

Consultant Selection Policy for Building Infrastructure Consulting Services (Effective April 1, 2007)

1.0 SCOPE

This policy applies to the procurement of consulting services contracted directly by the Capital Projects and Properties Divisions of Alberta Infrastructure and Transportation. These services are predominantly professional architectural, engineering and related technical services for building projects owned by the department or managed by the department on another owner's behalf. They also include other types of consulting services such as in the areas of information and communications technology, legal services, human resources, etc.

This policy *does not* apply to selection of subconsultants, whose selection is at the discretion of the prime consultant. This policy also *does not* apply to the procurement of consulting services for infrastructure projects that are funded in whole or in part by Alberta Infrastructure and Transportation but procured by the funded entities, e.g. School Boards, Regional Health Authorities, Post-Secondary Educational Institutions.¹

2.0 DEFINITIONS

Value Based Selection means a source selection method wherein proposals are solicited (publicly or by invitation) by means of a competitive request for proposals (RFP) process and a firm is selected whose proposal offers best value, taking into consideration both qualifications of the firm and price.

Qualifications Based Selection means a source selection method, wherein the qualifications of a firm, rather than price, are the determining factors in selection. Qualifications of multiple firms are considered, whether or not proposals are solicited. The objective is to match project needs with the firm best qualified to provide the required services. Price is negotiated *after selection*, with the firm selected based on its qualifications. If agreement on price cannot be reached with the selected firm, negotiations are terminated and then opened with the next best qualified firm.

Price Based Selection means a source selection method wherein bids are solicited (publicly or by invitation) by means of a competitive bidding process, and a firm is selected taking into consideration only price and compliance with the bid call.

¹ Alberta Infrastructure and Transportation does not control the consultant selection process for these funded infrastructure projects. However, funded entities are encouraged to follow a consultant selection policy similar in principle to this one. For information on the consultant selection policies and practices of individual funded entities, contact them directly.

3.0 SELECTION CRITERIA

When the Qualifications Based Selection or Value Based Selection methods are used, Alberta Infrastructure and Transportation considers the following broad selection criteria categories, *weighted according to project needs*:

- a) The firm's experience record, including any special area(s) of expertise required.
- b) The firm's past performance record on similar services performed for Alberta Infrastructure and Transportation.² For firms that have not previously performed services for the department, references from other clients may be considered instead.
- c) The firm's capacity and available resources to perform the required services.
- d) The firm's familiarity with an existing facility, project or program, through other previous (or current) engagements.³
- e) Number and size of contracts awarded to the firm in the recent past.⁴

When the Value Based Selection method is used, the following additional price related criterion is also considered:

- f) A fixed fee, a maximum upset amount (if the fee is based on hourly rates) or a combination of both, for a defined scope of services. For professional architectural and engineering services, the weighting of this criterion shall be 20% of the total weighting and for all other types of consulting services it shall be at least 20% of the total weighting.

4.0 SELECTION PROCESSES – GENERAL

Alberta Infrastructure and Transportation believes that optimum value is attained, and the public interest is best served, by using the Value Based Selection method. Where the Value Based Selection method may not be practical, the Qualifications Based Selection method may be used. The Price Based Selection method is used for types of services where the firm's qualifications are a secondary consideration to price.

² It is Alberta Infrastructure and Transportation policy to review the firm's performance at the conclusion of each commission. The performance review includes an appraisal of the quality and timeliness of the services and deliverables, competencies of the firm's personnel, and other factors.

³ This criterion is intended to apply only where required in the interests of project efficiency.

⁴ This criterion is intended to apply only when the qualifications of two or more firms are judged to be equal. The intent is to ensure, to the extent possible, a reasonably equitable distribution of contracts to qualified Alberta firms, taking contract values and firm capacities into account. To facilitate application of this criterion, the number, dollar value, and dates of consultant selections are tracked using the department's Consultant Selection and Management (CSAM) system database. Qualified firms that have not previously provided services to the department, but are registered in the Vendor Directory (see Section 7.0), will always be considered.

4.0 SELECTION PROCESSES – GENERAL (cont'd.)

In addition, the department's obligations under the Agreement on Internal Trade (AIT) and the Alberta – B.C. Trade, Investment and Labour Mobility Agreement (TILMA) have a significant impact on the selection process for consulting services *other than* professional architectural, engineering and legal services.⁵

The required selection process varies depending on the type of service and the anticipated dollar value. Generally, the greater the dollar value, the more elaborate and formal the process. However, use of a more elaborate selection process than required by the policy is not precluded, if considered appropriate for a particular selection.

The specified dollar thresholds used to determine the applicable process relate to "maximum consultant cost", which is the maximum total amount of fees, *estimated* at the time of selection, to be paid to a selected firm for a given scope of services, regardless of the method of fee calculation (fixed fee, hourly rate, etc.) and regardless of the number of individual contracts to be awarded or amended. It *includes* subconsultant costs and reimbursable expenses.

