

RETAINING PROFESSIONAL SERVICES

LINKS TO LEARNING

December 13, 2016



URBAN
systems

Introduction

HOSTS

- Coast Salish
- MIB, SFN, TWN

PRESENTERS

- Clifford Lebrun, Chief, Lhtako Dene Nation
- Garry Yablonski, CAO, Lhtako Dene Nation
- Karley Scott, BA, LLB, Urban Systems
- Mike Olmstead, P.Eng., Urban Systems

Agenda

Professional Services

Critical Components for Success

Procurement Models

Quality Based Selection

Agreements

Case Study



Professional Services

Definition



WIKIPEDIA
The Free Encyclopedia

Professional services are occupations in the tertiary sector of the economy requiring special training in the arts or sciences. Some professional services require holding professional licenses such as architects, auditors, engineers, doctors, and lawyers.



The professional, scientific and technical (PST) services industry consists of establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an **assignment** basis.

Professional Services

Definition

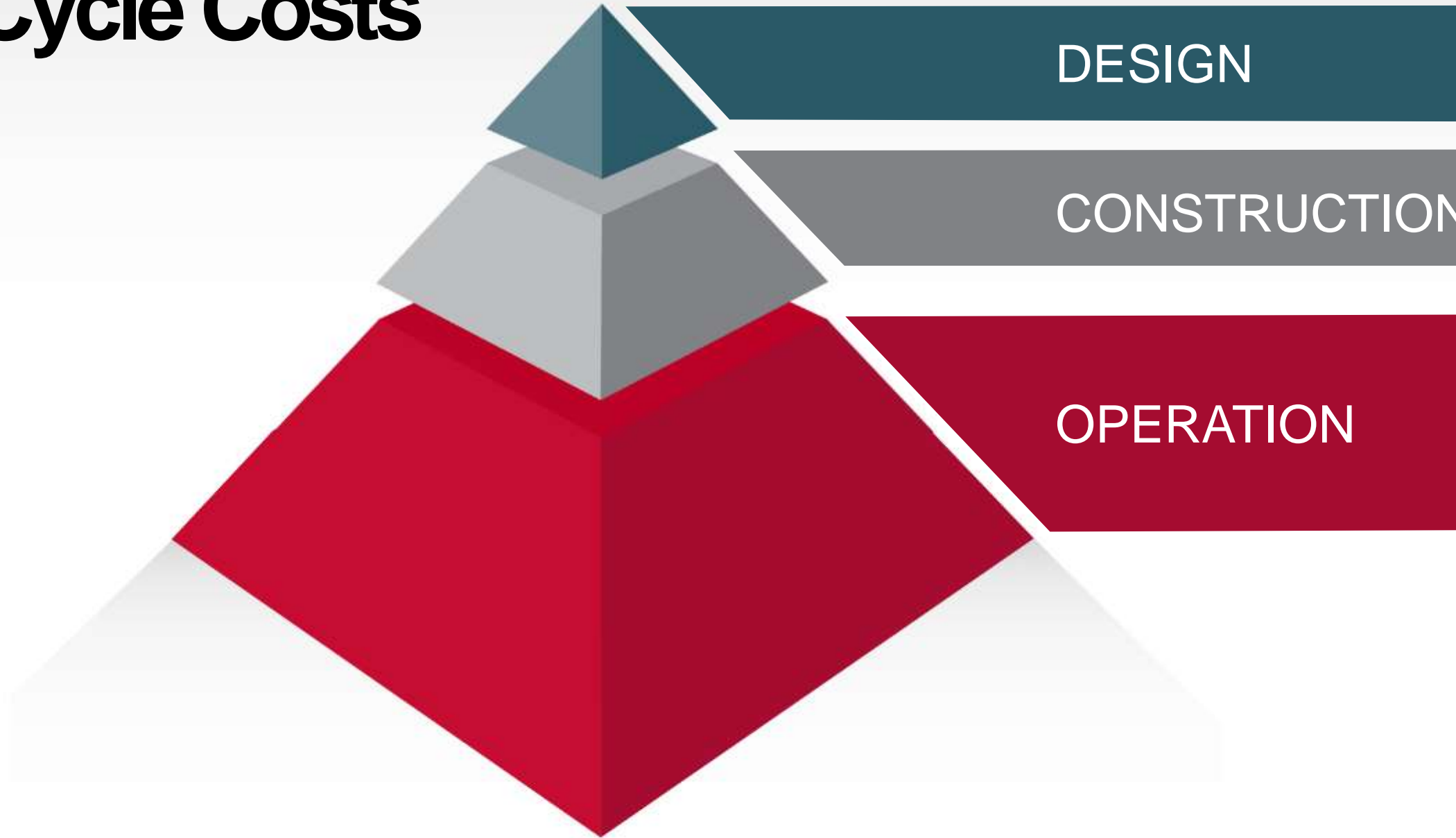
- In Canada, professionals are generally self-regulated through acts passed by the provinces.
- Membership in a provincial association requires taking an oath.
- Today we are focusing on the building professions used by economic development staff with Indigenous organizations. The concepts are transferrable to other professionals and situations.
- Professional consulting firms vs. others.

