

Safeguarding Taxpayer Funds

DURING PROCUREMENT OF DESIGN AND CONSTRUCTION SERVICES

The desire to develop faster and simpler procurement processes for construction projects has resulted in unit price procurement systems that do not always protect the public investment or yield the most appropriate project solution.

The RCI-IIBEC Foundation's recently released research study *An Analysis of Unit-Price Procurement* reveals that construction project purchasing programs based on unit price procurement (cooperative purchasing, job order contracting, and multiple award schedules) have significant shortcomings. The misapplication of the process negatively affects key stakeholders, and in some cases may affect public safety. Specifically, using unit price procurement to procure design and construction services often leads to wasted taxpayer dollars and risk to public safety. Recognizing these risks, some governmental entities have severely limited or banned unit price procurement for design and construction services.

To address the shortcomings and inherent problems with unit price procurement, IIBEC urges policymakers and procurement officials to focus on the following policy changes:

ENSURE THE INDEPENDENCE OF THE DESIGN PROFESSIONAL

IIBEC advocates for the use of independent design consultants with no financial interest in products specified and installed on all publicly funded construction projects. This policy protects the designer and all parties from perceived or actual conflicts while resulting in a construction project designed with the products that meet the performance needs of the building.

Design professionals design and specify the appropriate products necessary for the performance and function of the building. Additionally, IIBEC consultant members are ethically prohibited from having a financial interest in the products specified in the design documents. The study highlighted a lack of independence and noted a number of cases where inappropriate materials are specified, which leads to increased costs and/or building enclosures that may not meet performance objectives or last as long as expected.

Independent building enclosure consultants safeguard taxpayers' dollars by ensuring the design and construction meets established objectives.

PUBLIC HEALTH AND SAFETY ARE PARAMOUNT

Building codes and standards are the minimum requirements necessary to ensure the health, safety, and well-being of the public is never sacrificed in the interest of cost savings. Independent design professionals have a responsibility to adhere to local building codes and design standards that protect public safety. For this reason alone, design and construction services should never be part of any unit price procurement. As the study reveals, independent design consultation and project oversight is a key solution to ensure public safety.



AVOID INCLUDING SPECIFICATIONS FOR PRODUCTS WITH A SINGLE SOURCE

IIBEC recommends multiple material sources be specified in all publicly funded construction projects to promote competition and ensure best value. Single source (proprietary) specifications do not allow for competition at the product level, thereby increasing project costs. A specification focused on performance goals and life-cycle cost goals will allow for increased competition between material suppliers.

REQUIRE FULL AND OPEN COMPETITION IN ALL PUBLIC PROCUREMENTS

IIBEC encourages public entities to embrace competition in procurement to the maximum extent possible. The design process should be separated from the product manufacture and installation process to remove bias and promote best practices for increasing value.

While over 20 years old, the Principles of Competition in Public Practice, adopted by the American Bar Association House of Delegates in August 1998, still holds true. The purpose of the principles is to “give all persons equal right to compete for Government contracts; to prevent unjust favoritism, or collusion or fraud in the letting of contracts for the purchase of supplies; and thus to secure for the Government the benefits which arise from competition.” Principle #1 states, “use full and open competition to the maximum extent possible.”

UTILIZE QUALIFICATIONS BASED SELECTION FOR PROCUREMENT OF ALL DESIGN SERVICES

IIBEC strongly supports the use of qualifications based selection (QBS) when procuring design services. QBS entails a proven process that facilitates the selection of a design professional firm based on qualifications and competence in relation to the scope of the project, and it facilitates the development of an appropriate scope of work for the project.



The process is straightforward and easy to implement. It is objective and fair. It can be well documented, and it is open to public scrutiny. The US federal government and 40-plus states have successfully used QBS for more than 50 years. Due to its track record of success, it is recommended by the American Bar Association in its *2000 Model Procurement Code for State and Local Governments*. QBS is designed to ensure that the public owner’s primary concern is realized—to get the best available professional design services for the taxpayers’ money and to conduct a fair and equitable selection process.

CONCLUSION

Every building enclosure requires proper design, appropriate materials, and quality installation. Building enclosure consultants are responsible for proper design, and can provide construction phase observation services to review the quality of the work. Finally, separating the design from the construction and materials supply will help ensure that the taxpayers receive the best value for their investment in these critical infrastructure improvements.

IIBEC agrees with the recommendations provided in this study and urges all public officials to review their procurement practices to ensure compliance with the spirit and letter of the law. Further, the use of unit price procurement for the procurement of design and construction services should be immediately halted to protect the public and building occupants and ensure that taxpayer funds are not wasted.

ABOUT IIBEC

The International Institute of Building Enclosure Consultants (IIBEC) is an association of design professionals who specialize in building enclosure projects. IIBEC members design, investigate, and manage roofing, exterior wall, and waterproofing systems and projects. IIBEC members act as advocates for the building on behalf of the owner or manager and ensure the building enclosure or roofing projects meet standards, codes, warranty requirements, and performance requirements.

IIBEC’s 3,500 members worldwide, including 700 members in Canada, are dedicated to the highest standards of professionalism, integrity, and competence and are guided by a Code of Ethics, which they reaffirm on an annual basis. The IIBEC Code of Ethics holds paramount the safety, health, and welfare of the public in the performance of their duties.

For more information please visit <https://iibec.org/procurement>.