

<u>Subject:</u> Qualifications Based Consultant Selection (QBCS) Policy For Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying, and Construction Management Consultants	<u>Policy</u>	<u>Number</u>
	<u>Effective Date</u> 12/07/04	<u>Rev Date</u> 12/01//04
<u>Approved:</u>	<u>Responsible Department</u> Public Works	

1.0 General

Selecting architectural, landscape architectural, engineering, environmental, land surveying, and construction project management consultants (AE&PM Consultants) to provide professional services on capital projects involves unique considerations not applicable to the selection of other consultants.

State law requires State agencies to use a qualifications-based process to select AE&PM Consultants. The City must use a similar qualifications-based process to procure architectural and engineering services when certain types of federal funds are used to construct a project. In general, these qualifications-based selection processes involve ranking consultants based solely on their respective abilities to perform a particular scope of work. Then, the entity selecting the consultant attempts to negotiate a fair and reasonable price with the top ranked consultant. If those negotiations fail, the entity begins to negotiate with the next, highest ranked consultant. This process continues until an agreement is reached with one of the consultants.

The City believes that a qualifications-based consultant selection (QBCS) process is well suited to developing a highly qualified, diverse pool of architectural, landscape architectural, engineering, environmental, land surveying, and construction project management consultants to deliver capital projects. Such a selection process has the flexibility required to respond to the variety, complexity, scale and quantity of annual projects constructed by the City. Moreover, such a selection process ensures “seamless” compliance with Federal requirements when such requirements mandate use of a qualifications-based selection process.

2.0 Purpose

The use of consultants is necessary when the City does not possess sufficient expertise in a particular professional field or does not have sufficient resources to commit to timely and/or cost-effective completion of workload. The purpose of this policy is to set forth the procedures City departments providing professional services on capital projects (Implementing Departments) must follow for selecting AE&PM Consultants. The procedures set forth in this policy need not be followed when selecting AE&PM Consultants to provide opinions and advice related to potential or pending legal disputes or actions.

3.0 Policy

3.1 Master Lists of Consultants

Public Works shall establish and maintain master lists of AE&PM Consultants (Master Lists) consistent with the requirements set forth in this Section 3.1. Public Works shall post the Master Lists on the City's web site and make them accessible to all other departments for their use.

3.1.1 How established

Public Works will establish and maintain Master Lists according to consultant specialties for the general categories of work required by City capital projects as listed below:

- Archeological
- Architectural
- Building programming
- Civil / Structural Engineering & Surveying
- Cost Estimating
- Construction / Project Management
- Electrical Engineering
- Environmental Engineering
- Geotechnical
- Graphic Design
- Inspection & Testing Services
- Interior Design
- Landscape Architectural
- Land Surveying
- Master Planning
- Mechanical Engineering
- Miscellaneous professional specialty services for delivery of capital projects
- Traffic Engineering

Public Works will place on the appropriate Master List any AE&PM Consultant expressing interest in performing services for the City, and satisfactorily completing and submitting a Statement of Qualifications (SOQ). An AE&PM Consultant may be placed on more than one Master List.

To help establish an AE&PM Consultant's profile and that the AE&PM Consultant meets certain minimum requirements, the SOQ shall include information such as:

- Evidence that the consultant is licensed to do business in the State of California
- Evidence that for its claimed field of professional expertise its principal(s), partners and/or officers (at least one of the above) possess a valid State of California professional registration in the claimed field of expertise
- Address of office: corporate or regional, and local or project office, as appropriate
- Possession of a City of San Jose Business License (if not, an acknowledgement that it will obtain one if selected for negotiation of a contract)
- Total number of persons employed within the firm
- Listing of current projects under contract with description of services provided. Construction value in dollars of projects under contract on an annual basis for each of the last 3 years.
- List of client references for any of above listed projects
- Bank reference

3.1.2 Duration

Each Master List shall remain viable for two years and may be extended by the Public Works Director for one additional year. Viable lists may overlap in duration, thus assuring an uninterrupted availability of qualified consultants.

