

# SWIM and Horizon 2020 Support Mechanism

Working for a Sustainable Mediterranean, Caring for our Future

## Leachate projects: procuring the services of consultants

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# Outline of the presentation

- **Scope of the presentation**
- **Selecting Consultants based on qualifications**
- **Selection process**
- **Requesting and assessing proposals**
- **Negotiate with selected consultant**
- **Ethical issues**

# Procuring the services of consultants

- **Selecting a Consultant is one of the more important decisions that a Client must make. There are a number of factors for consideration in selecting an engineering or geoscience Consultant to provide services.**
- **Whether the Client is a homeowner hiring a structural engineering Consultant or an oil and gas company hiring a geoscience Consultant – the basic principles are the same. This presentation emphasizes Qualification Based Selection, which is designed to optimize the benefits to the public and Clients for whom the professional consulting services are performed**

# Selecting consultants based on qualifications

- **The primary objective of selecting professional consulting services is to retain the right Consultant to provide the right services for the right reasons for the right budget.**
- **To achieve these objectives, Clients need to use a proven selection method.**
- **The acquisition of most commodities in industry uses a tendering process, with the objective of identifying the vendor with the lowest price for the commodity. Consulting services are not commodities and their procurement cannot effectively be obtained in using this manner.**

# Selection Criteria

Although there are many ways to select a Consultant, selection based on qualifications emphasizes the evaluation of Consultants according to the following criteria:

1. Technical Credentials
2. Experience
3. Managerial Skills
4. Availability of Resources
5. Professional Integrity
6. Strategy for Project Execution / Methodology

# Advantages of Consultant Selection, Based on Qualifications (1/2)

This process has many inherent qualities that are advantageous to Clients. Some of the advantages include:

- Providing a vigorous and open competition and a transparent selection system that focuses on qualification, competence, creativity, innovation, and proven performance.
- Giving Clients better control of the hiring process.
- Placing emphasis on the Client's objectives and expectations of quality, well adapted to current conditions and future trends.
- Identifying the best design team and most appropriate technology for the Project at hand.
- Promoting a professional relationship where the Client and Consultant work together in a collaborative spirit to maximize the quality, value, cost effectiveness and usefulness of the final product. This gives a greater potential for Project savings, promotes a non-adversarial professional relationship, and minimizes the potential for dispute and litigation. A good relationship between a Client and Consultant is essential for the successful execution of a Project.
- Leading to designs that are economical to implement and maintain in accordance with the Client's requirements.
- Adding value while reducing total life-cycle costs,

# Advantages of Consultant Selection, Based on Qualifications (2/2)

**Qualification Based Selection also has benefits that accrue to the Consultant. These benefits include the following:**

- **Being recognized and valued for expertise and quality of services.**
- **Expecting and encouraging innovation and talent.**
- **Receiving fair remuneration for the services, without having to underbid and undervalue the work.**

# Disadvantages of Consultant Selection Based on Price

Consultant selection based primarily on price has many disadvantages for both the Consultant and Client. A list of comments from various agencies on the disadvantages in using price as the primary selection criterion for consulting services include:

- Undervaluing consulting services may result in higher life-cycle costs (design, construction, operation and maintenance, and capital costs), jeopardize the intended use of the work, and may endanger the well-being and safety of the public. It should be realized that the cost of consulting services represents less than 3% of the total life-cycle cost of a typical Project.
- The least qualified Consultant may be employed rather than the best qualified, and that may jeopardize the Client's and public's best interest
- Places emphasis on minimum acceptable standards instead of adding value.
- Where price is a factor of competition it often takes a dominant role, hindering technical innovation and evaluation of alternative approaches, leading to missed opportunities for savings in construction and life-cycle maintenance costs.
- Promotes adversarial relationships between Clients and Consultants because under-Bid Contracts are prone to epidemics of "extras" for scope omitted from the initial Bid



# Selection Process

**Qualification Based Selection can be varied to satisfy the specific needs of a Client or a particular Project. It should, however, establish a basis on which the Client can objectively select the best qualified Consultant for a Project. Variations of Qualification Based Selection include the following:**

- **Sole-source selection from a pre-qualified list.**
- **Rotational selection from a pre-qualified list.**
- **Selection based on a submission for credentials; reference checks and/or interviews.**
- **Selection based on a proposal (which could vary from a simple letter to a multi-volume document with details of staffing, schedules, drawing lists, and various deliverables).**

