QUALIFICATIONS BASED SELECTION

CE 4200

Professional Engineering Practice Issues

Spring 2022 Semester

William D. Lawson, P.E., Ph.D.

QUALIFICATIONS BASED SELECTION

Professional Engineering Practice Issues

VOCABULARY

procurement

PROCUREMENT

Procurement is purchasing or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Source: NIGP- The Institute for Public Procurement

Buddy Holly Hall of Performing Arts and Sciences

EXAMPLE ONLY: *I do not know the procurement process for this project.*

PROJECT DELIVERY METHOD

A **project delivery method** is a system designed to achieve the satisfactory completion of a construction project from conception to occupancy.

Source: CMAA- Construction Management Association of America

ALTERNATIVE PROJECT DELIVERY METHODS

Alternative Delivery Methods [may be divided] into three basic categories: **Design-Bid-Build (DBB)**, Construction Management At Risk (CMAR), and Design-Build (DB).

Source: CMAA- Construction Management Association of America

DESIGN-BID-BUILD,

DBB

Design-Bid-Build (DBB) is the traditional U.S. project delivery method, which customarily involves three sequential project phases: **design**, procurement, and construction.

Source: DBIA- Design-Build Institute of America

QUALIFICATIONS BASED SELECTION, QBS

Qualifications-Based Selection (QBS) is a procurement process for the competitive selection of architectural and engineering services under which the most appropriate professional or firm is selected based on qualifications such as knowledge, skill, experience, and other project-specific factors, rather than on fees.

Source: NIGP- The Institute for Public Procurement

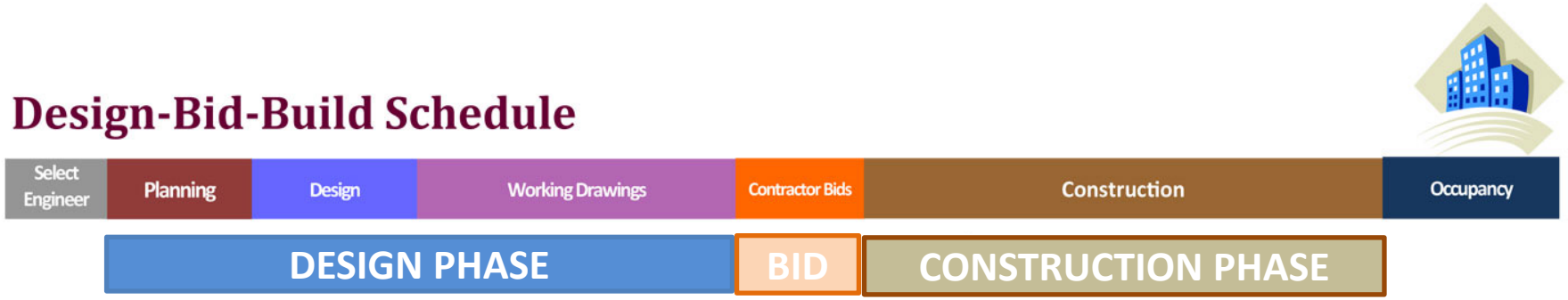
FEE BASED SELECTION,

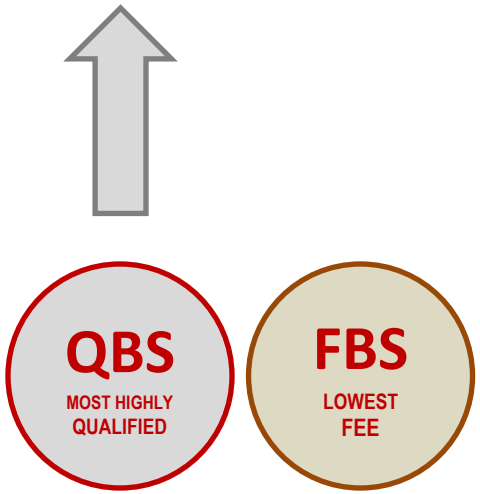
FBS

Fee-Based Selection (FBS) is a procurement process for the competitive selection of architectural and engineering services under which the most appropriate professional or firm is selected based on …fee.

Source: NIGP- The Institute for Public Procurement

TRADITIONAL PHASES OF AN ENGINEERED PROJECT





REQ'D FOR PUBLIC WORK

ALLOWED FOR PRIVATE WORK

REQ'D
FOR PUBLIC
WORK

REQUEST FOR QUALIFICATIONS, RFQ

An **RFQ** (Request for Qualifications) is a request for firms to submit their qualifications to be considered for a project. It is applicable for professional services…

Source: Shive-Hattery Architecture+Engineering

REQ'D
FOR PUBLIC
WORK

STATEMENT OF QUALIFICATIONS, SOQ

A/E firms with an interest in being considered for design services contracts must submit the required **Statement of Qualifications**... A completed SOQ furnishes general information on the size, capabilities, personnel, and past experience of an interested firm....

Source: ACEC-American Council of Engineering Companies

REQ'D
FOR PUBLIC
WORK

REQUEST FOR PROPOSAL,

RFP

An **RFP** (Request for Proposal) is a request for firms to submit their proposal for a project.

