How to create an effective Request for Qualifications (RFQ) and/or a Request for Proposal (RFP)

Building the right team for a design project is a lot like putting together a puzzle. In order for the best possible outcome, the pieces have to be complementary. Given the importance of assembling the right team for you, some of the most important tasks are procuring professional design services and developing a Request for Qualifications (RFQ) or Request for Proposal (RFP).

Taking the time to create documents that are clear and address your needs and expectations can be the difference between a successful project and one that is fraught with cost overruns, delays, lawsuits or frustration. A good RFQ and/or RFP is key to a successful project. This document has been developed to provide you with some tools and insights to create these documents.

Differences between RFQ and RFP

RFQs tend to be shorter, less defined and focused on the experience and services the firm can provide. They typically focus on qualifications and do not take into consideration price. RFQs, because they are requesting only information on the qualifications of the firm, require less investment of the owner in their preparation. RFQs can be used for the final selection process or as a means of creating a shortlist of firms to be asked to respond to an RFP.

RFP’s tend to be more detailed, typically provide more information to proposers and may or may not include a request for information on price. RFPs require the owner to invest more time and effort up front in order to establish definable deliverables.

Request for Qualifications (RFQ)

The RFQ is designed to help you identify firms that have the necessary qualifications to successfully deliver your project. The document is not designed to determine the type of design or specific features of a project. You may ask for information regarding a firm’s expertise as it relates to certain aspects of a project, but again, the document is not looking for specific design solutions. Scope is not clearly defined and price is not a factor when requesting a RFQ. What information should the owner provide to the RFQ recipients?
The RFQ is usually brief and outlines a general list of qualifications you are seeking. Some of the more usual items covered include:

- Specialized expertise applicable to the project
- Previous work done for you and/or at the site
- Resources available to perform the work, including any specialized services the firm offers
- Key personnel that would be involved in the project
- Proposed project management techniques including cost controls
- Availability to the project locale
- Familiarity with the project locale
- Ability and proven history in handling special project constraints
- References
- Record of the firm’s past performance, including but not limited to quality of work, ability to meet deadlines and contract administration
- Ownership status and employment practices regarding women, minorities, and utilization of emerging small businesses or historically underrepresented businesses;
- Insurance coverage

In the RFQ, be sure note whether the document will be used to make the final selection process or if it will be used to create a shortlist of candidates (normally limited to 3 to 5 firms) followed by an RFP process. Given the high cost of producing and reviewing proposals, it’s in both your best interest and those of the design firms to extend invitations for RFPs to only those firms you are seriously considering for the project.

**Selecting the firm based on an RFQ**

If you stop at this point and choose to select the firm based on the information you have received in an RFQ, you are selecting by what is known as the Qualification Based Selection (QBS) process. This is a process where the client and design professional work together to define the scope of services and negotiate a fee that is mutually acceptable to both parties. If the highest ranked firm cannot come to a successful negotiation, the client may end negotiations with the highest ranked firm and go to the next highest ranked firm and begin negotiations. This is the recommended selection process by many organizations (including APWA, AIA, ACEC, the Bar Association) representing client groups and the design profession.

**Legal requirements regarding requests for qualifications (Read this!!!!)**

You may be legally required to select design professionals through a QBS process. The Federal Brooks Act requires that projects where federal dollars are involved, engineers and architects MUST be selected by a QBS process. Even if only a portion of the project is paid for by Federal dollars, the selection must be made by this process. Information regarding the QBS process can be found at the [www.procurementmn.org](http://www.procurementmn.org) website.
Request for Proposal (RFP)

There are many components to a successful RFP. The scope is usually much more clearly defined though occasionally this is not the case such as with studies where it is hard to effectively define all the parameters of the project.

RFPs may or may not use price as a factor in the selection process. If price is used, some of the ways that price can be factored include; as a percentage of the ranking process or use of separate envelope method where the price is opened after the selection is made. Of course the owner may still use a QBS method to make the final selection. How?