Professional Services

Why Use Them?

- 1** Ensure public safety, value, and innovation.
- 2** Comply with codes and regulations.
- 3** INAC says I have to!
- 4** Economic and Practical Reasons
Temporary or part-time requirements
- 5** Capacity Building

Life Cycle Costs



Critical Components for Success



TRUST

Foundation of all successful agreements.



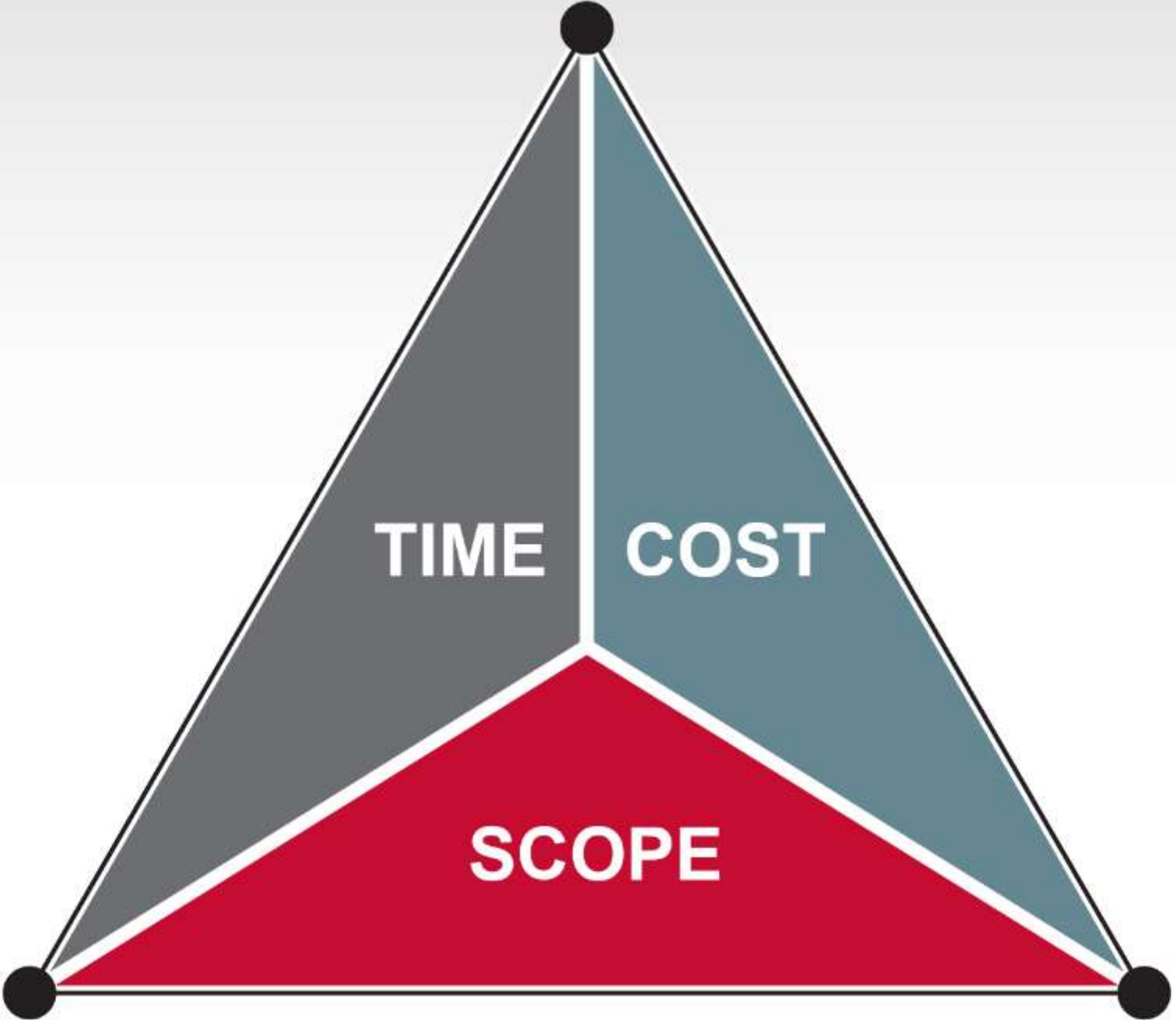
KNOW THY COMMUNITY CONSULTANT

Both parties need to know what success means for themselves AND for each other. In long term relationships this can change.



COMMUNICATION

Scope, Schedule, Budget. Writing it down ensures both parties understand one another (and themselves). This helps build capacity.



Procurement Models

To procure capital works and facilities communities can use a combination of public or invited tenders, and/or sole source awards. Procurement processes may include:

- 1 Design then Tender then Construction
- 2 Design-Build
- 3 Design-Build-Operate-Finance

Procurement Models

Professional Services can be procured through

Some communities have several of the above with one or more professional firms.

Publicly Tendered contracts

Sole Source Contracts

Standing offer

Not a contract until activated by a request for pre-determined service and payment.

Supply Arrangement

Not a contract. Sometimes referred to as As-and-When. Contract terms are typically pre-arranged.