Source: Shive-Hattery Architecture+Engineering

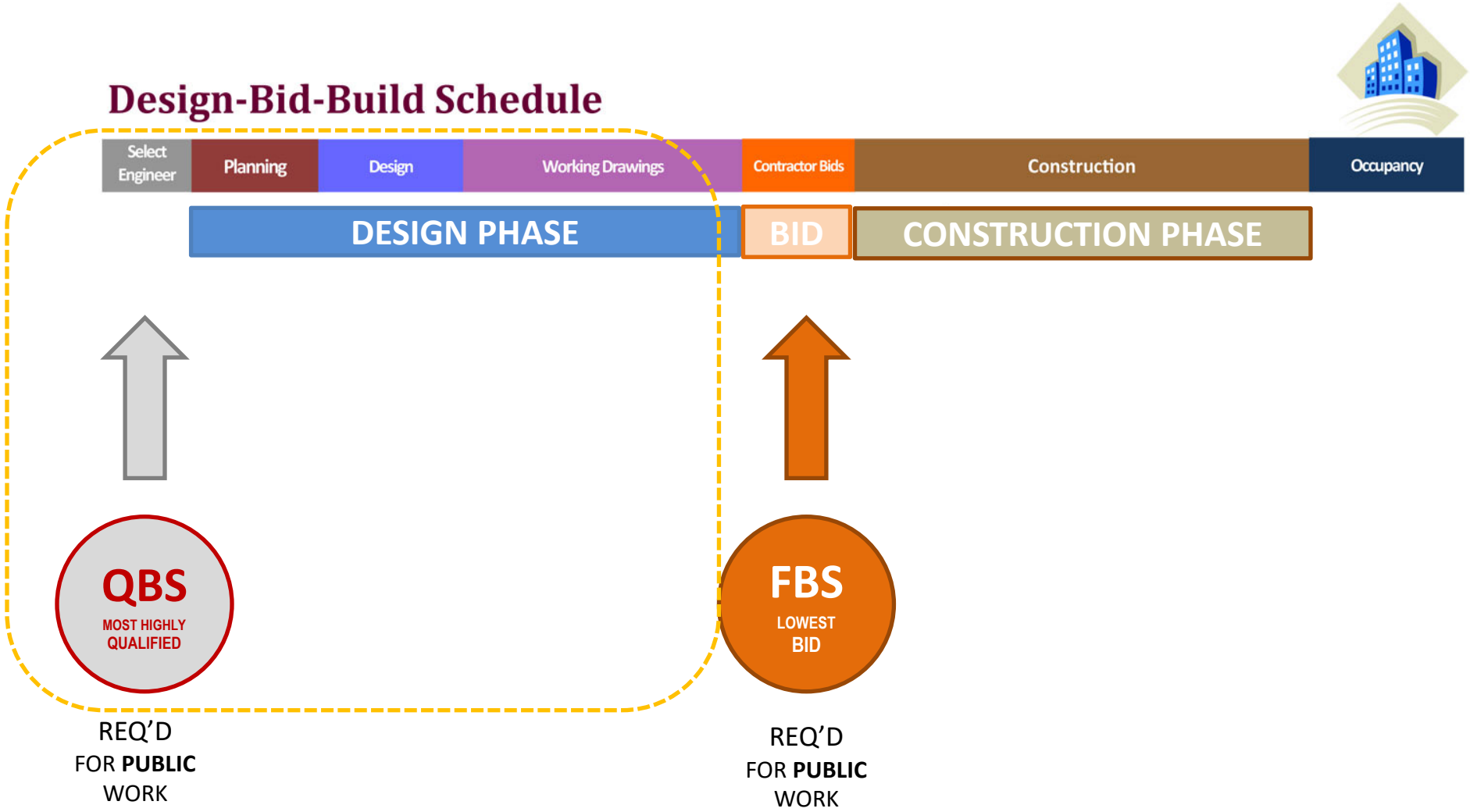
REQ'D
FOR PUBLIC
WORK

PROPOSAL

Engineering **proposals** are the industry standard document by which engineering consultant selection decisions are made. For engineering consulting firms, they are the primary method of securing new work.

Source: ProjectEngineer

TRADITIONAL PHASES OF AN ENGINEERED PROJECT



QBS
MOST HIGHLY QUALIFIED

DESIGN TEAM SELECTION

CONSTRUCTION CONTRACT

FBS
LOWEST BID

QUALIFICATIONS BASED SELECTION

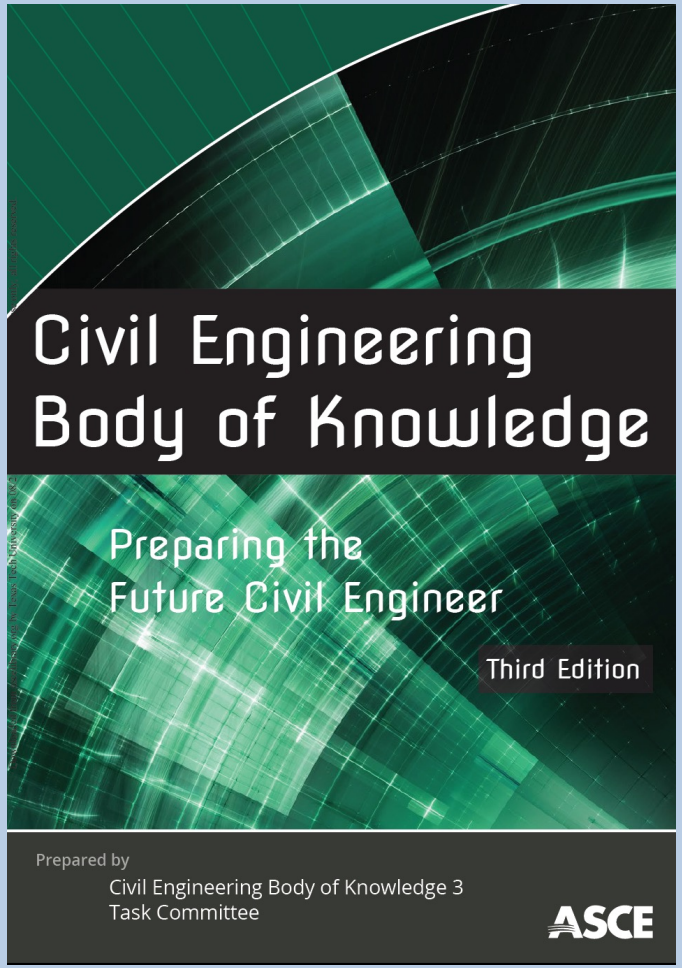
Professional Engineering Practice Issues

CONTEXT

CEBOK3 Topic 20

"Professional Responsibilities"

- The "Professional" outcomes
- pp. 57-60



A PROFESSIONAL RESPONSIBILTY

Professional Responsibilities

Table 2-20a. Professional Responsibilities (Cognitive Domain).

Cognitive Domain Level of Achievement	Demonstrated Ability	Typical Pathway
1 Remember (remember previously learned material)	**Identify** professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	Undergraduate education
2 Comprehend (grasp the meaning of learned material)	**Explain** professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	Undergraduate education
3 Apply (use learned material in new and concrete situations)	**Apply** professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	Mentored experience
4 Analyze (break down learned material into its component parts so that its organizational structure may be understood)	**Illustrate** professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	Mentored experience
5 Synthesize (put learned material together to form a new whole)	**Integrate** professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	Mentored experience
6 Evaluate (judge the value of learned material for a given purpose)	**Assess** the integration of professional responsibilities relevant to the practice of civil engineering, including safety, legal issues, licensure, credentialing, and innovation.	

