



Procurement of Professional Services for Airport Planning and Design using Qualifications Based Selection (QBS)

Presentation and Panel Discussion

NCAA Annual Conference
General Session VIII
April 19, 2016
Wilmington, NC



Welcome and Introductions

- Bobby Walston
Director, Division of Aviation
NC Department of Transportation
- James Martin, PE
Program Director, NC AirTAP
Associate Director, ITRE at NC State University

NC Airport Technical Assistance Program

- Helps NC airport professionals improve safety, quality, and efficiency of airport operations
 - Training programs, Access to industry experts, Technical materials, Networking opportunities for exchanging best practices
- Developed through joint efforts of:
 - Institute for Transportation Research and Education (ITRE) at NC State University
 - NCDOT Division of Aviation
 - NC Airports Association



NC AirTAP Website

go.ncsu.edu/ncairtap

NC STATE UNIVERSITY

RESOURCES search.ncsu.edu

LOCATION | PEOPLE | CONTACT

Institute for Transportation Research and Education

About Focus Areas Research Training Technical Services

Photo credit: NC Airports Association

NC AirTAP

The North Carolina Airport Technical Assistance Program (NC AirTAP) is a joint effort of ITRE, the [NCDOT Division of Aviation](#), and the [NC Airports Association](#) to support the state's public- and private-sector airport professionals. Through educational offerings, information resources and related assistance, NC AirTAP helps NC airports improve the safety, quality and efficiency of their operations and increase the use of new aviation materials and technology. NC AirTAP also helps airport staff build a community network for exchanging best practices. The program is guided by a Steering Committee representing state government agencies, NC airport operators, and consulting firms which support North Carolina's aviation industry.

2016-2017 PROGRAM INITIATIVES

NCAA MEETINGS

NC AirTAP staff will be attending NCAA regional and annual meetings to promote the program, present information, and gather input from association members. Please check here again for upcoming meeting dates and announcements.

NC AirTAP PRODUCTS

Training offerings, technical assistance, and information resources are in development and will be announced here.

NC AirTAP E NEWS

Airport industry professionals and interested persons are invited to receive regular e-news updates on NC AirTAP

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Today's Program

- Presentation on Procurement of Professional Services for Airports

Bobby Walston, NCDOT Division of Aviation

- Panel Discussion

Phillip Braden, FAA Memphis Airports District Office

Chris White, OAJ-Ellis Airport

Mark Davidson, Airport Commission of Forsyth County

Matt Livingston, Town Manager, Wallace, NC

T.J. Schulz, Airport Consultants Council



Presentation:

Procurement of Professional Services for Airports

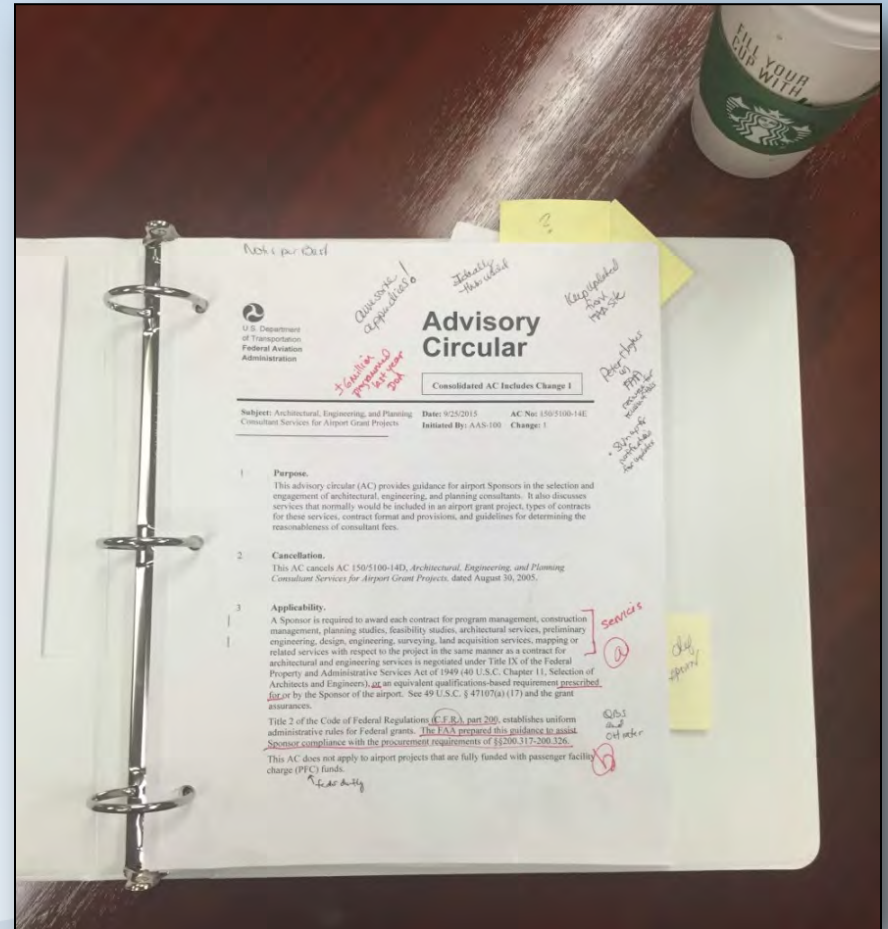
Bobby Walston
Director, Division of Aviation
NC Dept. of Transportation



Procurement of Professional Services

Best Resource...

- FAA Advisory Circular 150/5100-14E (with Change 1)
- Today's presentation is a broad overview – see the AC for specifics!