# Defining Scope of Services Required (1/2)

The services provided by Professional Members range from technical or specialist consulting, to full service consulting, to the design, procurement, construction, ownership and operation of facilities. The scope of consulting services provided include, but are not limited to, the following:

- Consultative and Advisory Services
- Engineering or geoscience Services of Defined Scope
- Engineering or geoscience Services on Comprehensive Projects
- Geoscience survey design, data acquisition, data processing and interpretation for resource exploration and geotechnical and environmental applications
- Resource evaluation
- Conceptual and Pre-Design Services
- Design Services
- Contract Administration and Technical Review Services during Construction
- Resident engineering or geoscience Services during Construction
- Post Construction Services

# Defining Scope of Services Required (2/2)

The description of the Project should include the following:

- A clear statement of the Client's objectives and needs.
- The physical magnitude and resource requirements of the Project, including specific services and expertise to be provided by the Consultant. Special or unusual factors or conditions affecting the assignment should be identified.
- A statement of the input, information, expertise, and other support provided by the Client. Special services provided by the Client that need to be coordinated with members of the Project team should be clearly noted.
- A time schedule showing the Client's requirements for each major phase of the Project including the Consultant selection process.
- The basis of evaluation in the Request for Proposal (RFP) documents. This will help focus the Consultant's emphasis in the areas critical to the Client.
- When deemed appropriate, an outline of the Client's budget for the assignment and/or Project.

# Direct Hire of Known Consultant

Some advantages of sole sourcing a known Consultant are the following:

- The Consultant has knowledge of past Projects, special Client requirements, and has the necessary background and information to save time without compromising quality.
- The Client avoids the formal selection process and avoids having to re-establish the basis for an effective working relationship for each Project.
- A general understanding of an appropriate fee basis is established, so fees for each Project can be agreed to with a minimum of negotiation.
- There is better service and more innovation – not limited by the defined terms of reference in Request for Proposals (RFP).
- The cost of preparing proposals can be avoided with the differential passed onto the Client.

# Establishment of a Selection Committee

- In some cases a more detailed Quality Based Selection process may be needed if the Client does not have an ongoing relationship with a Consultant, wishes to assess the capabilities in the market, or needs services outside the competence or specialization of their usual Consultant(s). This will require establishing a selection committee, developing a short list of qualified Consultants, and requesting and assessing proposals
- The size and composition of the selection committee should reflect the complexity of the Project and the availability of Client representatives who are qualified to evaluate the proposals
- In going through the selection process, the committee should consider the following principles: required characteristics of the Consultant (qualifications, quality service, innovation); ability to develop productive relationship with the Consultant; respect for the Client's intellectual property; openness and transparency of the process; and efficiency, effectiveness, and flexibility of the process.

# Develop Short List of Qualified Consultants

A list of Consultants who appear to be qualified for the assignment should be prepared.

- Obtaining names from industry associations and publications
- Obtaining names from telephone directories (yellow pages) or online directories
- Referrals - from contacting other Clients who have undertaken similar Projects (i.e., asking building officials in local jurisdiction for the names of structural engineers).
- Standing offer or extended partnership – with Consultants who submit qualifications and fees on annually or biannually basis.
- Request for Proposals - to solicit expressions of interest outlining technical credentials and experience through local or regional advertising. A submittal of credentials to be used for selecting a short list of Consultants would include technical credentials and experience of the Consultant and its personnel. Typically, this expression of interest should be a three to five page letter submission.
- Maintaining a roster/list of Consultants and the areas of professional practice in which they are qualified.

# Submission of Qualifications and Selection from a Short List

- **A Client may not be aware of which Consultants have the best expertise to handle a specific Project.**
- **Then it is appropriate to ask for credentials from a select group of Consultants.**
- **The Client should review the qualifications and develop a short list, do reference checks, and interview the Consultants if appropriate**

# Request and Assess Proposals (1/)

- **When developing a proposal and a proposal evaluation plan, the Client needs to recognize all the steps required prior to calling proposals.**
- **The amount of detail in the Request for Proposal (RFP) should reflect the complexity of the work and the Client's requirements.**
- **The larger and more complex the Project, the more detailed the RFP terms of reference need to be.**



# Request and Assess Proposals (1/)

The RFP may request information on the following:

1. The Consultant's understanding of the Project scope and objectives.
2. The names of the key technical staff to be involved in the assignment, along with information on the engineering and geoscience disciplines in which they are proficient, areas of specialty and details of their experience.
3. Other commitments of the Project manager and assigned staff and the availability of other technical support staff and facilities.
4. A list and brief description of recent similar Projects undertaken by the Consultant and by the key staff including dates and references.
5. Company profile, confirmation of professional registration, and liability insurance.
6. A description of the methodology that will be used in the execution of the assignment.
7. A description of the implementation schedule, design philosophies, cost and quality control.
8. Other factors such as hours committed by specialists, key staff and overall time commitments to the Project as appropriate to the evaluation process of the Client.
9. Confirmation of appropriate professional and general liability insurance carried by the Consultant.