Table 2-20b. Professional Responsibilities (Affective Domain).

Affective Domain Level of Achievement	Demonstrated Ability	Typical Pathway
1 Receive (be aware of, willing to receive, and be attentive to a particular phenomenon or behavior)	**Acknowledge** professional responsibilities relevant to the practice of civil engineering including safety, legal issues, licensure, credentialing, and innovation.	Undergraduate education
2 Respond (actively participate in activity, attend to task, react to motivation)	**Examine** professional responsibilities relevant to the practice of civil engineering including safety, legal issues, licensure, credentialing, and innovation.	Undergraduate education
3 Value (attach value to particular object, phenomenon, or behavior)	**Value** professional responsibilities relevant to the practice of civil engineering including safety, legal issues, licensure, credentialing, and innovation.	Mentored experience
4 Organize (sort values into priorities by contrasting different values, resolve conflicts between them, and creating a unique value system)	**Form judgments** about professional responsibilities relevant to the practice of civil engineering including safety, legal issues, licensure, credentialing, and innovation.	Self-developed
5 Characterize (follow a value system that controls behavior that is pervasive, consistent, predictable, and a defining characteristic)	**Advocate for** professional responsibilities relevant to the practice of civil engineering including safety, legal issues, licensure, credentialing, and innovation.	

A LEGAL ISSUE

THE STATE OF TEXAS

TEXAS ENGINEERING AND LAND SURVEYING PRACTICE ACTS AND RULES CONCERNING PRACTICE AND LICENSURE

TEXAS BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS
1917 S. INTERSTATE 35
AUSTIN, TX 78741-3702
Email: info@pels.texas.gov
Website: https://pels.texas.gov

Updated April 1, 2021

Lines to the left of the text indicate rules which have changed since the last publication was released on February 2, 2021. Changes to tables are indicated with a gray background.

...tended as a reference document only and all official statutes and

SUBCHAPTER C: PROFESSIONAL CONDUCT AND ETHICS

§137.53 Engineer Standards of Compliance with Professional Services Procurement Act

§137.53 ENGINEER STANDARDS OF COMPLIANCE WITH PROFESSIONAL SERVICES PROCUREMENT ACT

(a) A licensed engineer shall not submit or request, orally or in writing, a competitive bid to perform professional engineering services for a governmental entity unless specifically authorized by state law and shall report to the board any requests from governmental entities and/or their representatives that request a bid or cost and/or pricing information or any other information from which pricing or cost can be derived prior to selection based on demonstrated competence and qualifications to perform the services.

(b) For the purposes of this section, competitive bidding to perform engineering services includes, but is not limited to, the submission of any monetary cost information in the initial step of selecting qualified engineers. Cost information or other information from which cost can be derived must not be submitted until the second step of negotiating a contract at a fair and reasonable cost.

(c) This section does not prohibit competitive bidding in the private sector.

Source Note: The provisions of this §137.53 adopted to be effective May 20, 2004, 29 TexReg 4878; amended to be effective June 4, 2007, 32 TexReg 2996

ENFORCEMENT PROCEEDINGS

SANCTIONS AND PENALTIES

CLASSIFICATION	VIOLATION	CITATION	SUGGESTED SANCTIONS
Engineering Misconduct	Gross negligence	§137.55(a), (b)	Revocation / $5,000.00
	Incompetence; includes performing work outside area of expertise	§137.59(a), (b)	3 year suspension / $5,000.00
Licensing	Fraud or deceit in obtaining a license	§§1001.452(2) 1001.453	Revocation/$5,000.00
Ethics Violations	Failure to engage in professional and business activities in an honest and ethical manner	§137.63(a)	2 year suspension / $4,000.00
	Misrepresentation; issuing oral or written assertions in the practice of engineering that are fraudulent or deceitful	§§137.57(a) and 137.57(b)(1) or (2)	2 year suspension / $4,000.00
	Offer or practice engineering while license is expired or inactive	§§137.7(a) and 137.13(a) and (h)	1 year suspension / $750.00
	Competitive bidding with governmental entity	§137.53	Reprimand / $2,500.00
Improper use of Seal	Failure to safeguard seal and/or electronic signature.	§137.33(d)	Reprimand / $1,500.00

AN ETHICAL ISSUE

NSPE NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

Code of Ethics for Engineers

Preamble

Engineering is an important and learned profession. As members of this profession, engineers are expected to exhibit the highest standards of honesty and integrity. Engineering has a direct and vital impact on the quality of life for all people. Accordingly, the services provided by engineers require honesty, impartiality, fairness, and equity, and must be dedicated to the protection of the public health, safety, and welfare. Engineers must perform under a standard of professional behavior that requires adherence to the highest principles of ethical conduct.

I. Fundamental Canons

Engineers, in the fulfillment of their professional duties, shall:

1. Hold paramount the safety, health, and welfare of the public.
2. Perform services only in areas of their competence.
3. Issue public statements only in an objective and truthful manner.
4. Act for each employer or client as faithful agents or trustees.
5. Avoid deceptive acts.
6. Conduct themselves honorably, responsibly, ethically, and lawfully so as to enhance the honor, reputation, and usefulness of the profession.

II. Rules of Practice

1. Engineers shall hold paramount the safety, health, and welfare of the public.

a. If engineers' judgment is overruled under circumstances that endanger life or property, they shall notify their employer or client and such other authority as may be appropriate.
b. Engineers shall approve only those engineering documents that are in conformity with applicable standards.
c. Engineers shall not reveal facts, data, or information without the prior consent of the client or employer except as authorized or required by law or this Code.
d. Engineers shall not permit the use of their name or associate in business ventures with any person or firm that they believe is engaged in fraudulent or dishonest enterprise.
e. Engineers shall not aid or abet the unlawful practice of engineering by a person or firm.
f. Engineers having knowledge of any alleged violation of this Code shall report thereon to appropriate professional bodies and, when relevant, also to public authorities, and cooperate with the proper authorities in furnishing such information or assistance as may be required.