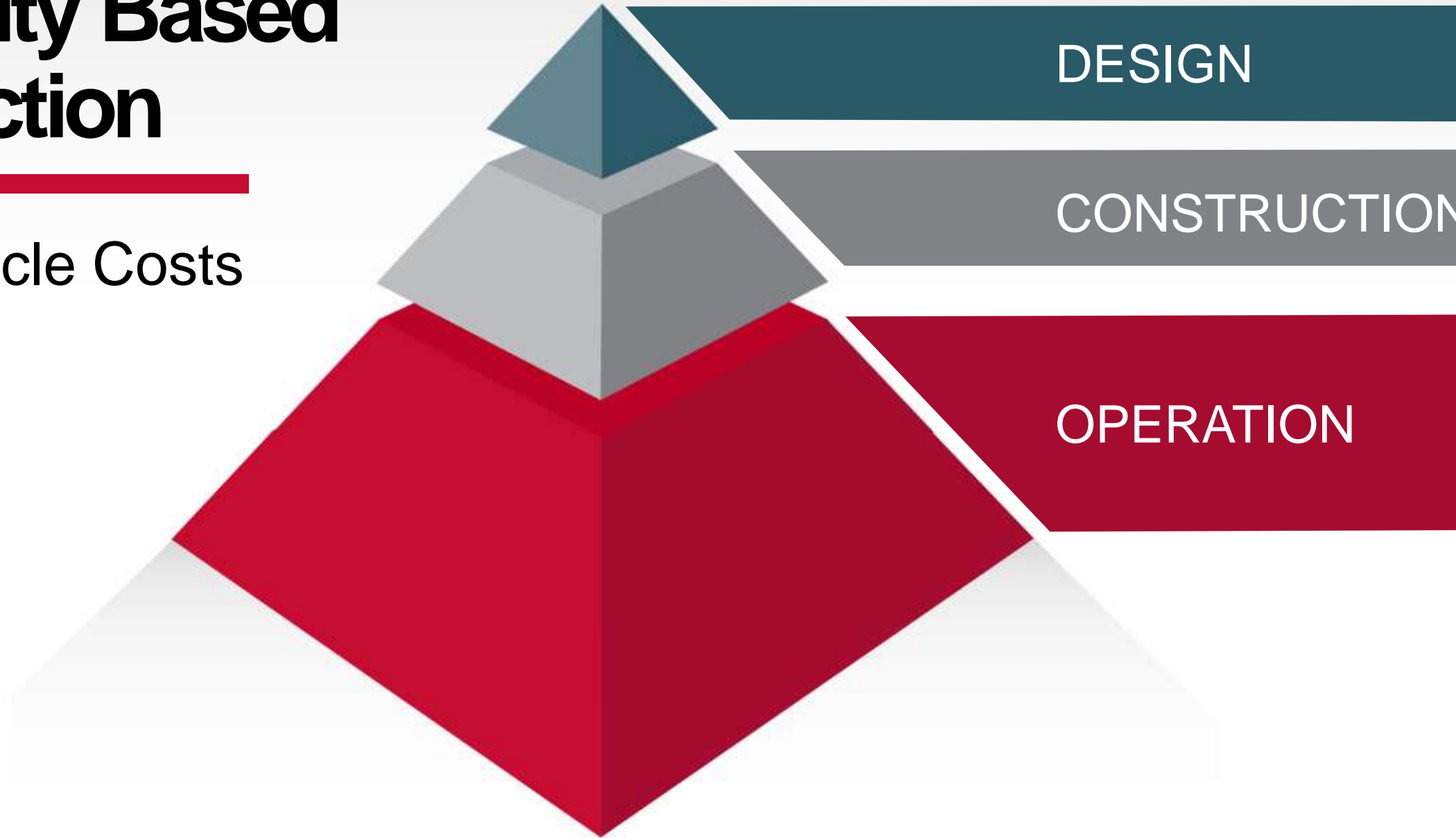
Quality Based Selection

Value vs Price



Quality Based Selection

Life Cycle Costs



Quality Based Selection

Although an important component of procurement, price is not recommended to be one of the first factors considered when selecting knowledge-based services.

Quality Based Selection

Two-envelope
System



Quality Based Selection

Primary considerations when engaging professionals should include:

- 1 Qualifications
- 2 Experience
- 3 Local Knowledge
- 4 Innovation
- 5 Past performance
- 6 Schedule
- 7 Availability
- 8 Criteria unique to your community

Quality Based Selection

Quality Based Selection (QBS) formate used throughout US for over 40 years.

Used more frequently throughout Canada.

Used informally and increasingly formally by Indigenous communities.

Quality Based Selection

Qualifications Based Selection is:

- 1 Objective
- 2 Flexible
- 3 Competitive

Quality Based Selection

What is it?

Qualifications Based Selection is:

- 1 A step-by-step process
- 2 Helpful to everyone from seasoned professionals and new users.
- 3 Straightforward and easy to implement
- 4 Easy to document
- 5 Open to audit

Quality Based Selection

What is it?

The key components of QBS are:

- 1 Selection of the most qualified team for the selected project
- 2 Jointly defined scope of work
- 3 Mutually agreed fee after selection of the preferred proponent

Quality Based Selection

Benefits

The Owner benefits through:

- 1 Life cycle cost savings
- 2 Hiring process cost savings (prequalification)
- 3 Defined scope (know and get what you need)
- 4 Improved budget and schedule performance
- 5 Competitive
- 6 Collaborative

Professionals benefit through:

- 1 QBS emphasizes value for money (innovation, etc.)
- 2 Less reliant on assumptions made for an RFP