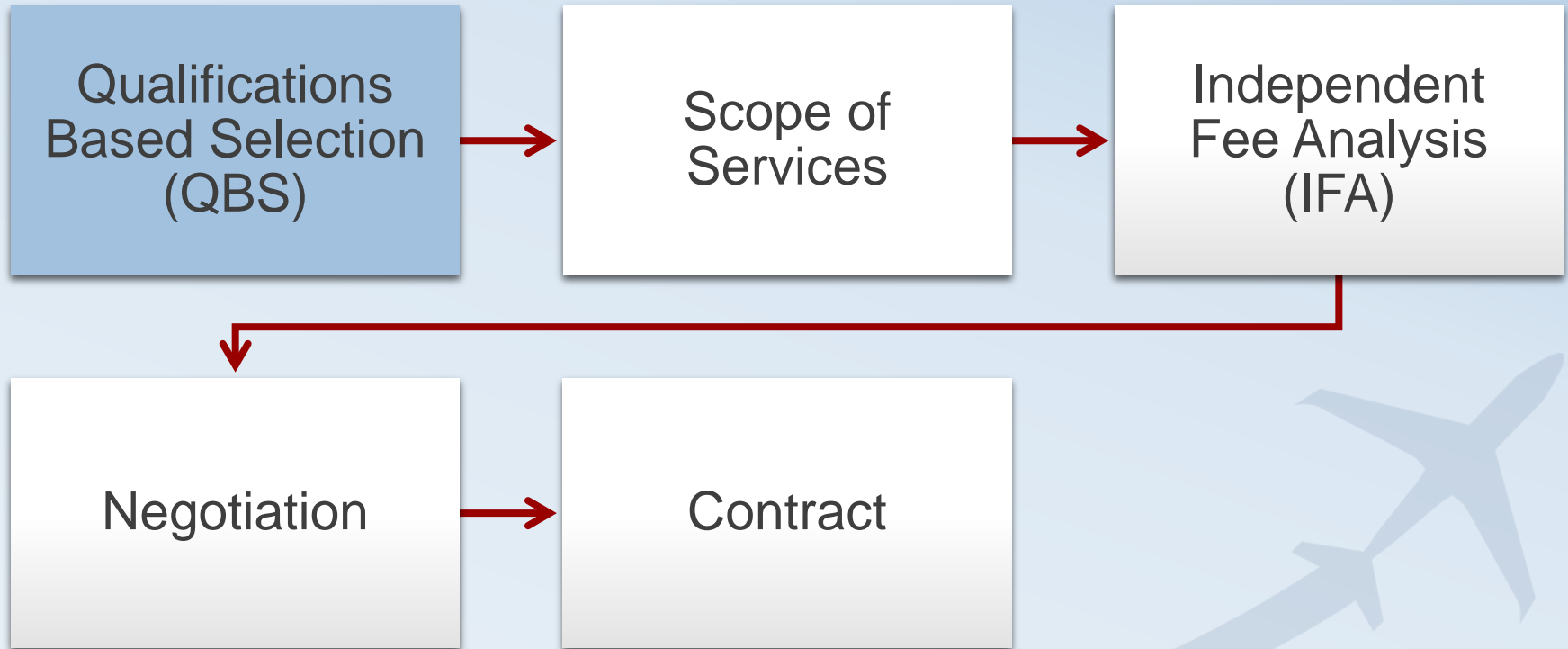
Procurement of Professional Services

- The FAA AC 150/5100-4E (with Change 1) includes 5 chapters:
 - Chapter 1 Introduction
 - Chapter 2 Procedures for Selection of Consultants
 - Chapter 3 Contract Format and Provision
 - Chapter 4 Methods of Contracting and Allowable Costs
 - Chapter 5 Appendix (Definitions)

FAA Advisory Circular 150/5100-4E

- Chapter 1 Introduction
- Chapter 2 Procedures for Selection of Consultants
 - 2.1 General
 - 2.2 Procurement Standards
 - 2.3 Competition
 - 2.4 Qualifications Based Selection (QBS) Procedures
 - 2.5 Other Services
 - 2.6 Selecting Organization
 - 2.7 Policy for Selection
 - 2.8 Selection Criteria
 - 2.9 Selection Procedures
 - 2.10 Alternate Selection Procedures
 - 2.11 Selection Procedures for EIS Preparation
 - 2.12 Scope of Services
 - 2.13 Independent Fee Estimate (IFE)
 - 2.14 Negotiations

Procurement of Professional Services



Qualifications Based Selection (QBS)

- What is it?
- Why do I have to know about it?
- When does it apply?
- Can't I have my consultant do it for me?
- What happens if I don't do it?
- OK! I give up! Tell me how to do it!
- Resources and Overview

QBS: What is it? as defined by law....

- A selection process mandated by federal and state laws that prohibits competitive bidding (*i.e., price shopping*) for professional / consultant services
- These are mainly services performed or overseen by licensed engineers and architects
- Selection of professional / consultant services must:
 - Be based upon demonstrated competence and qualification without regard to fee (other than unit price info)
 - Insure maximum open and free competition (advertise!)
 - Avoid any suggestion of unfair or unethical conduct or real or perceived conflict of interest
- Airport sponsor must maintain sufficient records for compliance

QBS: What is it? a former Town Engineer's perspective...

- A process that....
 - will benefit you and your airport
 - allows good communication and collaboration from the beginning
 - allows you to get to know who you are hiring before you hire them
 - is supported by professional engineering and architectural associations
 - helps you create the best team/partnership for a “win/win” successful project
 - keeps you in compliance with state and federal laws

QBS: Why do I have to know about it?

Legal Reasons:

- Public agency
- Hire professionals / consultants
- Federal Law 92-582 (**“federal law”** for this presentation)
(Qualifications Based Selection, or “Brooks Act”); plus other federal laws
- State Law NCGS 143-D (**“state law”** for this presentation)
(Procurement of Architectural, Engineering, and Surveying Services, or “Mini Brooks Act”)
- FAA AC 150/5100-14E (**“FAA AC”** for this presentation)
(Federal AC 150/5100 Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects)
- Local policies or ordinances governing QBS
(when applicable)

QBS: Why do I have to know about it?

Practical Reasons:

- Insures a qualified engineer or architect, which means...
 - Better design
 - Better project implementation
 - Better experience with contractors (the low bidders)
 - Better chance of being under budget and on time
 - Airport is successful...and you are successful!
- The process may cost you more money up front, however will save you time and money in the long run!
- Think about how you select other professional services? Physicians, dentists, investors, professional employees such as pilots, etc.?