2. Engineers shall perform services only in the areas of their competence.

a. Engineers shall undertake assignments only when qualified by education or experience in the specific technical fields involved.
b. Engineers shall not affix their signatures to any plans or documents dealing with subject matter in which they lack competence, nor to any plan or document not prepared under their direction and control.
c. Engineers may accept assignments and assume responsibility for coordination of an entire project and sign and seal the engineering documents for the entire project, provided that each technical segment is signed and sealed only by the qualified engineers who prepared the segment.

3. Engineers shall issue public statements only in an objective and truthful manner.

a. Engineers shall be objective and truthful in professional reports, statements, or testimony. They shall include all relevant and pertinent information in such reports, statements, or testimony, which should bear the date indicating when it was current.
b. Engineers may express publicly technical opinions that are founded upon knowledge of the facts and competence in the subject matter.
c. Engineers shall issue no statements, criticisms, or arguments on technical matters that are inspired or paid for by interested parties, unless they have prefaced their comments by explicitly identifying the interested parties on whose behalf they are speaking, and by revealing the existence of any interest the engineers may have in the matters.

4. Engineers shall act for each employer or client as faithful agents or trustees.

a. Engineers shall disclose all known or potential conflicts of interest that could influence or appear to influence their judgment or the quality of their services.
b. Engineers shall not accept compensation, financial or otherwise, from more than one party for services on the same project, or for services pertaining to the same project, unless the circumstances are fully disclosed and agreed to by all interested parties.
c. Engineers shall not solicit or accept financial or other valuable consideration, directly or indirectly, from outside agents in connection with the work for which they are responsible.
d. Engineers in public service as members, advisors, or employees of a governmental or quasi-governmental body or department shall not participate in decisions with respect to services solicited or provided by them or their organizations in private or public engineering practice.
e. Engineers shall not solicit or accept a contract from a governmental body on which a principal or officer of their organization serves as a member.

5. Engineers shall avoid deceptive acts.

a. Engineers shall not falsify their qualifications or permit misrepresentation of their or their associates' qualifications. They shall not misrepresent or exaggerate their responsibility in or for the subject matter of prior assignments. Brochures or other presentations incident to the solicitation of employment shall not misrepresent pertinent facts concerning employers, employees, associates, joint venturers, or past accomplishments.
b. Engineers shall not offer, give, solicit, or receive, either directly or indirectly, any contribution to influence the award of a contract by public authority, or which may be reasonably construed by the public as having the effect or intent of influencing the awarding of a contract. They shall not offer any gift or other valuable consideration in order to secure work. They shall not pay a commission, percentage, or brokerage fee in order to secure work, except to a bona fide employee or bona fide established commercial or marketing agencies retained by them.

III. Professional Obligations

1. Engineers shall be guided in all their relations by the highest standards of honesty and integrity.

a. Engineers shall acknowledge their errors and shall not distort or alter the facts.
b. Engineers shall advise their clients or employers when they believe a project will not be successful.
c. Engineers shall not accept outside employment to the detriment of their regular work or interest. Before accepting any outside engineering employment, they will notify their employers.
d. Engineers shall not attempt to attract an engineer from another employer by false or misleading pretenses.
e. Engineers shall not promote their own interest at the expense of the dignity and integrity of the profession.

2. Engineers shall at all times strive to serve the public interest.

a. Engineers are encouraged to participate in civic affairs; career guidance for youths; and work for the advancement of the safety, health, and well-being of their community.
b. Engineers shall not complete, sign, or seal plans and/or specifications that are not in conformity with applicable engineering standards. If the client or employer insists on such unprofessional conduct, they shall notify the proper authorities and withdraw from further service on the project.
c. Engineers are encouraged to extend public knowledge and appreciation of engineering and its achievements.
d. Engineers are encouraged to adhere to the principles of sustainable development[1] in order to protect the environment for future generations.

1420 KING STREET • ALEXANDRIA, VIRGINIA 22314-2794 • 888-285-NSPE (6773) • LEGAL@NSPE.ORG • WWW.NSPE.ORG • PUBLICATION DATE AS REVISED JULY 2007 • PUBLICATION #1102

NSPE NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

3. Engineers shall avoid all conduct or practice that deceives the public.
a. Engineers shall avoid the use of statements containing a material misrepresentation of fact or omitting a material fact.
b. Consistent with the foregoing, engineers may advertise for recruitment of personnel.
c. Consistent with the foregoing, engineers may prepare articles for the lay or technical press, but such articles shall not imply credit to the author for work performed by others.

4. Engineers shall not disclose, without consent, confidential information concerning the business affairs or technical processes of any present or former client or employer, or public body on which they serve.
a. Engineers shall not, without the consent of all interested parties, promote or arrange for new employment or practice in connection with a specific project for which the engineer has gained particular and specialized knowledge.
b. Engineers shall not, without the consent of all interested parties, participate in or represent an adversary interest in connection with a specific project or proceeding in which the engineer has gained particular specialized knowledge on behalf of a former client or employer.

5. Engineers shall not be influenced in their professional duties by conflicting interests.
a. Engineers shall not accept financial or other considerations, including free engineering designs, from material or equipment suppliers for specifying their product.
b. Engineers shall not accept commissions or allowances, directly or indirectly, from contractors or other parties dealing with clients or employers of the engineer in connection with work for which the engineer is responsible.

6. Engineers shall not attempt to obtain employment or advancement or professional engagements by untruthfully criticizing other engineers, or by other improper or questionable methods.
a. Engineers shall not request, propose, or accept a commission on a contingent basis under circumstances in which their judgment may be compromised.
b. Engineers in salaried positions shall accept part-time engineering work only to the extent consistent with policies of the employer and in accordance with ethical considerations.
c. Engineers shall not, without consent, use equipment, supplies, laboratory, or office facilities of an employer to carry on outside private practice.

7. Engineers shall not attempt to injure, maliciously or falsely, directly or indirectly, the professional reputation, prospects, practice, or employment of other engineers. Engineers who believe others are guilty of unethical or illegal practice shall present such information to the proper authority for action.
a. Engineers in private practice shall not review the work of another engineer for the same client, except with the knowledge of such engineer, or unless the connection of such engineer with the work has been terminated.
b. Engineers in governmental, industrial, or educational employ are entitled to review and evaluate the work of other engineers when so required by their employment duties.
c. Engineers in sales or industrial employ are entitled to make engineering comparisons of represented products with products of other suppliers.

