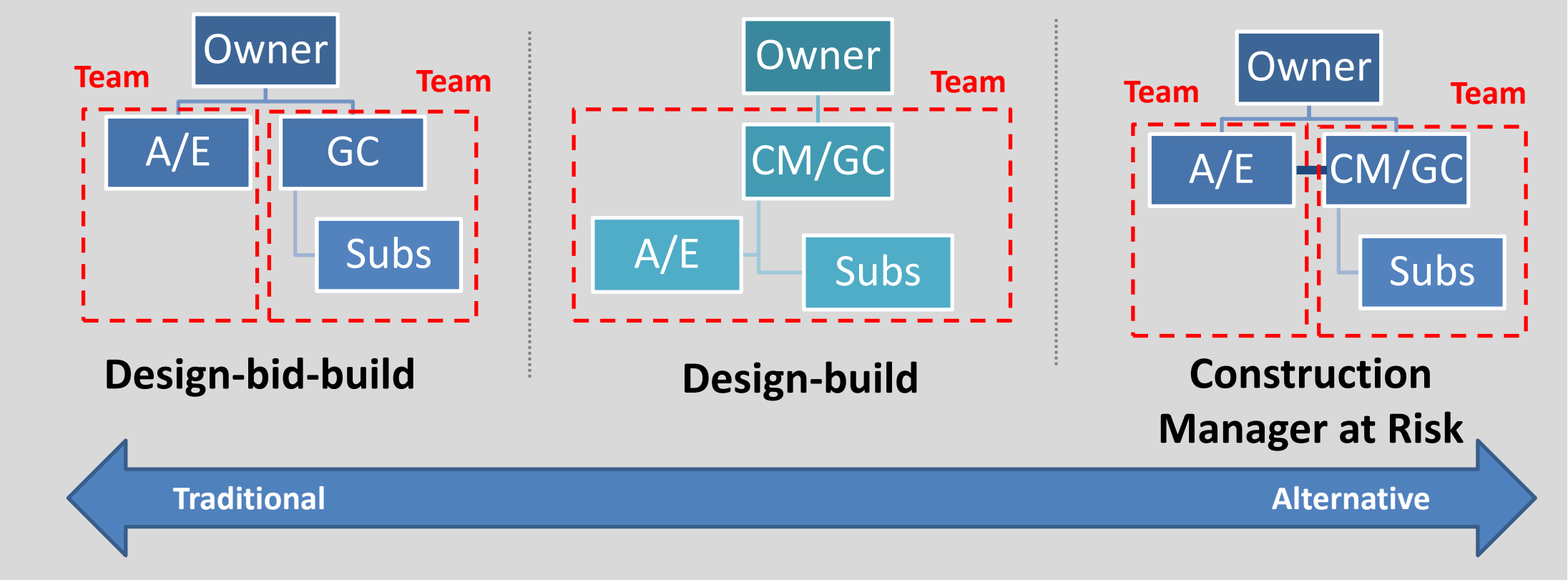
RFP/RFQ Process Overview

Agenda

- Project delivery process and methods
- How Owners engage A/E firms
- Owner's front-end project development
- Case studies
- Key points for project success

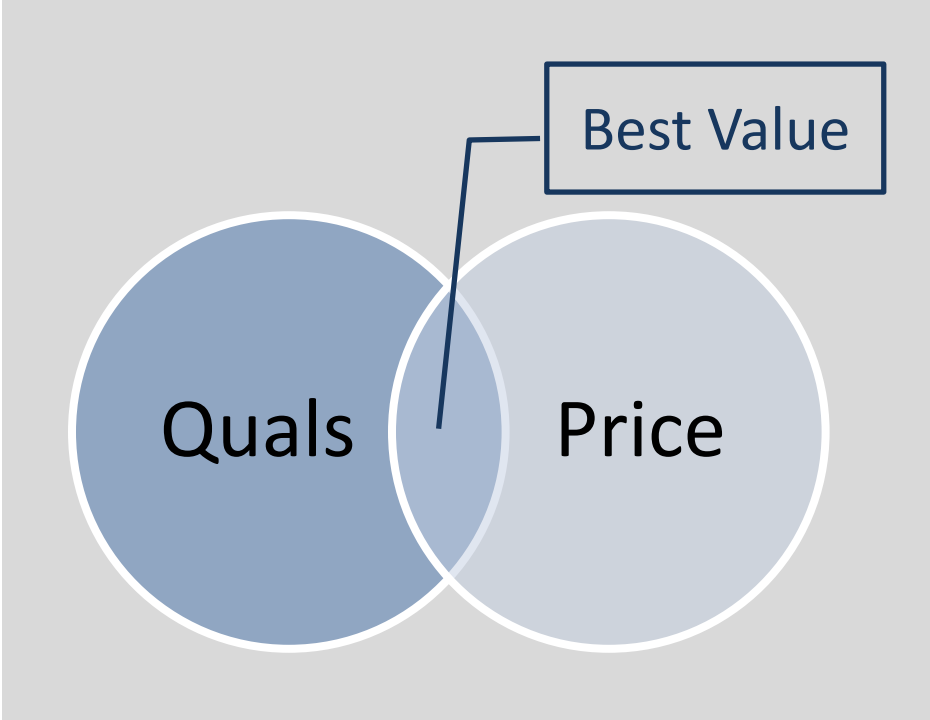
Project Delivery Methods



- The methods above are generalized; there are many team variations

Project Team Selection Criteria

- **Price-based**
  - Awards low bidder (no RFQs)
  - Can cause project problems: Degraded quality, longer schedule, more change orders
- **Qualifications-based Selection (QBS)**
  - Competition based on **experience and technical expertise** rather than price
- **Best Value (BV)**
  - Includes price as selection scoring criteria in addition to qualifications