QBS: When do I have to use it?

- Any time you are hiring a professional or consultant (contract or subcontract) for:
 - Planning Services
 - AP System and Master Planning
 - Engineering
 - Surveying, Design, Construction administration, Inspection, Land acquisition
 - Architecture
 - Special Services
 - Other
 - Feasibility studies, Program management, Environmental studies, Construction management, Mapping and related services, plus the services listed in appendix A of the FAA AC

QBS: Can't my consultant do it for me?

- No
- The FAA AC states that "...entities that develop or draft specifications, requirements, statement of work, invitations for bids, or requests for proposals must be excluded from competing for such procurements"
- If you chose to have a consultant assist you with the QBS process, then they are not allowed to submit their qualifications for consideration

QBS: What happens if I don't do it?

- You are breaking the law – possible fines, penalties
- You jeopardize your funding – may not get it at all or may have to pay it back
- Engineer jeopardizes engineering license
- Not in compliance with FAA or state rules

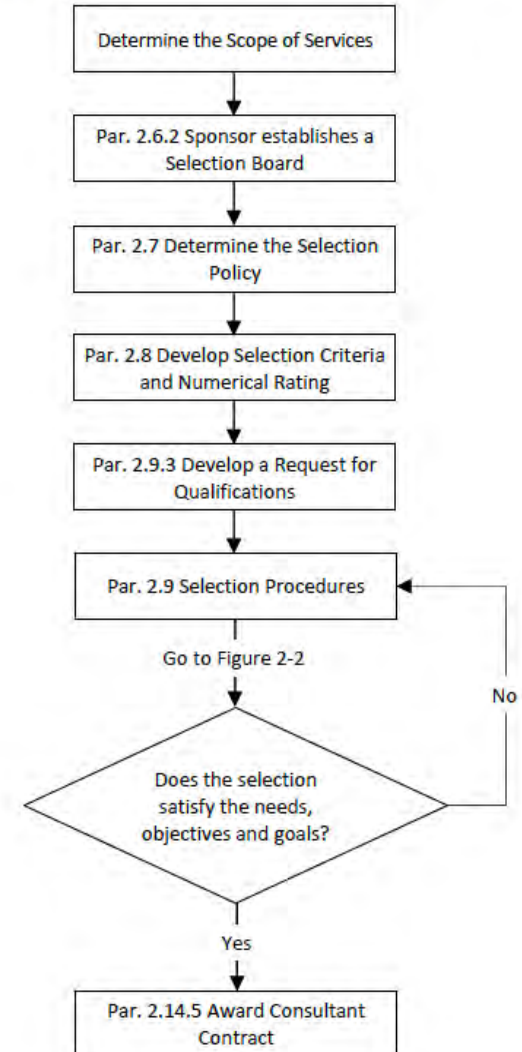
QBS: Ok, I give up! Tell me how to do it!

- Federal Law 92-582
(Qualifications Based Selection, or “Brooks Act”)
- State Law NCGS 143-D
(Procurement of Architectural, Engineering, and Surveying Services, or “Mini Brooks Act”)
- **FAA AC 150/5100-14E**
(**FAA AC 150/5100 Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects**)
- Local policies or ordinances governing QBS
(when applicable)

QBS: FAA AC 150/5100-4E

- Section 2.4
Qualifications Based
Selection (QBS)
Procedures
- Page 2-4

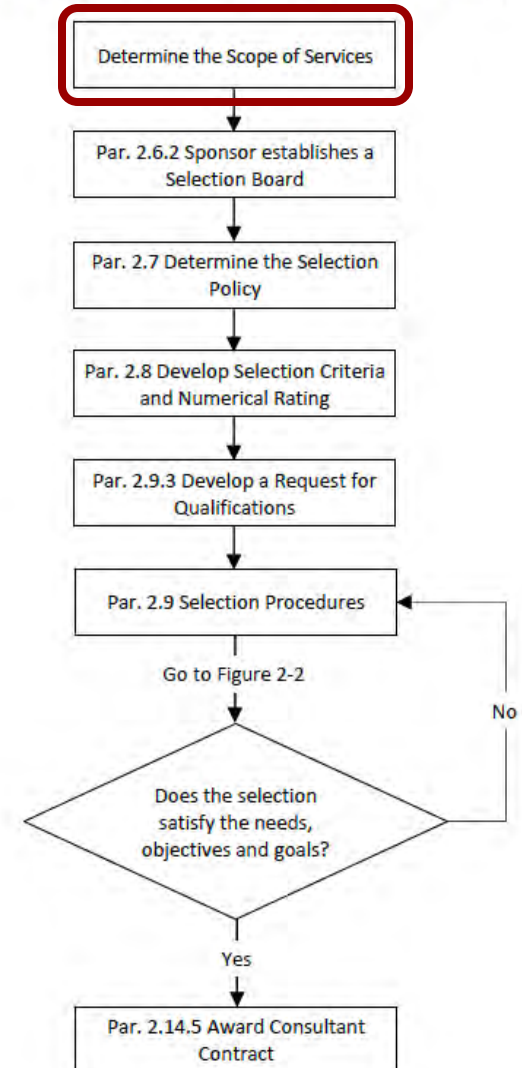
Figure 2-1. Qualifications Based Selection Process



QBS: FAA AC 150/5100-4E

- Determine the (general) Scope of Services
 - Description of project
 - Budget
 - Schedule
 - Special information or considerations about project
 - Mapping or studies if available
 - Other information helpful to solicit qualifications of a firm
 - See samples in FAA AC Appendix C