3.1.3 Updating

Public Works will continuously update each Master List during the period such list is viable. It will do this by adding to the appropriate Master List any AE&PM Consultant that at any time satisfactorily completes and submits an SOQ to Public Works.

At least every two years and prior to the expiration of a Master List, Public Works shall re-establish each Master List by requesting all consultants on the list to update their respective SOQ's. Public Works shall also solicit SOQ's from consultants on any previous Master List and through public advertisement and on-line solicitation on the City's web site.

3.1.4 Outreach

Public Works shall perform outreach to AE&PM Consultants in an effort to ensure that the Master Lists continuously reflect as diverse and highly qualified a pool of AE&PM Consultants as reasonably possible. These efforts shall include soliciting AE&PM Consultants through many sources, such as public advertisement of Requests for Qualifications (RFQ's), consultant inquiry, referral, professional knowledge, and unsolicited online submission of the SOQ's available through the City of San José website. Public Works shall post notices of all upcoming selections on the City's Internet Bid Hot Line. This service includes automatic e-mail notification for all consultants who have expressed an interest in being notified of upcoming selections

3.2 Consultant Selection Processes for a Project

3.2.1 General

Implementing Departments shall utilize a hierarchy of three processes for consultant selection. The project manager shall proceed with one of three processes denoted as Minor, Intermediate and Major based upon the anticipated professional fees on a project and as further defined as follows:

<u>Process type</u>	<u>Threshold criteria</u>
Minor:	Anticipated professional fees less than \$100,000.
Intermediate:	Anticipated professional fees from \$100,000 to \$500,000
Major:	Anticipated professional fees greater than \$500,000.

3.2.2 Minor Selection Process

3.2.2.a When Used

Implementing Departments shall use the Minor selection process for AE&PM Consultant contracts when anticipated professional fees will be less than \$100,000. This process will allow staff to quickly make consultant selections for projects with low to moderate complexity and short duration and/or urgent need. While the Implementing Department shall still require that consultants at this level possess excellent qualifications and performance records, either with the City or with other clients, an extended consultant selection process would not be deemed cost effective due to the low fees and limited complexity typically involved in such projects.

This process will also provide AE&PM Consultants without specific City experience an entry-level opportunity to work with the City on lesser magnitude projects. New consultants will be able to demonstrate their expertise and gain an understanding of the City's process through these minor projects. The intent of this approach is to cultivate AE&PM Consultants without specific City experience, and expand the list of qualified, experienced AE&PM Consultants available for more complex City projects. At this level of contracting, the City shall seek to identify new sources of quality AE&PM Consultant professional services for implementing capital projects from the local and culturally diverse market in San José in compliance with the City's Local and Small Business Preference Policy.

3.2.2.b How Implemented

When an AE&PM Consultant is required, the Implementing Department project manager and the user department providing the programming requirements and funding (Owner Department) representative shall review the SOQ's of those consultants on the Master List according to the consultant specialty needed for the work and establish a ranked consultant list best matching the partnering Owner Department's needs by applying a uniform matrix of

evaluation questions totaling 100 points. As part of this review consultant references will be checked to supplement City performance history or establish past performance where no City experience exists. The Implementing Department project manager and the Owner Department representative shall then select the three highest ranked firms and report the recommendation to the Implementing Department's Division Manager and/or Deputy Director on a summary form that includes the entire pre-qualified specialty list from which the three highest ranked firms were selected.

All firms on that list from which the three consultants were selected shall be notified that a consultant selection process for a project has been conducted and that the results were recorded on a summary form maintained by the Implementing Department and are available for their review. Upon approval by the Division Manager and/or Deputy Director, the Implementing Department project manager shall then inquire of the three consultants as to their interest and availability to enter into a consultant contract and request from each of them a proposal for the work.

The project manager shall negotiate a scope and fee with the highest ranked consultant expressing an interest to perform the work. If negotiations with the highest ranked consultant fail, the project manager shall notify the Implementing Department Division Manager and/or the Deputy Director and proceed to negotiate a contract with the next highest ranked consultant.

Upon agreement between the AE&PM Consultant and the Implementing Department project manager, an AE&PM Consultant contract will be processed.