Qualifications-Based Selection

QBS advantages over price-based:

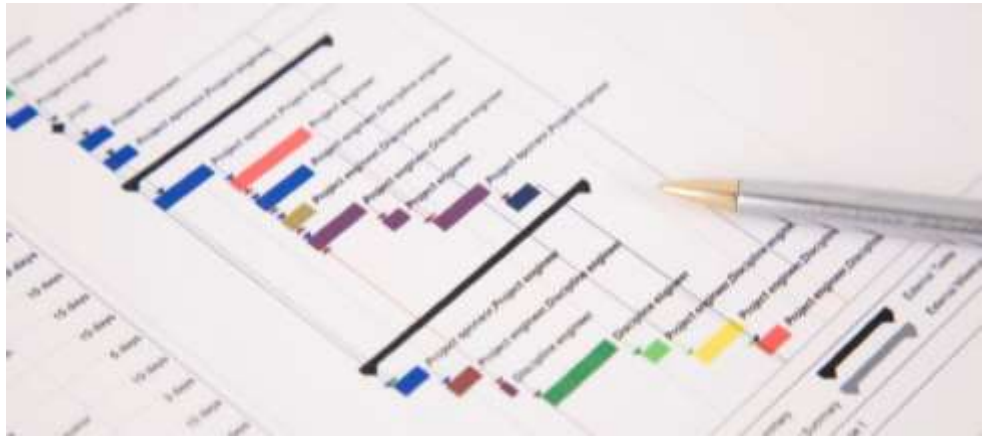
- Proven to help control construction costs
- Decreased risk – allows owner to work with designer to overcome technical issues
- Protects intellectual property of the A/E firm
- Stakeholder relationships and trust can foster sustainability/innovation

QBS Process for Selection

1. Owner prepares scope of work and A/E evaluation criteria
2. Receive A/E Firm qualifications
3. A/E firm evaluation
4. Shortlist (usually 3-5 firms)
5. Interviews
6. Price negotiations with top ranked firm
7. Negotiate agreement on price to fit budget (or engage next-best firm)

QBS Solicitations

- **RFI** – Request for Information
  - Expression of interest
- **RFQ** – Request for Qualifications
  - Company/Team summary
    - Capabilities and project experience
    - Resumes and org charts
  - Scope review and special conditions
- **RFP** – Request for Proposal
  - Detailed scope and fee
  - Schedule and deliverable commitments



Solicitation Content

- QBS Goal: match the project criteria to the to the skills and experience of the firms
- Project criteria needs to be well-defined:
  - Name, location, project type
  - Budget
  - Schedule
  - Functionality (Operation, safety, maintenance, environmental)
  - Expected outcomes (Life cycle, energy efficiency, reliability)
- The more information the owner provides on the project, the better

Front-end Engineering and Design (FEED)

- Illustrate value and opportunity at early stages
  - High potential to influence outcome of project
  - Front-end definition needed to get the **accuracy** needed to accomplish objective
- Requires upfront investment but can be critical for project success

Conceptual Study – where the broad concept is tested, and number of options are considered	**Pre-feasibility study** – options are evaluated, and one preferred option is recommended/prioritized for development	**Feasibility study** – one selected option is confirmed viable and aspects are defined in greater detail such as scope, schedule, and cost

- Weigh the risk placed on owner versus the team for a successful project

Cost Estimation Classification

Estimate	Purpose	Project Definition	Accuracy	Methodology	Preparation Effort
Class 5	Screening	Low	Low	Judgement	Low
Class 4	Concept				
Class 3	Budgeting				
Class 2	Bid				
Class 1	Check	High	High	Deterministic	High

- Good resource: Association for Advancement of Cost Engineering
- Effort needed for budgeting increases as project progresses
- Poor budgeting at RFQ/RFP stage can have negative outcomes
  - Immediately noticeable by experienced A/E firms
  - Causes concern over whether project expectations are realistic
  - Seen as a **significant risk** to the success of the project

RFQ Case Studies

Microgrid at Private University		CHP at Public University	
RFQ Observations	• Specific project details from feasibility studies • Financial analysis showing economic viability • Proposed equipment arrangement / pre-development • Simple quals package requirements	**RFQ Observations**	• Total budget stated; but no breakdown • Limited project details • Required respondents to reveal approach • Extensive use of “essay questions”
RFQ Response	• 26 respondents • 4 firms short-listed • 4 interviews	**RFQ Response**	• 3 respondents

RFQ Case Study Assessment

Microgrid at Private University

- Excellent RFP
- Extensive front-end project development
- Owner able to chose from many team options

CHP at Public University

- Respondents are hesitant to reveal intellectual property/approach
- As a public entity, they are subject to more legal restrictions for issuing RFPs (contributing to limiting respondents)
- Little excitement built around project due to limited details

Key Points for Project Success

Increase effectiveness of solicitations through:

- ✓ Clear objectives
- ✓ Reasonable timeline and due dates
- ✓ Realistic budget
- ✓ No upfront requirement for intellectual property/approach
- ✓ Increased details/up-front effort
- ✓ Don’t ask for information that won’t lead to a decision

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Thank you

Questions?