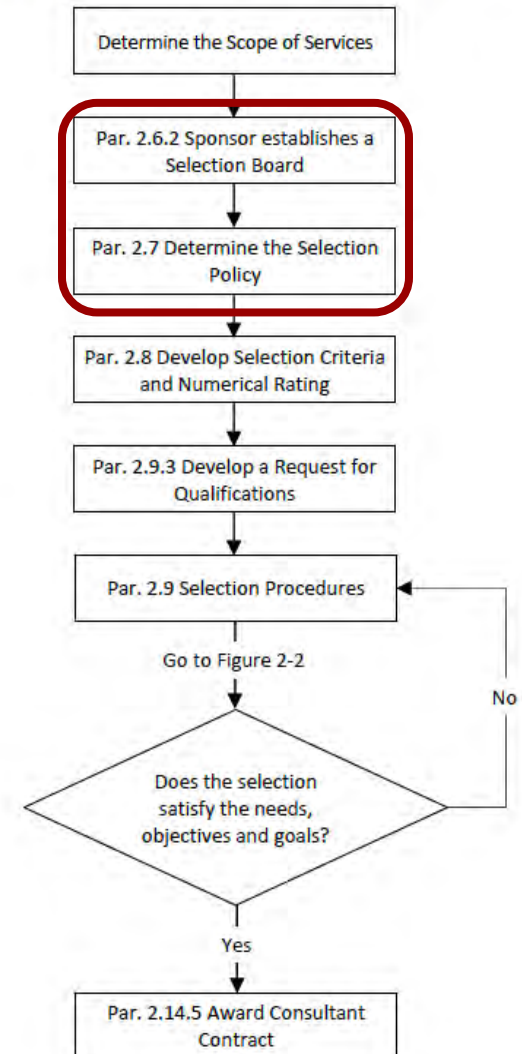
Figure 2-1. Qualifications Based Selection Process



QBS: FAA AC 150/5100-4E

- Sponsor establishes a Selection Board & Policy
 - Should have a policy designating persons authorized to select or recommend consultants and process for a selection board
 - Policy should also address standard/code of conduct to prevent conflicts of interest
 - At least one member to be a similarly experienced professional (typically 3 people total)

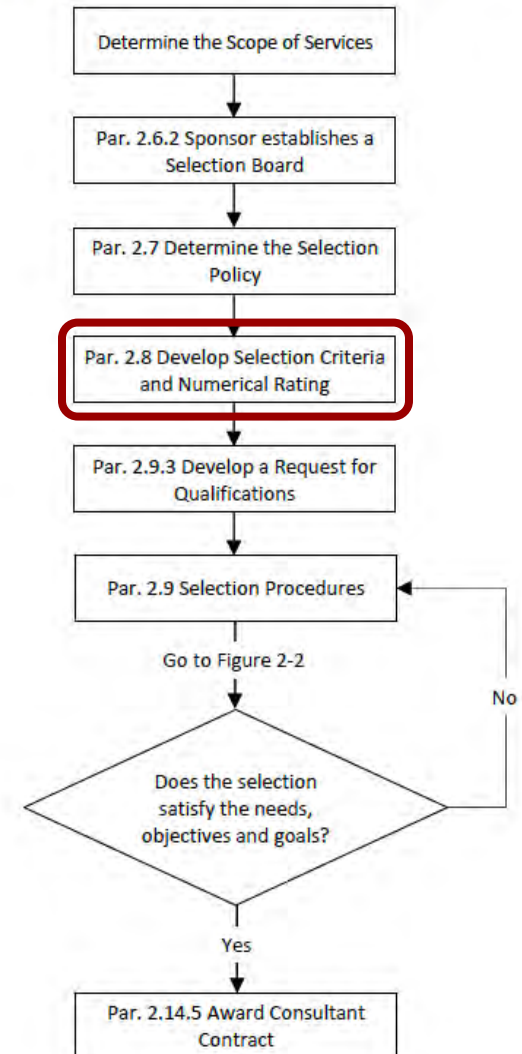
Figure 2-1. Qualifications Based Selection Process



QBS: FAA AC 150/5100-4E

- Develop Selection Criteria and Numerical Ratings
 - Capability to perform all or most aspects of the project
 - Recent experience in similar projects
 - Key personnel's professional qualifications, experience, availability
 - Capability to meet schedule or deadlines
 - Quality of previous projects
 - Qualifications and experience of sub-consultants
 - Plus other...

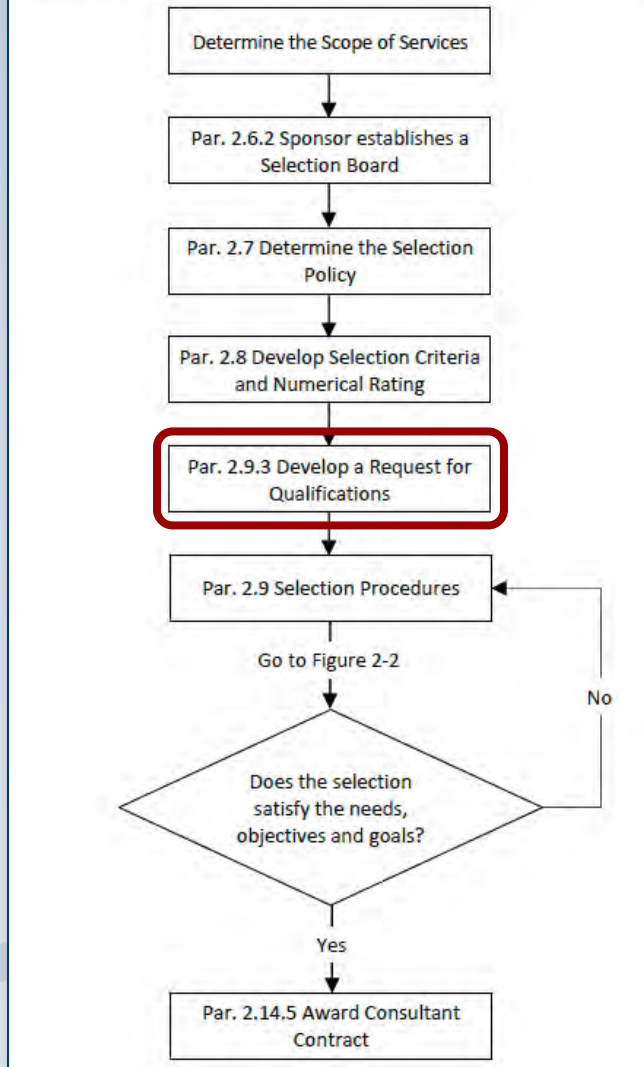
Figure 2-1. Qualifications Based Selection Process