8. Engineers shall accept personal responsibility for their professional activities, provided, however, that engineers may seek indemnification for services arising out of their practice for other than gross negligence, where the engineer's interests cannot otherwise be protected.
a. Engineers shall conform with state registration laws in the practice of engineering.
b. Engineers shall not use association with a nonengineer, a corporation, or partnership as a "cloak" for unethical acts.

9. Engineers shall give credit for engineering work to those to whom credit is due, and will recognize the proprietary interests of others.
a. Engineers shall, whenever possible, name the person or persons who may be individually responsible for designs, inventions, writings, or other accomplishments.
b. Engineers using designs supplied by a client recognize that the designs remain the property of the client and may not be duplicated by the engineer for others without express permission.
c. Engineers, before undertaking work for others in connection with which the engineer may make improvements, plans, designs, inventions, or other records that may justify copyrights or patents, should enter into a positive agreement regarding ownership.
d. Engineers' designs, data, records, and notes referring exclusively to an employer's work are the employer's property. The employer should indemnify the engineer for use of the information for any purpose other than the original purpose.
e. Engineers shall continue their professional development throughout their careers and should keep current in their specialty fields by engaging in professional practice, participating in continuing education courses, reading in the technical literature, and attending professional meetings and seminars.

Footnote 1 "Sustainable development" is the challenge of meeting human needs for natural resources, industrial products, energy, food, transportation, shelter, and effective waste management while conserving and protecting environmental quality and the natural resource base essential for future development.

"By order of the United States District Court for the District of Columbia, former Section 11(c) of the NSPE Code of Ethics prohibiting competitive bidding, and all policy statements, opinions, rulings or other guidelines interpreting its scope, have been rescinded as unlawfully interfering with the legal right of engineers, protected under the antitrust laws, to provide price information to prospective clients; accordingly, nothing contained in the NSPE Code of Ethics, policy statements, opinions, rulings or other guidelines prohibits the submission of price quotations or competitive bids for engineering services at any time or in any amount."

Statement by NSPE Executive Committee

In order to correct misunderstandings which have been indicated in some instances since the issuance of the Supreme Court decision and the entry of the Final Judgment, it is noted that in its decision of April 25, 1978, the Supreme Court of the United States declared: "The Sherman Act does not require competitive bidding."

It is further noted that as made clear in the Supreme Court decision:

1. Engineers and firms may individually refuse to bid for engineering services.
2. Clients are not required to seek bids for engineering services.
3. Federal, state, and local laws governing procedures to procure engineering services are not affected, and remain in full force and effect.
4. State societies and local chapters are free to actively and aggressively seek legislation for professional selection and negotiation procedures by public agencies.
5. State registration board rules of professional conduct, including rules prohibiting competitive bidding for engineering services, are not affected and remain in full force and effect. State registration boards with authority to adopt rules of professional conduct may adopt rules governing procedures to obtain engineering services.
6. As noted by the Supreme Court, "nothing in the judgment prevents NSPE and its members from attempting to influence governmental action . . ."

Note: In regard to the question of application of the Code to corporations vis-a-vis real persons, business form or type should not negate nor influence conformance of individuals to the Code. The Code deals with professional services, which services must be performed by real persons. Real persons in turn establish and implement policies within business structures. The Code is clearly written to apply to the Engineer, and it is incumbent on members of NSPE to endeavor to live up to its provisions. This applies to all pertinent sections of the Code.

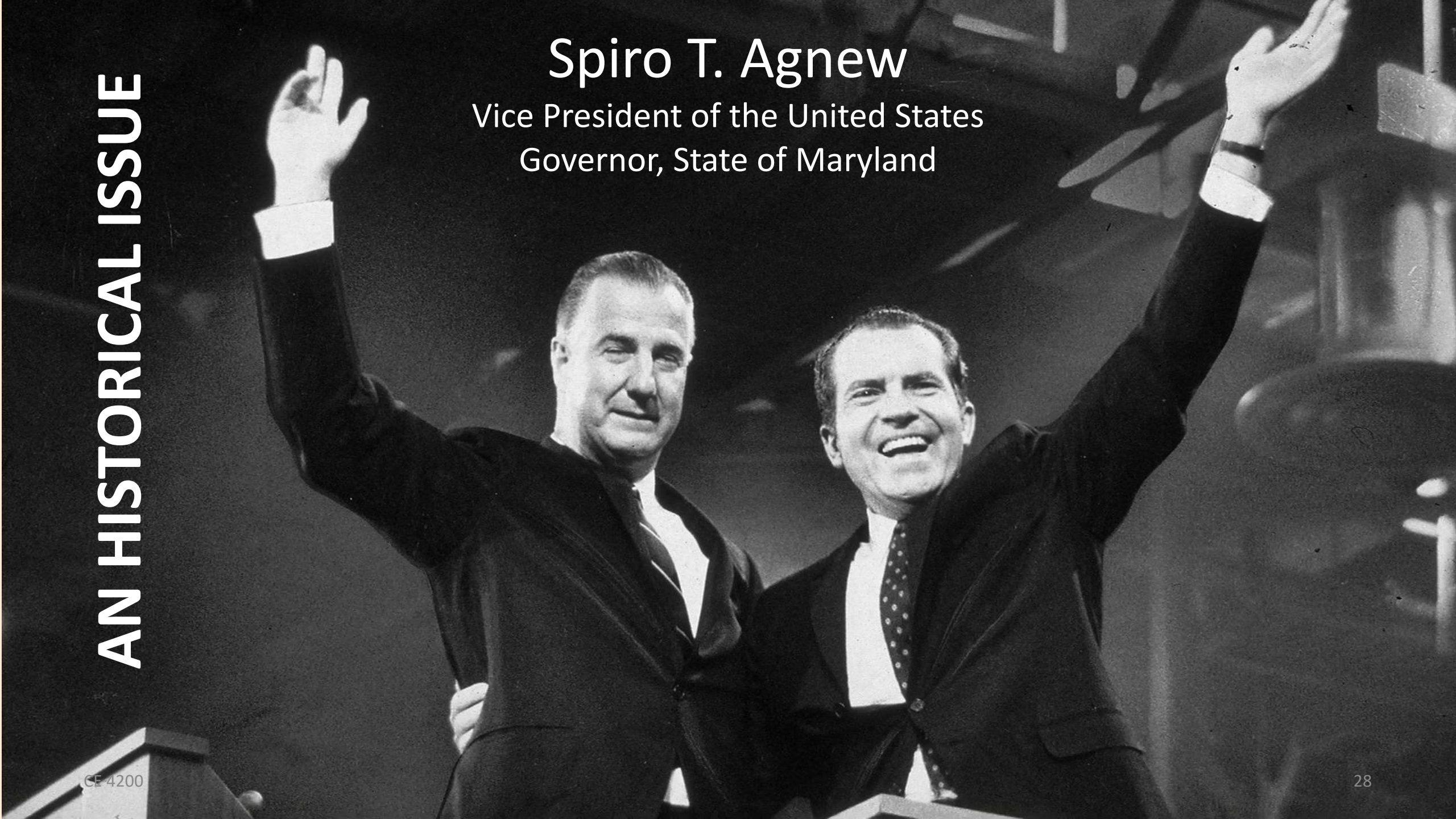
1420 KING STREET • ALEXANDRIA, VIRGINIA 22314-2794 • 888-285-NSPE (6773) • LEGAL@NSPE.ORG • WWW.NSPE.ORG • PUBLICATION DATE AS REVISED JULY 2007 • PUBLICATION #1102