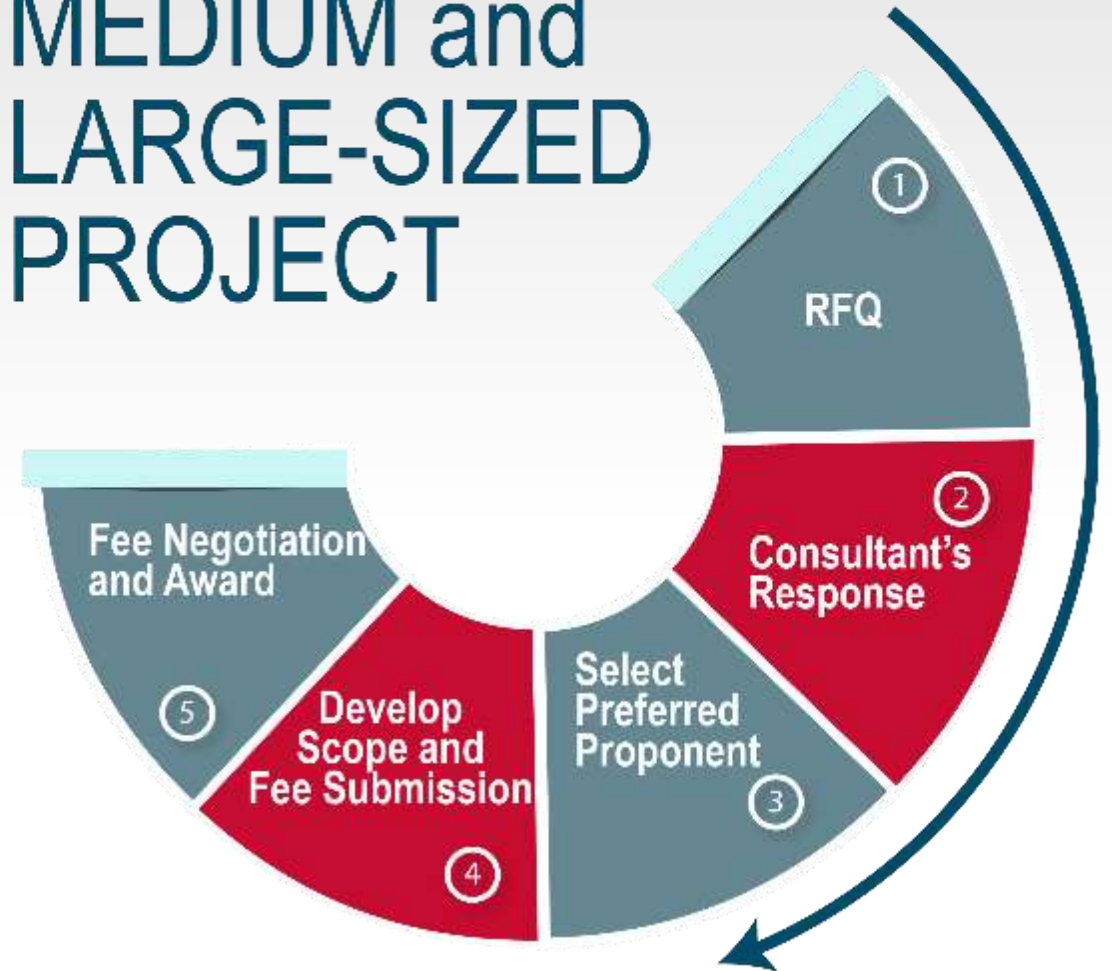
Quality Based Selection

Process

**SMALL
PROJECT**
(UNDER \$75,000)

are by sole source
or from a short list

**MEDIUM and
LARGE-SIZED
PROJECT**



Agreements

Standard Forms

1

Canadian Construction Documents Committee (CCDC)

applies to specific agreements between owner and contractor

2

Master Municipal Construction Documents (MMCD)