QBS: FAA AC 150/5100-4E

- Develop a Request for Qualifications (RFQ)
 - An RFQ requests information
 - Expectations/minimum qualifications for project team
 - Information you want provided by firms
 - Instructions on layout of RFQ
 - Date, time, address due, number of copies
 - Selection criteria and rating system
 - Schedule for selection

Figure 2-1. Qualifications Based Selection Process

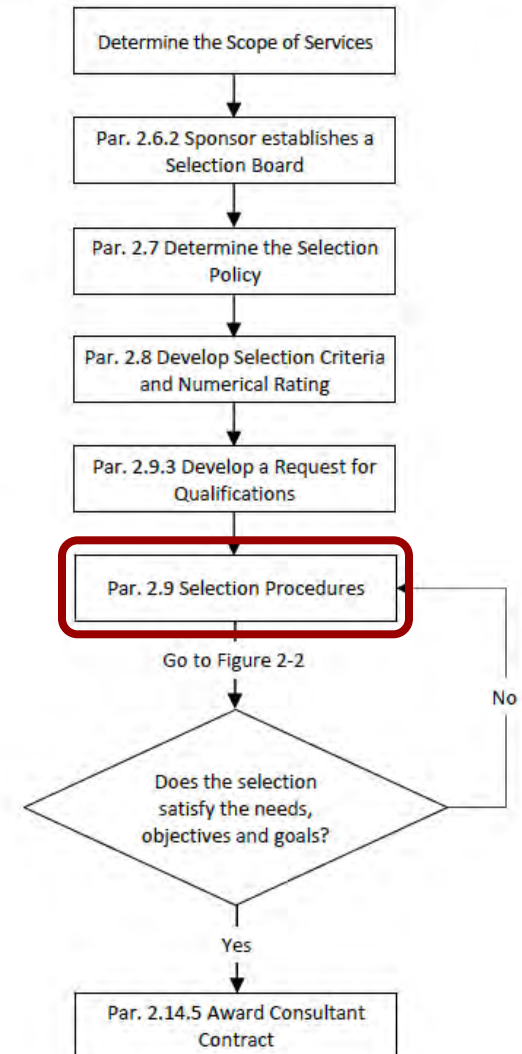


QBS: FAA AC 150/5100-4E

- Selection Procedures
 - Advertise the RFQ
 - Use the selection criteria and numerical ratings to select one or more consultants
 - May follow up with a RFP (Request for Proposals) process to narrow it down to one consultant
 - Selection process may include interviews

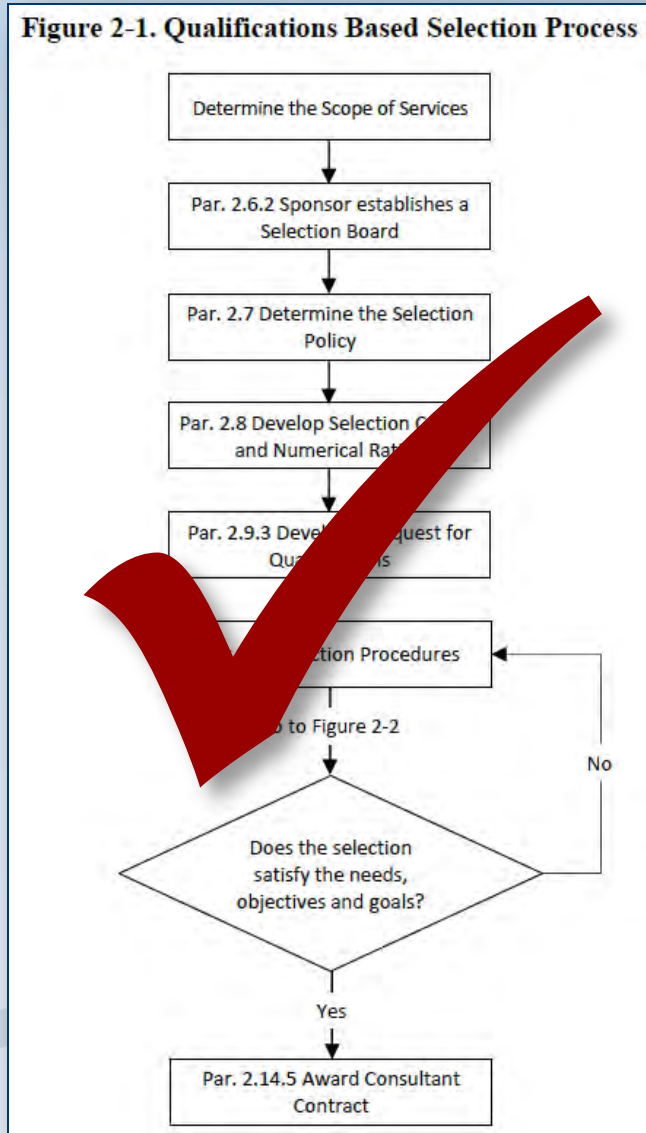
(See FAA AC for specific situations when informal or non-competitive procedures are permitted)

