



GUIDELINE MEMORANDUM

TO: UDFCD Staff
FROM: Ken MacKenzie, Executive Director
DATE: February 01, 2017
SUBJECT: Selection & Renewal of Prequalified Consultants

1.0 STATEMENT OF PURPOSE

The District utilizes engineering consulting firms to provide their knowledge and expertise to manage and/or assist in delivering projects. Engineering consultants are used in all District programs, and this guideline outlines how consultants are to be selected.

To engage the most experienced and qualified consultants on District projects, a modified Qualification-Based Selection (QBS) process is desirable.

2.0 BACKGROUND

The *American Society of Civil Engineers (ASCE) Volume No. 45, How to Work Effectively with Consulting Engineers*, is used as a guidance document for this guideline. This document outlines the QBS procedure, which was identified as the preferred method of engaging engineering consultants by a national task force in 1964 and published in the ASCE's Manual on Engineering Practice No. 45 (1964, 2002). The federal government and many states, including Colorado, require QBS for engineering services, emphasizing that responsible selection be based on relevant qualifications and not cost. The cost of the engineering services is negotiated only after the best-qualified consultant is selected. If an agreeable cost cannot be negotiated, then the next best-qualified consultant is selected, and the cost of the engineering services is negotiated with that firm. This procedure recognizes that demonstrated consultant expertise and qualifications form the most appropriate basis for selecting engineering services. This document also contains definitions of engineering services that are currently used in the District's standard agreements.

The District's traditional QBS process starts by maintaining a list of consultants that have expressed interest in working on District projects. From this list, a selection team comprised of District and local government representatives typically selects ten engineering consultants to receive a Request for Proposal (RFP). Based on the quality of the proposals, interviews for typically two or three consultants are then conducted by the selection team. The selected consultant enters into negotiations with the District to develop a scope and fee for the project. In the unlikely event the selection team and the consultant cannot reach an agreement on the fee, a negotiation with the next highest-ranked consultant begins. This open

method of selecting a consultant provides opportunities for new companies to obtain work with the District.

The Denver market for engineering consultants with urban drainage design and flood control experience is highly competitive. The District has seen the RFP process become more intensive as the competition between consultants grows. The front-end efforts devoted to researching and preparing a comprehensive RFP take significant consulting hours as does the development and detailing of a design approach for interviews. The additional overhead costs related to these increases in time are ultimately passed on to the District and local governments, but rarely does this additional work prove to be of benefit to the overall success of a project. In light of this, the District believes these increased efforts in the selection process are not of significant benefit to the projects or the taxpayers.

With the recognition that the traditional QBS process is not always the best selection option for local governments, consulting firms, or the public, alternative QBS processes have been developed to provide more flexibility to allow project sponsors options on which selection process best meets the project needs.

It is important to recognize that not all consultants have the same skill set, and there needs to be some level of competition for projects, especially the larger or more complicated ones where a creative approach can have significant construction cost savings. In addition, the selection process needs to be open for new consultants to have an opportunity to obtain District work. The alternative QBS processes take all of this into consideration.

3.0 APPLICATION

This guideline is to be used for selection of all engineering services for which the District is the contract administrator. There may be occurrences when local governments are the contract administrator, but a QBS process must be used if District funds are to be included in the project.

The Stream Services and Watershed Services Programs both utilize consultants on a regular basis, but require different skill sets from the engineering firms; therefore, Watershed Services and Stream Services have separate selection processes as described in *Section 4.0 and Section 5.0* respectively.

All programs within the District can use one of the consultants on the list of prequalified District consultants from the Stream Services Program, go through a traditional QBS process, or award for specialty work directly, with approval from the Executive Director.

The District maintains a database of all consultants that are interested in being considered for District work. Consultants interested in adding their names to the database are asked to complete a questionnaire, which helps us identify their areas of expertise and types of work they are qualified to perform for the District. The questionnaire is available on the District's website and can be submitted at any time. The District uses this database as a starting place for all selection processes.

4.0 STREAM SERVICES PROGRAM PROCEDURES

The Stream Services Program will use a modified QBS process to select a list of prequalified design engineering consultants (DEC). The DEC selection process is outlined below.