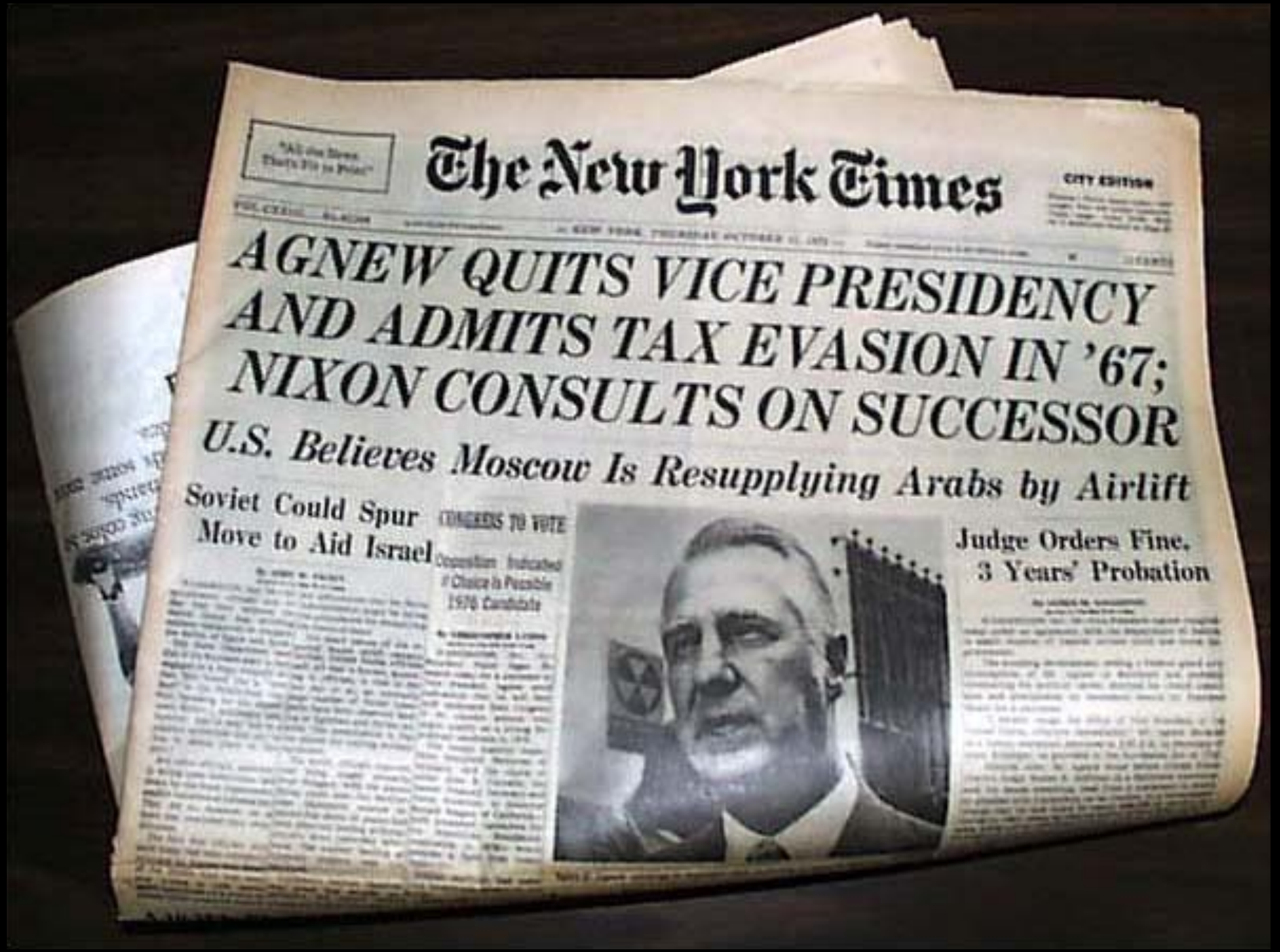
AN HISTORICAL ISSUE

Spiro T. Agnew

Vice President of the United States

Governor, State of Maryland




The New York Times
CITY EDITION
AGNEW QUITS VICE PRESIDENCY AND ADMITS TAX EVASION IN '67; NIXON CONSULTS ON SUCCESSOR
U.S. Believes Moscow Is Resupplying Arabs by Airlift
Soviet Could Spur Move to Aid Israel
CONGRESS TO VOTE
Judge Orders Fine, 3 Years' Probation

Notes from the Historical Record

Agnew took hundreds of thousands of dollars in contractors' kickbacks…
Envelopes filled with cash given to him in his office detailed in 40-page report

"When Spiro T. Agnew arrived in the dark-paneled fifth-floor courtroom in the old Federal Courthouse on Calvert Street on Oct. 10, 1973, no one anticipated what was coming: resignation as Vice President and a plea of no contest to tax evasion.

As part of the plea agreement that spared Agnew a prison term, U.S. Attorney General Elliot L. Richardson read a 40-page exposition detailing how Agnew had extorted hundreds of thousands of dollars from government contractors [consulting engineers] -- cash in white envelopes -- while he served as Baltimore County executive, Governor of Maryland, and Vice President.