# Review and Assess Proposals

**Six principal criteria should be considered in assessing a Consultant's qualifications to provide consulting services for a specific assignment:**

- 1. Technical Credentials**
- 2. Experience**
- 3. Managerial Skills**
- 4. Availability of Resources**
- 5. Professional Integrity**
- 6. Strategy for Project Execution / Methodology**

# Technical Credentials

The people providing the consulting services should have the education, training, and expertise to carry out the Project. To evaluate credentials, the Client should examine:

- **Consultants' past services (consistent with the type of service sought)**
- **Qualifications of the staff:**
  - Appropriate knowledge, skills, training, and experience for task at hand
  - Demonstrated creativity and innovation
  - Technical background
- **Relevant corporate resources:**
  - Reference information, data bases
  - Procedures
  - Relevant specifications
  - Equipment, systems – currency and appropriateness to task

# Experience

**The Consultant's proposed approach for the specific Project should be evaluated relative to:**

- **Relevant company Projects**
- **Relevant staff experience**
- **Varied challenges (demonstrating flexibility of technical and managerial approach)**
- **Successful application of needed technology**
- **Demonstrated continuous improvement (application of knowledge gained from past experience to enhance the specific Project).**

# Managerial skills

**A successful Project requires that the Consultant have the level of managerial skills required for the Project. The Consultant should demonstrate capability in the following areas:**

- **Corporate / Project organization, coordination and management**
- **Communication skills, both written and verbal**
- **Procedures for controlling personnel-hours, schedule and Project costs**

# Availability of Resources

The availability of a Consultant's resources will be affected by current and potential commitments. To determine the availability of resources, the Client should examine the Consultant's:

- Deployment of technical and managerial resources – percent committed to other Projects, potential for over-allocation
- Delegation of responsibility within the organization
- Other commitments during the Project, and how staff will be deployed on them
- Financial capacity and insurance coverage or insurability

# Professional Integrity

**Consultants must enter into agreements with fairness and good faith and undertake only those assignments for which they are competent to perform by virtue of their training and experience.**

**To determine professional integrity, Clients should examine the Consultant's:**

- **References from other Clients**
- **Character and professional stature (e.g., any discipline decisions on file)**
- **Business reputation**
- **Business associations or obligations that may affect professional independence and objectivity with respect to the proposed assignment**
- **Record of claims and lawsuits**
- **Record of construction cost, claims, and change orders**
- **Record for completing assignments in a timely and cost-effective manner.**

# Strategy for Project Execution/ Methodology

**The Consultant should have an understanding of the Project at hand, which includes the following:**

- **Comprehension of scope**
- **Awareness of Client needs**
- **Familiarity with Project site / environment**

**During the meeting of the selection committee, the individual member rankings for each of the proposals should be discussed to give each member the benefit of other opinions; no attempt should be made to develop a consensus at this stage.**



# Other issues of Requesting and Assessing Proposals

- **Interview consultants**
- **Check references**
- **Finalize consultant ranking**
- **Select most qualified consultant**
- **Debrief consultants**

# Negotiating with Selected Consultant

Once the most qualified Consultant has been chosen, negotiation may begin on the scope and fee basis, schedule, clarification of roles and responsibilities, and terms of the agreement.

- Clarify/ Reaffirm Scope
- Negotiate fee basis
- Establish or confirm schedule
- Clarify roles and responsibilities
- Prepare agreement

# Ethical Issues

- **Bidding / Underbidding for Services**  
Consultant providing substandard work
- **Price Shopping**  
When the Client discusses the proposals and/or pricing with other Consultants in the hope of getting one or more of the Consultants to reduce their price
- **Selecting/Replacing a Consultant Mid-Project**  
Replacement should be found as soon as possible so that the safety of the public is not jeopardized during the switch