- A. At least one local government representative from each of the local governments within the District is invited to join District staff and the Board-Appointed Engineer to select a short list of consultants to send in SOQs from the list of consultants who have shown interest in doing UDFCD work by filling out the interest form that is available online on the UDFCD website.
- B. The SOQ will be based on the following:
- Team structure and staffing
 - Current staff experience working with the District
 - Current staff experience working on urban drainage projects with other local governments within the District
 - On-call / prequalified contract experience
 - Unique qualifications of consultant
- C. The final prequalification decision is made by a team made up of at least one local government representative from each of the seven counties within the UDFCD boundary along with UDFCD staff input and the Board-Appointed Engineer, based on each consultant's SOQ, and the criteria outlined in the DEC Evaluation Form. The number of consultants on the list of prequalified DEC's may vary depending on District needs.
- D. Annually the DEC's will be evaluated by local government partners and District staff on their performance using the DEC Annual Evaluation Form. If the overall annual performance evaluation is satisfactory in all categories, the DEC will stay on the list for another year without resubmitting an SOQ. No more than a total of four years will be offered before the DEC will have to go through the open process of resubmitting an SOQ.
- E. A DEC will be selected by local government partners for specific projects, a scope of work developed, and a fee negotiated. An individual project agreement will then be signed and amended as needed for projects. Hourly rates used by the consultant for the standard categories must be within the standard deviation range set in the District's Consultant Rate Tracking Chart described below.
- F. The District currently maintains a Consultant Rate Tracking Chart to evaluate hourly rates for engineering firms in the Denver Metro region. Rate schedules from this group of local engineering firms for five standard categories of services are averaged and listed for comparison. A standard deviation gives the upper and lower limits of the acceptable hourly rates. This chart of consultant hourly rates is updated annually and used to evaluate a selected consultant's hourly rates. The District also uses past experience of similar projects and the District's project management database for fee trends.
- G. The list of prequalified DEC's will be opened at least every two years to consultants for consideration based on their SOQ. DEC's that have been on the list for four years are required to resubmit an SOQ as part of the open process. Part of the District's commitment to the DEC is to provide work. It is in the District's best interest to spread work out in order to not overload any one consultant and also to develop and maintain a strong list of highly qualified consultants. There is also a strong benefit to the District in providing a steadier stream of work to consultants

on the prequalified list vs. spreading the work more broadly to all consultants. It allows for those prequalified consultants to maintain and develop personnel trained in District project approaches and philosophy, as well as foster working relationships with other partners (contractors, local governments). Regular meetings will be held among the District project managers to:

- Review upcoming projects and schedules.
- Identify and award projects to those firms which are not on the list of prequalified DEC's, but have expressed interest and demonstrated local experience in urban drainage design. These opportunities will allow new firms to gain experience with the District.

H. Typically, local governments will budget projects based on an estimated design and construction cost that is reflected in the project funding requests to the District. This cost will be used to determine which procedure to use for selection of an engineering consultant for specific projects. See Project Delivery Guideline for individual project selections.

5.0 WATERSHED SERVICES PROGRAM PROCEDURES

The Watershed Services Program's selection process will remain similar to the District's traditional QBS procedure. The main exception is the quantity of projects that will be awarded at one time. Historically, the Watershed Services Program issued a separate RFP for each master planning project. In order to reduce the frequency with which consultants must research project details and meet with project sponsors, all studies for a given year will be divided into periodic RFP packages, each one containing multiple projects. The process for awarding projects within a package is as follows:

- A. The list of interested consultants maintained by the District will be sent to the local government sponsors for each project included in an upcoming RFP package. Each local government sponsor will provide the District with a list of up to ten consultants they would like to see on the RFP list.
- B. Based on local government sponsor responses, a consolidated list of approximately ten consultants will be developed. The District may elect not to include a sponsor-selected consultant on the RFP list if that consultant is currently in the beginning stages of another master planning project with the District, has fallen well behind schedule on another active District project of any kind, or lacks the necessary skills and/or experience, or has is engaged in conflicting work (e.g., land development).
- C. Proposals will be solicited from the consultants on the RFP list. The RFP will include the anticipated engineering budget and start date for each project in the package.
- D. Once the proposals are received, the Watershed Services Project Manager and all project sponsors will rank the consultants based on the written proposals and award each project in the package to the highest-ranking consultant for the individual project. Only one project will be awarded per consultant. In the event that one consultant ranks highest for two or more concurrent studies, the remaining project(s) in the package will be awarded to the second-highest ranked consultant for each particular RFP category. The same methodology will be applied in cases where there are conflicts in second-highest rankings, etc. A project scope and fee will be negotiated with each selected consultant.

6.0 FORMS

1. Questionnaire of Consultants Interested in Providing Services to the District
2. Invitation to submit an SOQ for design engineer consultants
3. DEC SOQ Evaluation
4. DEC Annual Evaluation
5. DEC Local Government Annual Evaluation
6. Use current Consultant Rate Tracking Chart (located on the file server).