Figure 2-1. Qualifications Based Selection Process



QBS: FAA AC 150/5100-4E

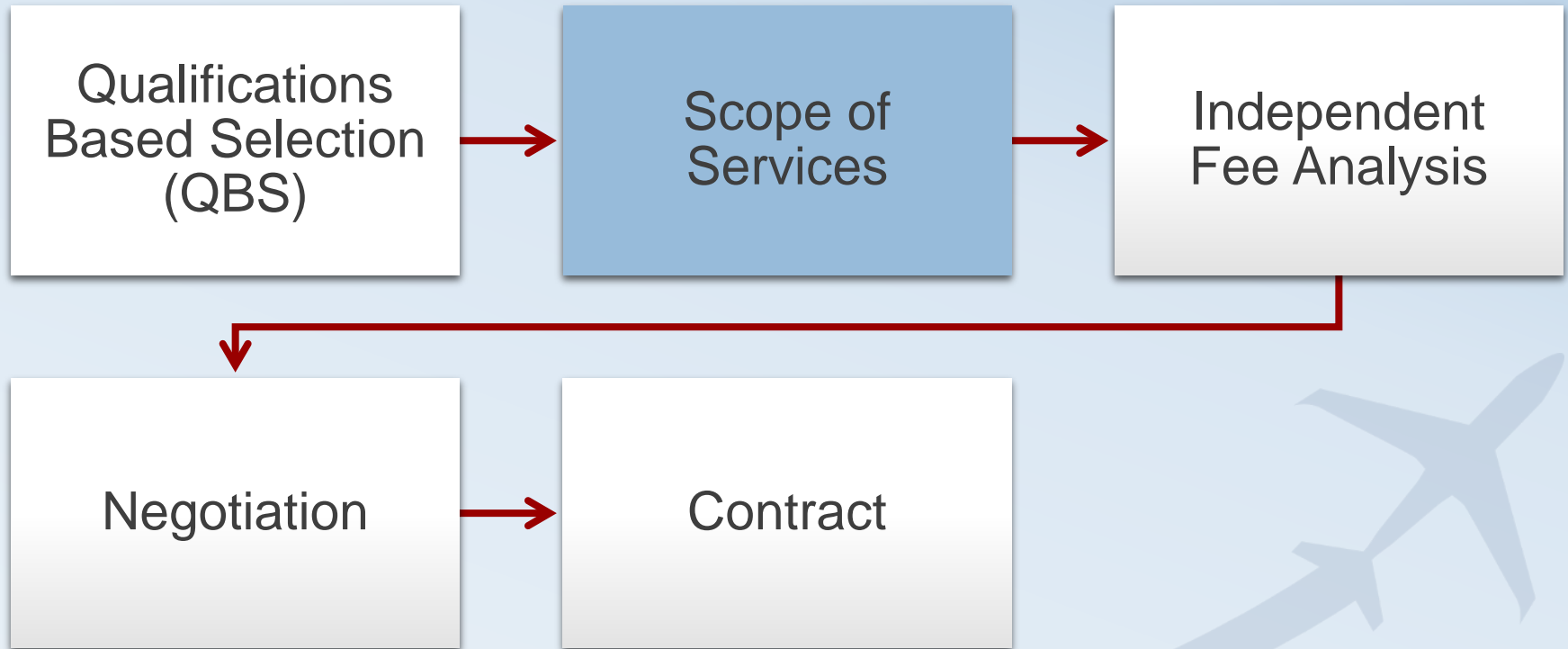
- Consultant Selection Completed!



QBS: Some Notes...

- Sponsor may select a consultant for multiple projects in one QBS process; this is what most General Aviation sponsors do once every 5 years
 - Firms must be advised in advance that selection is for multiple projects
 - Selection is limited to specific listed projects that will be initiated within 5 years
- Multiple consultants can be selected from the QBS selection process to handle different projects
- Sponsors may switch professionals at any time during a project

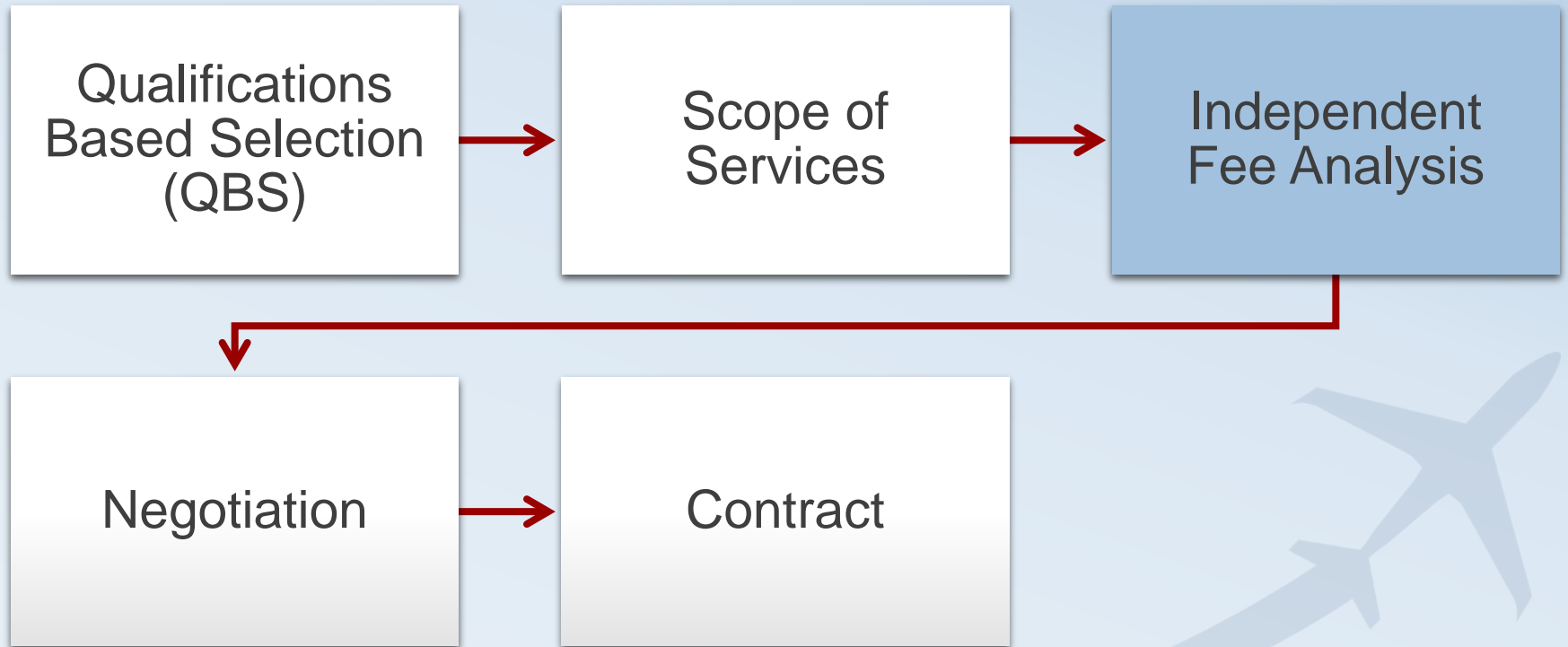
Procurement of Professional Services



Scope of Services

- The Scope of Services used earlier in the process for RFQ solicitation was *general*
- This Scope of Services must be *project specific*
 - Discuss at Scoping Meeting with consultant and APM
 - Collaboratively develop project details
 - Consultant writes the Scope of Services including major tasks
 - APM concurs, and Sponsor approves
 - Includes details but no fee information (hourly, total, or any other)