All consultant selection decisions are either made by, or monitored by, the department's Contracts Review Committee. Refer to the ['Contracts Review Committee Mandate and Terms of Reference'](#).

4.1 SELECTION PROCESS – ALL CONTRACTS \$75,000 OR GREATER, EXCLUDING PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES UNDER \$500,000 AND EXCLUDING LEGAL SERVICES

For commissions within this category, a Value Based Selection method is used, the required basic steps of which are:

1. Publicly advertised, project specific, solicitation⁶ of qualifications and a price proposal for the required services.
2. Evaluation of written responses to the solicitation using a formal evaluation methodology and pre-determined project specific evaluation criteria and weightings, which have been made known to the respondents. The evaluation is performed by a team assembled for this purpose. The evaluation process may include, but does not necessarily require, interviews with respondents.
3. Ranking of firms by the evaluation team, based on the results of the evaluation process.

⁵ Currently, professional architectural, engineering and legal services are not subject to the AIT or TILMA. However, architectural and engineering services are included in the transitional measures of TILMA and will be subject to TILMA effective April 1, 2009. It is anticipated that this policy will require some significant changes to make it fully TILMA compliant and the policy should therefore be viewed as interim.

⁶ The solicitation may be in the form of a request for expressions of interest, request for qualifications or request for proposals, in one or more stages, depending on project scope and complexity.

4.1 SELECTION PROCESS ... (cont'd.)

4. Recommendation to the department's Contracts Review Committee for approval of the highest ranked firm, based on results of the evaluation process.
5. Formal contract award and signing of contract.

4.2 SELECTION PROCESS – PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES \$100,000 OR GREATER BUT LESS THAN \$500,000

For commissions within this category, the required basic steps are the same as described in Section 4.1, *except* for step 1:

1. At least three, and no more than six, firms are shortlisted, based on the firms' known qualifications relative to the qualifications related criteria described in Section 3.0. The shortlisted firms are *invited* to make a *brief* project specific written submission of their qualifications and a price proposal.

4.3 SELECTION PROCESS – ALL CONTRACTS LESS THAN \$75,000, PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES LESS THAN \$100,000, AND ALL LEGAL SERVICES

For commissions within this category, a direct Qualifications Based Selection process (without an RFP) is used, the required basic steps of which are:

1. Consideration of qualified firms based on their known qualifications relative to the qualifications related selection criteria stated in Section 3.0, subclauses (a) through (e).
2. Recommendation to the department's Contracts Review Committee, or to a delegated authority level in accordance with the Expenditure Officer Authority Guidelines, for approval of the best, or only, qualified firm. Delegated approvals are monitored by the Contracts Review Committee on a regular basis.
3. Negotiation of terms of the consulting services contract(s), including a fair and reasonable fee, with the approved firm.⁷
4. Formal contract award and signing of contract(s).

⁷ Where applicable, the 1998 edition of the 'Recommended Conditions of Engagement and Schedule of Professional Fees for Building Projects' published by the Alberta Association of Architects and the Association of Professional Engineers, Geologists, and Geophysicists of Alberta, is used as a basis for negotiations.

4.4 EXCEPTIONS FOR SOLE SOURCE SELECTIONS

An exception to the selection processes described above may occur in special circumstances. A firm may be selected on a sole source basis if the criteria of (a) experience, including special area(s) of expertise, or (b) familiarity with an existing facility, project or program, are of high importance and the qualifications of a particular firm relative to these criteria are known to far exceed those of any other firm.

For services that are subject to the AIT or TILMA, the sole source restrictions of those Agreements apply.

All sole source selections are reviewed and approved by the Contracts Review Committee .

5.0 SELECTION RELATED DOCUMENTATION

For every consultant selection, the following is required to be documented as part of the selection process:

- a) Description of scope of services.
- b) Reasons for selection of a particular firm.
- c) Maximum consultant cost for the scope of services.
- d) Identification of any other recent selections of the same firm.

6.0 INCREASES TO MAXIMUM APPROVED CONSULTANT COST

Any increase to the maximum consultant cost under an approved consultant selection requires documented reasons for the amendment. All increases require approval of the department's Contracts Review Committee, or a delegated authority level in accordance with the Expenditure Officer Authority Guidelines. The delegated approvals are monitored by the Contracts Review Committee on a regular basis.

7.0 CONSULTANT REGISTRATION

To maximize contracting opportunities for firms interested in providing consulting services to the department, consulting firms are encouraged to register themselves (and keep their registration information current) in the Vendor Directory on the Alberta Purchasing Connection web site at: <http://vendor.purchasingconnection.ca/>