3.3.3 Intermediate and Major Selection Processes

3.3.3.a When Used

The Implementing Department and its partner Owner Department shall use the Intermediate and Major selection processes when anticipated professional consultant fees will be between \$100,000 and \$500,000 and over \$500,000 respectively. Projects with fees in these ranges typically have scopes of work that require more specialized professional services, project experience, and project management skills than minor projects. The process for each shall be identical except for the size and composition of the Screening Panel and Interview Board used and shall be designed to select the best consultant through a professional, unbiased process.

3.3.3.b How Implemented

3.3.3.b.1 Outreach

When an AE&PM Consultant is required, the Implementing Department project manager and Owner Department representative shall publicly advertise a request for project specific SOQ's intended to provide the widest possible notice to interested consultants by posting:

- Project specific requests for SOQ's to all consultants on the Master List

- Notices of all upcoming selections on the City's Internet Bid Hot Line. This service includes automatic e-mail notification for all consultants who have expressed an interest in being notified of upcoming selections.

City departments may post additional notices in trade and general circulation publications. City staff shall also place advertisements of general information annually in Minority and Small Business Enterprise trade publications indicating instructions for subscribing to the City's Bid Hot Line notification service. Particular emphasis shall be placed on outreach to potential subconsultants, including Local, Minority and Small Business subconsultants, to ensure they are provided opportunities to participate in consultant teams for projects.

3.3.3.b.2 Community Stakeholder Input

Implementing Departments conducting a QBCS process for AE&PM Consultants shall employ community stakeholder input where applicable including:

- Identification of key attributes for the preferred consultant from the community's perspective.
- Participation in a "post" project survey, which shall include questions relating to consultant performance and responsiveness to community and other stakeholder needs. These surveys shall be kept on file with Public Works and other Implementing Departments, and will be made available to selection boards for evaluation during the rating of consultant qualifications for future projects.
- Inclusion of community members on Intermediate and Major Selection Process Screening Panels and Interview Boards when appropriate.

3.3.3.b.3 Screening Panels

Screening Panels selected by representatives from the Implementing Department and Owner Department shall establish a ranked consultant list best matching the partnering Owner Department's needs by applying a uniform matrix of evaluation questions totaling 100 points. As part of this review, consultant references will be checked to supplement City performance history or establish past performance where no City experience exists. Screening Panels shall:

- Screen the SOQ's applying a consistent set of objective criteria, e.g. on-time and on-budget performance records for similar project types, scopes of services, deliverable products and for similar public agency client types; and
- Develop a numerically ranked consultant short list based upon the screening qualifications scores, which include value points given for local and small business preferences.

For the Intermediate Process, the four highest scoring ranked candidates shall be interviewed by the Intermediate Process Interview Board unless a different number is determined and made known to the Screening Panel prior to the beginning of the screening process. A project unusual in its scope, community interest, timing and/or complexity may be cause for interviewing more than the four highest ranked candidates.

For the Major Process, the six highest scoring ranked candidates shall be interviewed by the Major Process Interview Board unless a different number is determined and made known to the Screening Panel prior to the beginning of the screening process. A project unusual in its scope, community interest, timing, complexity and/or size of anticipated fees may be cause for interviewing more than the six highest ranked candidates.

The Intermediate Process Screening Panel shall consist of at least three members and shall require at least one Implementing Department project manager, one Owner Department representative plus a third panel member who is not a City staff person but a person either of the architectural, engineering and project management professions or of the Owner Department's professional service functional area.

The Major Process Screening Panel shall consist of at least five members and shall require at least one Implementing Department project manager, one Implementing Department Division senior or Division Manager, two Owner Department representatives plus a fifth panel member who is not a City staff person but a person either of the architectural, engineering and project management professions or of the Owner Department's professional service functional area.

3.3.3.b.4 Interview Boards

Interview Boards, of which at least one of the members shall be a professional licensed in the State of California, preferably in the discipline to be selected, shall conduct interviews of a short list of ranked consultants. Other board members shall be selected from City departments, County government, regulatory agencies, community stakeholder representatives, non-profit corporations, and private business and professional consultants. Every opportunity shall be taken to utilize local, small and/or newly established local professionals on interview boards to enhance their understanding of the City's consultant selection process.

