



## **INDEPENDENT STUDY CONFIRMS BENEFITS OF QUALIFICATIONS-BASED SELECTION**

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### **Significant Potential for Financial Saving and Better Outcomes with A Subtle Shift in the Procurement Process**

A joint Canada-U.S. study confirms Qualifications-Based Selection (QBS) will benefit buyers and end-users with significant additional value and lower risk when in the market for professional services, Cal Harrison, president of QBS Canada, and study author Professor Paul Chinowsky, University of Colorado Boulder, announced today.

“An adjustment in thinking about procurement will benefit buyers with significant additional value and lower risk when in the market for professional services such as architecture, engineering, construction management, IT and marketing consulting,” said Harrison. “The focus of QBS is first finding the most appropriately qualified consultant, and then starting the fee negotiation process, rather than the traditional RFP process that relies on cost as a first consideration.”

The study authors conclude that in the built environment sector there is a strong association between the use of QBS, the quality of construction documents developed by the design team and the final cost and schedule performance. In addition to providing traditional cost and schedule savings, the study shows that QBS provides specific benefits to complex projects.

While there are specific value added-benefits from the application of QBS procurement methods to all projects, the study finds it is particularly evident for complex projects. Complexity can emerge from numerous points including community engagement, political or social sensitivities and technical challenges in design or in construction, or management and collaboration of project participants.

“The study found that QBS provides direct benefits in all phases of projects,” said study author Professor Paul Chinowsky, University of Colorado Boulder. “From direct cost and schedule benefits to indirect benefits of reduced management issues and increased innovation, QBS demonstrates a clear benefit when applied across a series of project types and geographic regions.”

These advantages should motivate jurisdictions at all levels to re-examine the potential adoption of QBS in public projects. Additionally, a coherent set of rules regarding QBS procurement would significantly benefit all provincial and local jurisdictions.

Through QBS, suppliers first compete on experience and technical expertise, rather than price or the cheapest bid so that price is not an INITIAL element of the QBS selection process. The most qualified firm will then enter scope and price negotiations and settle on a fair price and clearly defined deliverables. If fair and reasonable fees cannot be agreed upon, negotiations commence with the second most qualified firm.

“Most people intuitively understand that by focussing on price and buying based on low cost, there is a significant risk of low-quality outcomes,” said Chinowsky. “Some buyers think QBS means price is not considered, but it is considered, just not in the preliminary selection process where it is more important to identify the most qualified and the most capable supplier.”

“With QBS, price is still a factor but only after you have selected the most capable supplier,” said Harrison. “A vendor can’t win with an artificially low price, but it can lose on too a high price - which is the best possible scenario for taxpayers, governments, and end-users.”

QBS Canada coordinated this study as a Canadian extension of analysis by Dr. Chinowsky and Dr. Kingsley for the ACEC Research Institute in the United States in 2022 – an update to their initial study in 2007.

More information on Qualifications Based Selection and a copy of the research report is available at: <https://qbscanada.ca/news/>

Media contacts:

Report Author, Dr. Chinowsky [pchinowsky@resilient-analytics.com](mailto:pchinowsky@resilient-analytics.com)

QBS Canada President, Cal Harrison [cal@qbscanada.ca](mailto:cal@qbscanada.ca)