Items that should be noted in the RFP include:

- Items from the RFQ list if no RFQ
- Clearly defines what the owner is going to provide
- Clear expectations of what the consultant is to provide
- Clearly defines the deliverables
- Provides a realistic timeline for the project
- Clearly defines the scope of work so that proposals are comparable (needs to be more clearly defined in the RFP vs. RFQ)
- Outlines the budget for the project
- Schedule
- How the proposals will be scored/detailed outline of the selection process including the makeup of the selection committee and if there will be an interview.
- If possible, the ability to schedule a site visit and/or informational meeting
- Expectations for design (i.e., building codes or design standards that must be followed, software to use, etc.)
- Whether alternative approaches to the project are welcomed
- Provides documentation with past data that is available from previous studies or historical information

Price as a factor in the selection process

Some RFPs also include price as a criteria when selecting the design professional. It is important to understand that when price is introduced, the response of the engineer is changed, which in turn may impact the quality of work. Note that price is NOT required by law for state projects controlled under the Minnesota Department of Administration, the majority of projects fall under a best value selection process. Vertical construction for State of Minnesota projects fall under the State Designer Selection Process which employs a Qualifications Based Selection (QBS) process that relies solely on qualifications and a negotiated price and scope of services.

If price is included, the scope of work should be very detailed so the proposal addresses specifically what is required in the RFP. Understand that as the owner, you take on more risk when you specify the work because you have already determined what the approach and deliverables should be.
Make sure the RFP is complete
In some cases respondents struggle with RFPs that they see as incomplete. The RFP may not include information pertinent to the project and the respondents must determine whether to base their proposal solely on the information contained in the RFP or base their proposal on their knowledge and expectation of items not included in the RFP that will be needed to complete the project. This puts the respondents in a very difficult position. Do they include the items in the proposal that they know the client ultimately will need, or do they leave them out? If the process has a price component, the firm may choose to leave them out in order to be price competitive with other proposers and add the missing items as extras as the project progresses. This can have a very negative effect the on relationship between the owner and design professional as what the owner views as unexpected costs mount and trust often diminishes.

Conversely, if the respondent includes those items in the proposal that they know the owner will need in order to complete the project, the owner will have fewer surprises in the process and the cost should stay closer to what was proposed. Unfortunately, the respondent risks not being awarded the project because the proposal will be seen as non-competitive in price.

In order to counter this problem it may be in the owner’s best interest to hire a design professional to help with the development of the RFP. They should be tasked with helping to define the scope of work and identify the items needed in the RFP to be able to make apples to apples comparison between proposals. Typically the firm preparing the RFP would not be eligible to propose on the RFP.

Below is a “checklist” though not complete, may be worthwhile reviewing to see if these components that are quite often overlooked in RFPs are pertinent and should be included:

- Right of way issues
- Land Surveying needs
- Environmental issues
- Permitting (State, Federal, Local, Watersheds, etc.)
- Soil Conditions
- Public Involvement (public meetings, website, mailings)
- Funding
- Proposed Contract language

Navigating the selection process:
Remember that how you write the RFQ/RFP will directly impact how firms respond. Well-written requests stand to positively impact the quality of proposals you receive.

As you pull together your selection team to review proposals, understand that the more knowledgeable the selection panel, the better served you are. When those who are reviewing the proposal are knowledgeable, they are in a better position to understand special or unique approaches to a project. It’s important for the respondents to be able to provide the client with different approaches. This gives the owner an opportunity to spread the scores based on approach.
The more weight the selection process places on cost, the higher the risk to the owner because the solutions are based on a narrow filter rather than allowing the designer the latitude to come up with their best design for your project.

**Limit the number of respondents**
Remember, the cost to engineering firms to submit an RFP is substantial, and it also costs you a great deal in terms of staff time for review. In this respect, it is in everyone’s best interest to limit the number of firms responding to an RFP.

Determine whether or not you will interview as part of your selection process. If there is a clear winner based on the proposals, an interview may not be necessary.

Thank you for taking the time to go through this document. We hope that you have found it valuable.

If you have additional questions, would like to know more contact us or go to the [www.procurementmn.org](http://www.procurementmn.org)