Source: The Baltimore Sun, September 19, 1996

QUALIFICATIONS BASED SELECTION

Professional Engineering Practice Issues

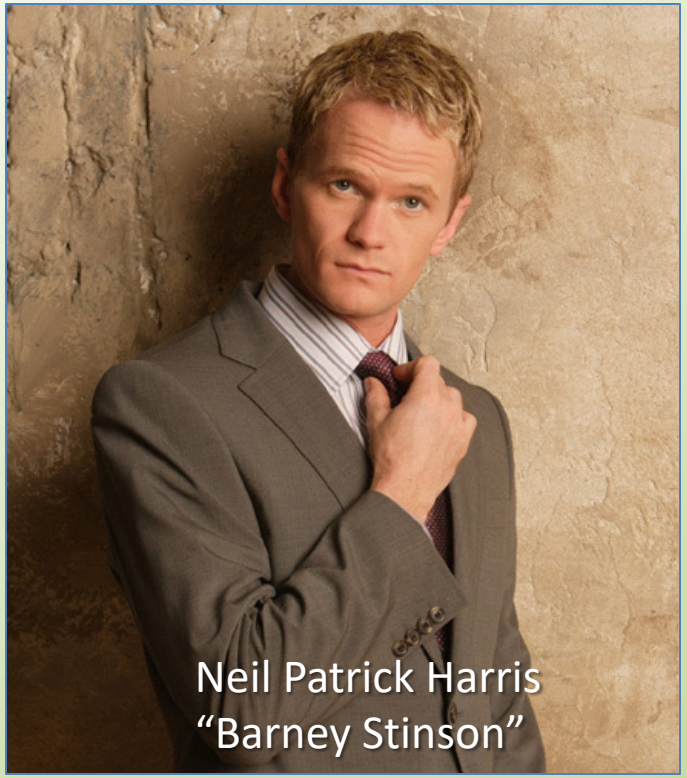
WHY QBS?

BESPOKE

“made to fit a particular [application] : CUSTOM-MADE”

THE NATURE OF ENGINEERING PROJECTS

OFF THE RACK? **or** **BESPOKE?**



The QBS Process

There are seven basic steps involved in pursuing design work under QBS:

1. Public solicitation for architectural and engineering services
2. Submission of a statement of qualifications to design specific projects for which public announcements were made
3. Evaluation of the statements of qualifications
4. Development of a short-list of at least three submitting firms in order to conduct interview with them
5. Interviews with the firms
6. Ranking of at least three of the most qualified firms
7. Negotiation with the top ranked firm.

Source: ACEC-American Council of Engineering Companies

Why QBS Works

Design professional firms do not sell a commodity, but provide technical expertise, innovation and the latest technology. These skills enhance the quality of a project and lead to cost savings. Simply stated, selecting an engineering firm based on low bid prevents an owner from receiving the best value.

Source: ACEC-American Council of Engineering Companies

QUALIFICATIONS BASED SELECTION

Professional Engineering Practice Issues

LEGAL BASIS FOR QBS

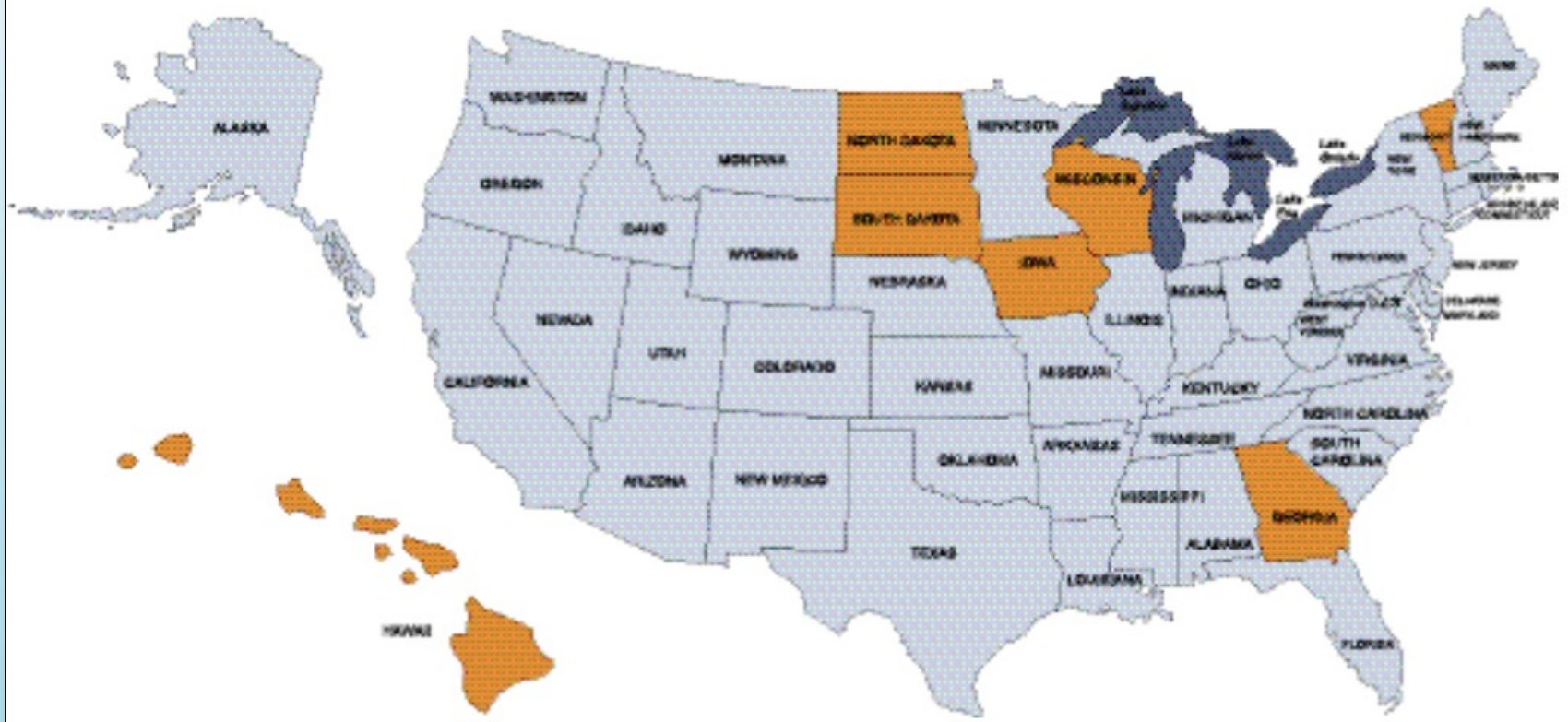
Public Law 92-582 (FEDERAL)

92nd Congress, H.R. 12807

In 1972, Congress adopted the Brooks Act (P.L. 92-582), requiring the use of Qualifications-Based Selection (QBS) for the procurement of architect and engineering services. The use of QBS ensures that federal agencies — and the taxpayer — receive highly technical architect and engineering services from the most experienced and most qualified firms at a fair and reasonable cost. QBS is used by all federal agencies, 46 state governments, and many localities throughout the country.

