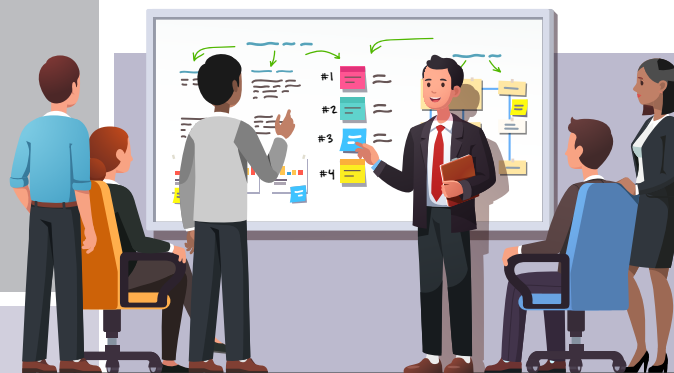




## Qualifications Based Selection (QBS)

### What is QBS?

Qualifications Based Selection is a **decision-making process** that determines which engineering and design professionals should be hired for state agency projects based on what applicant is **most qualified**.



### How does QBS work?

When a state agency requests proposals, respondents are ranked **most-qualified to least-qualified** based on factors solely determined by the agency. The most qualified respondent is invited to meet with the agency to determine the details of project scope and costs.

If no agreement can be reached on mutually agreeable terms, the agency would then take steps with the second most qualified respondent.

At all times, the state maintains controls over costs under QBS, maximizing the capabilities of the respondent and value to the State.

### H.F. 4314 / SF 4397

The engineering and design community have introduced H.F. 4314 (Reps. Huot, Nash, Joy and Harder) & S.F. 4397 (Senators Carlson, Anderson, Lang and Frentz) that would direct the state to use QBS on the design services component for all State Agency projects starting in 2025.

This bipartisan legislation will help ensure a strong, well-planned, and well-built infrastructure due to the most-qualified firms and individuals working on projects across the state of Minnesota. It will save time, money and deliver innovation with direct cost and timeline benefits brought to those involved.

Passing H.F. 4314/S.F. 4397 to require QBS for design services will benefit Minnesota's innovative companies, Minnesota's infrastructure, and Minnesota taxpayers.

**Design services make up less than 1 to 2% of projects' total life-cycle costs – yet the innovation and expertise provided to the State sets the stage for an efficient and cost-effective construction process and years of maintenance cost savings.**

**1%**

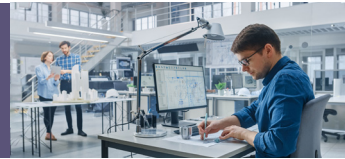
Design,  
Engineering,  
Planning,  
Specification

**99%**

Construction Bid, Maintenance, Updates



# QBS: Unleashing Minnesota as a State of Innovation



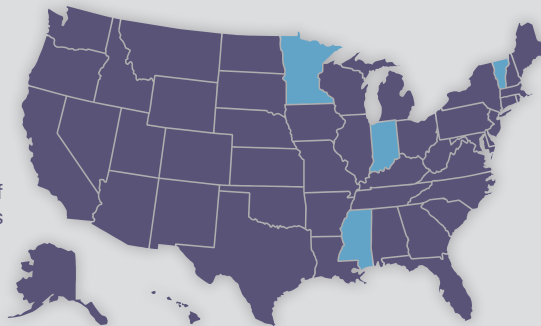
## Minnesota vs. Other States

Minnesota is a state known for our innovation. However, the current “best value” procurement process drives many high-quality and innovative engineering and architectural firms of all sizes away, including small or historically underutilized firms. **Because requiring price setting before negotiations leads to an agency choosing to simply go with a low-cost option, Minnesotans are losing out.**

Not only are we losing good work from experienced Minnesota firms that are looking for projects outside of the state that place more of a priority on quality and qualifications, **but we are losing out the opportunity** to embrace innovation. Do we want to leave innovative projects to Iowa, North Dakota and other states who require QBS?

Minnesota is the state of the future, and we must tap into our full innovation through QBS.

46 states require use of QBS by state agencies



*“Under the current procurement process, innovation is being stifled. QBS heightens firms’ ability to bring innovation to a project while preserving efficiency and accuracy. With the current process giving significant weight to lowest cost, there is less interest in a firm looking to add potential value through innovation if it is going to be overlooked or disregarded in a proposal.”*

– Dan Larson, CEO, AET

## Why is QBS important?

When it comes to design projects, using QBS allows for innovation and conversation. **Design isn’t a commodity, it’s a professional service.** As agencies are selecting who to work with for projects, selecting on qualifications and then negotiating scope and price allows for the best outcome for the State’s projects.

Utilizing QBS gives state agencies more certainty at the start, helping to minimize scheduling issues and unforeseen costs throughout the design process, **saving time and money** – including in the construction and long-term maintenance phases.



Improves quality



Encourages innovation



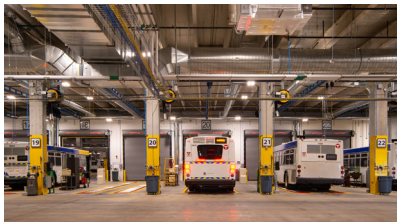
Reduces cost

*“QBS allows each firm the opportunity to present its best proposal with an approach that promotes innovation rather than simply responding to a technical scope of work. The procurement process that rewards the lowest cost handcuffs firms and creates a drive to the bottom that costs the project, the client, and Minnesotans.”*

– Ken Holte, Vice President – Civil Division, SRF Consulting

## Project Success

The Metro Transit North Loop Garage Project is one of the nation’s largest transit facilities. Thanks to QBS, the firm hired to design the North Loop Garage was able to create and implement multiple sustainability innovations that would not have been prioritized using a “best value” low-cost method.



*“Prioritizing qualifications and expertise ensures you’ve got the best engineering, design, and consulting firms assisting you in development and delivery. Under QBS, firms selected are better equipped to understand the complexities and inherent details that less qualified firms may overlook – leading to higher costs than their original proposal. Hiring the best people to deliver the best product reduces costs across a project’s life cycle.”*

– Aaron Warford, Principal Transportation Engineer, Bolton & Menk