Procurement of Professional Services

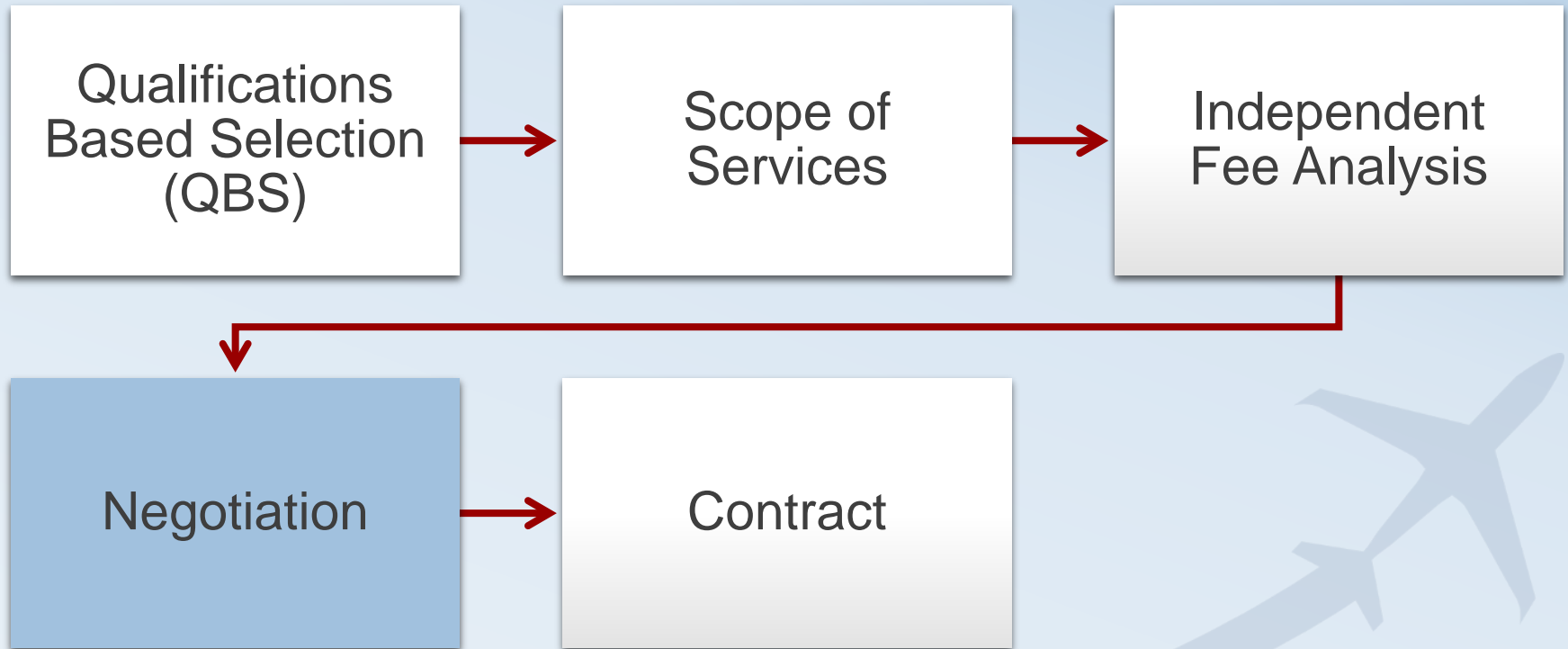


Independent Fee Analysis (IFA)

- Required per FAA AC 150-5100-14E
 - Value expected to exceed \$100,000:
 - Detailed, include direct labor hours, labor rates, general and admin overhead, non-salary expenses and profit; normally prepared by another engineer and called an Independent Fee Estimate
 - Value expected to be between \$10,000 and \$100,000:
 - Less detailed – such as a written comparison to previous projects
 - Value expected to be less than \$10,000:
 - Only a written record of negotiations is required

(Documentation of IFA is required)