Once selected, the Interview Boards shall conduct the consultant interviews and rank each consultant on the basis of qualifications relative to the particular project or group of projects identified in the publicly advertised RFQ. Each Board member shall use a predetermined rating sheet with a rating basis of 100 points with questions that are asked of all the interviewing consultants. The Interview Board shall:

- Represent the collective agreement between the Implementing Department and the Owner Department as to the best-qualified members to evaluate and recommend a consultant selection for a particular project.
- Interview, rank and recommend a consultant.

Criteria totaling 100 points for rating shall include but not necessarily be limited to the following:

- Demonstrated experience in working with public and regulatory agencies

- Demonstrated success in keeping to budget and controlling costs
- Demonstrated experience in meeting time schedule and scope
- Demonstrated good quality assurance and quality control in field investigation, plan check, constructability and cost estimating
- Experience and expertise of proposed staff in working on similar project type(s)
- Availability of key staff and production capabilities and size of staff
- Project Management approach
- Experience with community input, as applicable
- Project Team's understanding of projects and objectives, constraints, and associated challenges

An additional preference for small and local businesses will be given in accordance with the San Jose Municipal Code Small and Local Business Preference Policy.

The Intermediate Process Interview Boards shall consist of three members. The composition of the Board shall consist of one member from the Implementing Department (the project manager or senior), one representative from the Owner Department and a third member who is a non-City employee.

Major Process Interview Boards shall consist of five members. The composition of the Board shall consist of two members from the Implementing Department (the project manager and a senior or Division Manager), two representatives from the Owner Department and a fifth member of the Owner Department's choosing who is a non-City employee.

After the final interview, the Interview Board shall determine a final ranking based on qualifications and experience as evidenced by the submitted qualifications and answers to the interview questions. An Interview Board chairman, mutually selected by the impaneled board members, shall summarize final consultant ratings established by the Interview Board.

The ranked list shall represent the Interview Board's determination as to which consultant(s) have the strongest ability to successfully perform the project(s) based upon qualifications, experience, past performance, and availability.

3.3.3.b.5 Selection and Negotiation for Intermediate and Major Processes

Following the Interview Board's interviewing and ranking, the Implementing Department's project manager shall prepare a summary documenting the consultant interviews, ratings, final ranking and its recommendation of a consultant selection for review by the Directors of both the Implementing Department and Owner Department.

Upon the Directors' approval of the Interview Board's summary and recommendation, the Implementing Department project manager shall enter into negotiations with the top-ranked consultant. Upon successfully negotiating a consultant contract, an AE&PM Consultant contract will be processed. The Implementing Department project manager shall prepare a Memo to the Mayor and City Council from the Implementing Department and Owner Department Directors recommending approval of the AE&PM Consultant Contract by the

Mayor and City Council. The ranked list determined by the Interview Board will be provided in the memo.

At least five days prior to Council action on the negotiated contract, the Implementing Department project manager shall notify each interviewed consultant of their relative and final rankings, including a copy of the summary of the individual consultant's interview.

If the Implementing Department project manager should reach an impasse with the top ranked consultant, the project manager shall notify the Division Manager and Deputy Director in writing and recommend that negotiations begin with the second ranked consultant. Upon receipt of the Deputy Director's written concurrence, the project manager will provide written notice to the consultant that negotiations are at an impasse and further negotiations are terminated. The project manager shall then begin negotiations with the next highest ranked consultant, and continue this process until a fair and reasonable contract price is achieved or an impasse reached.

In the event that a fair and reasonable price cannot be obtained through negotiations with any of the ranked consultants, the current Consultant Qualifications Evaluation process shall be abandoned and a new process initiated. The project manager shall provide a written summary of any negotiation impasse(s) with the final negotiation outcome in the Council approval recommendation.

3.3.3.b.6 Notification

The Implementing Department shall notify all remaining ranked consultants once the City negotiates an agreement with a ranked consultant. Notification shall include the successful consultant's name and a statement that the remaining consultants shall remain on a pre-qualified list of consultants for the stated duration.

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