3

Professional and Commercial Associations

4

Custom

Agreements In Practice



Agreements

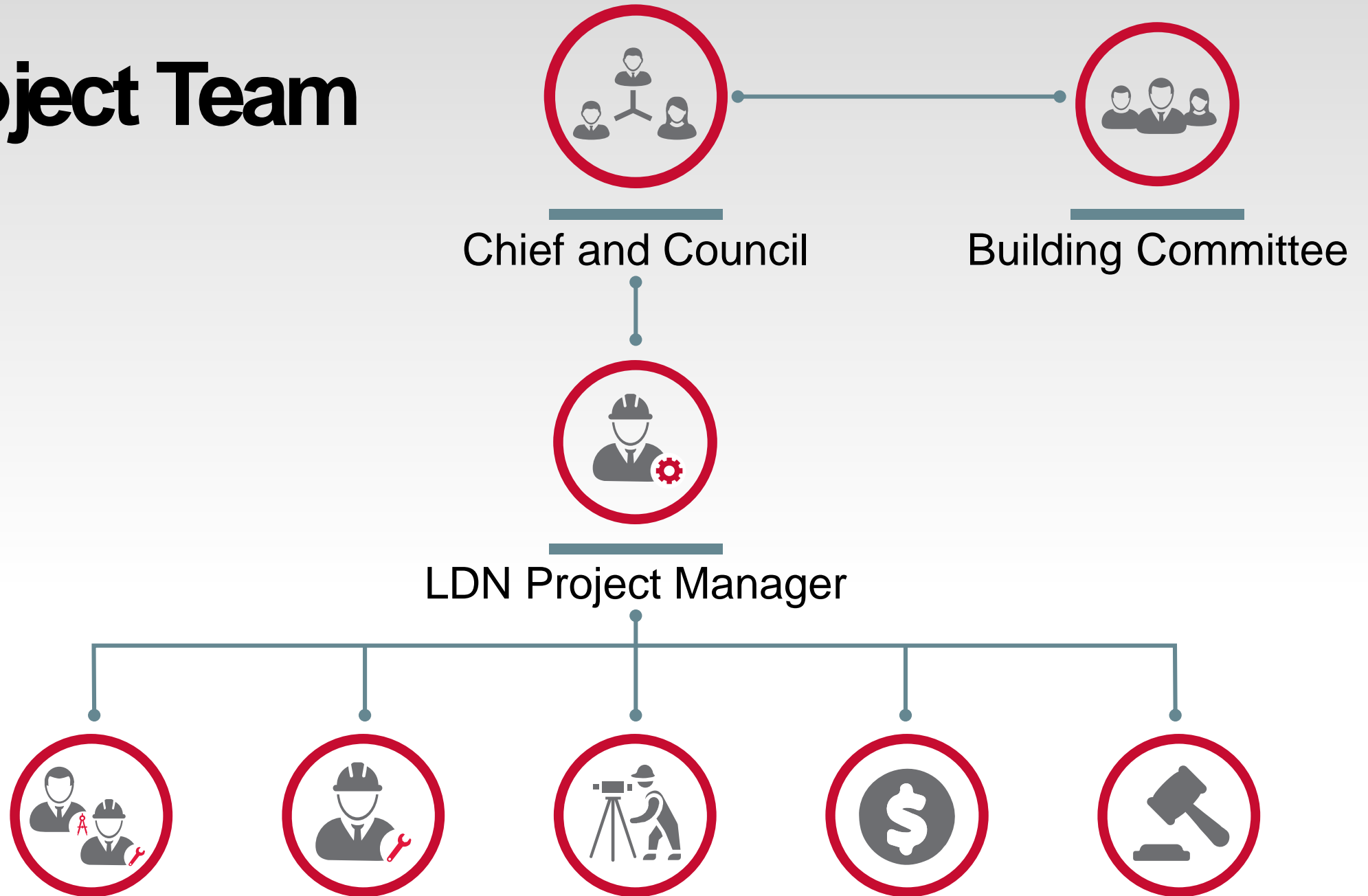
Big Print and Small Print

- 1 Warrantees and guarantees
- 2 Risk
- 3 E and O vs Negligence
- 4 Indemnification
- 5 Limitations of Liability
- 6 Insurance

Lhtako Dene Community Building



Project Team



Project Team



Architect

Structural
Mechanical
Electrical
Civil
Geotechnical
Environmental
Code Review
Costing



Civil Engineer

Off-site works



Surveyor

Legal
Topographic



Finance

Bank
INAC
Industry
Other



Legal

Contracts

Thank You

For more information

molmstead@urbansystems.ca

www.urbansystems.ca



URBAN
systems