Procurement of Professional Services

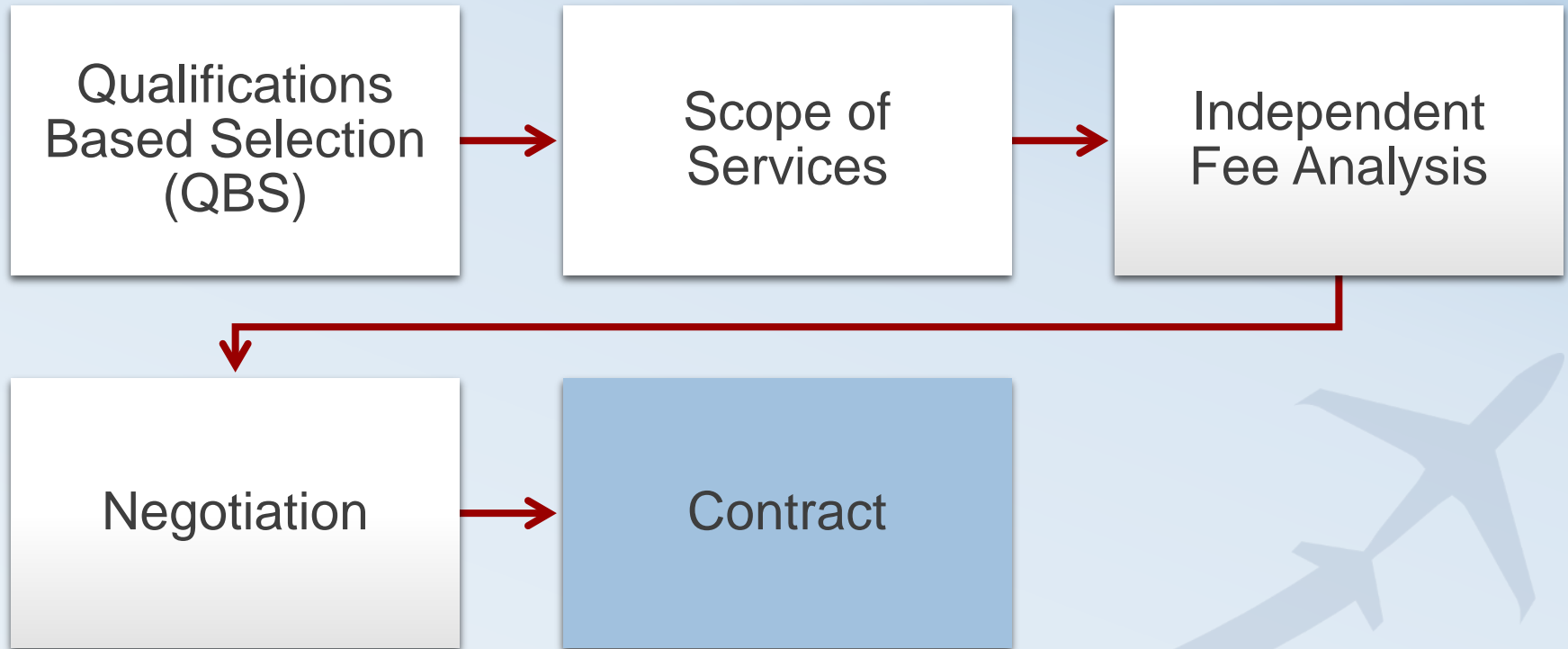


Negotiation

- After conducting an Independent Fee Analysis (IFA), the Sponsor may request a fee proposal from the consultant
 - If fee proposal is within 10% of the IFA, negotiations are optional
 - If fee proposal exceeds IFA by more than 10%, Sponsor should begin negotiations
- Goal of negotiation is fair and reasonable payment for scope of work
- If negotiations are not successful, Sponsor begins negotiations with next highest ranked consultant

(Documentation of negotiations is required)

Procurement of Professional Services



Contract

- Consultant prepares contract incorporating the the Scope of Services and negotiated fee
- Sponsor approves, and sends to APM for concurrence
- Once APM concurs, Sponsor may enter into the contract
- Once DoA issues a Notice to Proceed, work may begin!

Procurement of Professional Services

- Next Steps.....
 - Chapter 3 Contract Format and Provision
 - Chapter 4 Methods of Contracting and Allowable Costs

Coming soon to a future NC AirTAP session near you!

NC AirTAP

Panel Discussion:

Procurement of Professional Services for Airports



Panelists

- Phillip Braden, ADO Manager
Federal Aviation Administration, Memphis Airports District Office, Memphis, TN
- Chris White, A.A.E., Airport Director
OAJ-Ellis Airport, Jacksonville NC
- Mark Davidson, A.A.E., Airport Director
Airport Commission of Forsyth County, Winston-Salem, NC
- Matt Livingston, ICMA-CM, Town Manager
Wallace, NC (Henderson Field)
- T.J. Schulz, President
Airport Consultants Council, Alexandria, VA

A/E QBS Observations: Chris White

- Importance of Fit

- Do the Proposers Understand / Appreciate Your Environment?

- Governance

- Staffing

- Financial

- Personalities

- Good Listening Skills

- Values

- Local Sensibilities

A/E QBS Observations: Chris White

- Importance of Fit (Continued)
 - Experience at Similar Sized Airports
 - Experience with Similar Scoped Projects
- Team
 - Leadership
 - In-House Experts Versus Outsourced
 - Office Location
 - Depth of Bench and Turnover

QBS and CMR: Chris White

- Terminal Project
 - \$27M
 - 67,000 SF
- Selected Construction Manager at Risk
 - Hired During Design (60% +/-)
 - Provided Preconstruction Services
 - Estimating
 - Value Engineering, etc.



Balfour Beatty
Construction

Selection via QBS: Chris White



- Same QBS Process as A/E Firms
- Selection Criteria
 - Firm Experience
 - History
 - Budget & Schedule
 - Team Experience & Qualifications
 - Reputation
 - Innovation & Technology

Panelists

- Phillip Braden, ADO Manager
Federal Aviation Administration, Memphis Airports District Office, Memphis, TN
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Airport Commission of Forsyth County, Winston-Salem, NC
- Matt Livingston, ICMA-CM, Town Manager
Wallace, NC (Henderson Field)
- T.J. Schulz, President
Airport Consultants Council, Alexandria, VA

QBS Observations: Mark Davidson

- Selection Process

- Several qualified firms in NC; selection is difficult

- Challenges

- Politics – Firms contacting Authority Board Members / City Council / County Officials

- Bait and Switch

- During selection make sure everyone avoids potential conflicts

- Recommendations

- Establish panel and point system

- Keep governing board members informed and involved

- Don't be fooled by empty promises



QBS Observations: Mark Davidson

- Selection Process
 - Recommendations (cont.)
 - Remember that it is very costly for firms to submit proposals
 - Mandatory interviews only if needed
 - Consider multiple firms if operating medium or large hub (or multiple airports)
 - Not recommended for single GA airports
 - Choose the right fit for your Airport
 - Largest firm is not necessarily the best.
 - Distance from regional office or headquarters



QBS Observations: Mark Davidson

- After Selection

- Five year agreement preferred. Alternative to consider is three year.
 - Seven day termination clause
 - Let them know they need to perform
- Convenience / On Call
- Extension of staff
- Availability – Distance / Board Meetings
- Sense of ownership for firm
- Relationship / Trust
- Solicit Independent Fee Estimates (IFE's)



Panelists

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NC AirTAP

Thank you for participating!

go.ncsu.edu/ncairtap

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