

Senate Transportation Written Comments A&M Recommendations to Eliminate QBS Review March 16, 2016

Chairman Peterson and honorable committee members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce – a designation obtained by less than 1 percent of the nation's chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

As the Olathe Chamber's CEO, I am submitting comments on the A&M efficiency study's recommendation to eliminate the qualifications set out by the Brooks Act or QBS standards and instead, as a cost savings measure, go with the lowest bid. While at initial blush this may seem the most prudent practice to save state tax dollars, however, our community of Olathe has learned otherwise. Specifically, the problems with soliciting engineering services at the lowest bid eliminates creativity, innovation, and encourages engineering services to cut back hours on the project simply to win the contract.

Consider the following two examples where the QBS review process inspired innovation and allowed Olathe to produce better projects:

- Raising the Rail was the raising of four railroad crossings on the east track through Olathe which were supposed to be below grade. The crossings were going to be dug out with the railroad lower than the street grade. Through QBS, engineering firms were challenged to think innovatively and creatively and this review process brought us the idea of raising the rail, thanks to Transystems.
- 119th and Strang Line/I-35 northbound off ramp project was granted federal safety funds for the solution created by in-house staff. When the Request for Qualifications (RFQ) were received, one engineering firm proposed a different solution which is what exists today. FHWA commented the solution was far more efficient and a solution we would not have had if we priced out engineering services based on low bid.

Olathe has found that the QBS review ensures projects are designed in a manner that is safe, innovative, environmentally sound, and cost-effective over the project's life cycle. It allows life-cycle costs such as construction, operations, and maintenance to be factored into project design and this "total cost" of ownership deletes the short-sided view of what would benefit the tax payers versus the life of the asset.

Additionally, the procuring agency is more likely to obtain a qualified service provider through QBS than through competitive bidding because the QBS procedure requires respondents to submit information that outlines the applicability of their qualifications to the particular project at hand. It allows small firms to compete for contracts based on quality of services provided on equal footing with larger firms. Larger firms would have a distinct advantage if competitive bidding were based solely on price. And QBS does not eliminate price consideration. Once the most qualified firm is selected, the community and bidding firm negotiate. If a fee cannot be agreed upon the community can go to the second most qualified firm to negotiate. Olathe has gone to the second firm on many occasions because we could not agree on price.

Thank you for the opportunity to submit comments on the A&M recommendation to eliminate the use of the Brooks Act or QBS. If you should have any questions, please feel free to contact me at 913.764.1050.

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