Source: ACEC-American Council of Engineering Companies

Status of QBS Nationwide



States with QBS laws

States without QBS laws

Source: Engineering Inc. (Dec 2002)

GOVERNMENT CODE (**TEXAS**)
TITLE 10. GENERAL GOVERNMENT
SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT
CHAPTER 2254. PROFESSIONAL AND CONSULTING SERVICES
SUBCHAPTER A. PROFESSIONAL SERVICES
Sec. 2254.001. SHORT TITLE. This subchapter may be cited as the

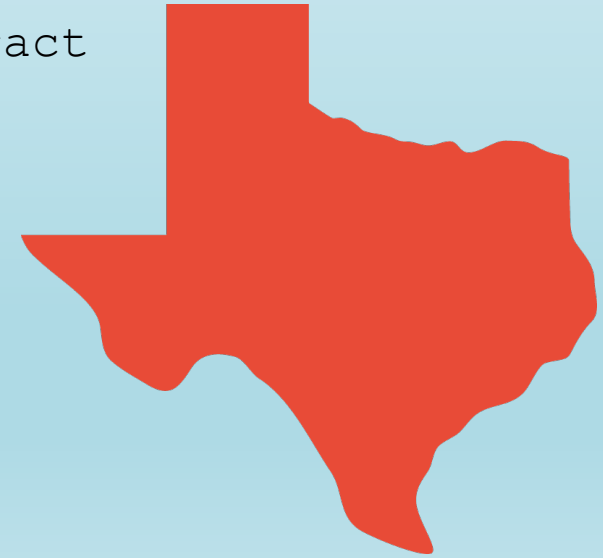
Professional Services Procurement Act.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2254.003. SELECTION OF PROVIDER; FEES.
(a) A governmental entity may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award:

1) on the basis of demonstrated competence and qualifications to perform the services; and
2) for a fair and reasonable price.

(b) The professional fees under the contract may not exceed any maximum provided by law.



Design services involve the exercise of professional judgment and creativity that are vital to a project's success. Providers of such services must not be treated as commodities to be selected on the basis of lowest price.

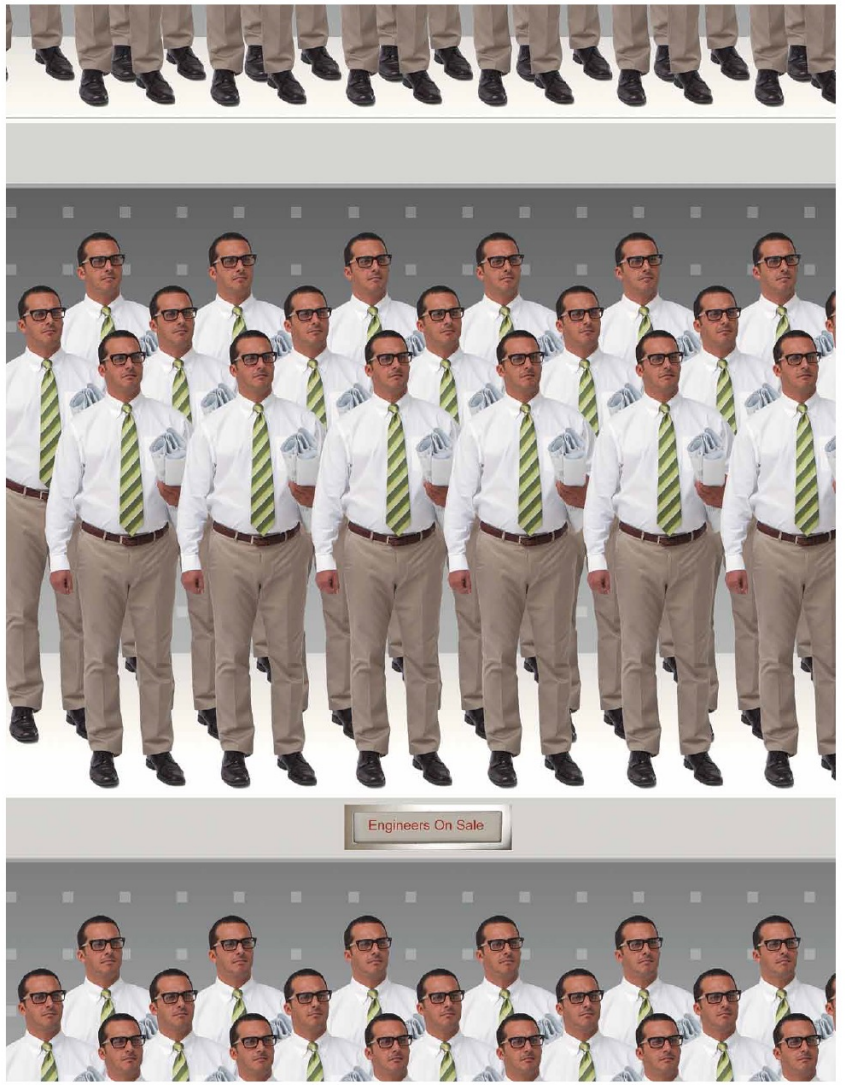
Source: ACEC-American Council of Engineering Companies

Breaking the Mold

Commoditization: How to overcome a major threat to a firm's success

By Samuel Greengard

In this era of rapid change, from globalization to emerging technologies, delivering value to customers and clients is more complicated than ever. A/E firms find themselves facing an increasingly competitive and cutthroat marketplace—with clients who don't always recognize or want to recognize differing values in products and services. The result is that as pricing pressures increase, so does the risk of engineering services becoming commoditized. >>



Source: ENGINEERING, INC. March/April 2015

THANK YOU.