

THE AMERICAN
INSTITUTE OF
ARCHITECTS

SELECTING ARCHITECTS AND ENGINEERS
FOR PUBLIC BUILDING PROJECTS:
AN ANALYSIS AND COMPARISON OF
THE MARYLAND AND FLORIDA SYSTEMS

EXECUTIVE SUMMARY AND CONCLUSIONS

Introduction

Design professionals play a critical role in the public building process. The quality of the design services provided by the architect or engineer is the single most important factor in determining the overall construction costs and life-cycle costs of a building. Since design services represent only a small percentage of the initial construction budget, it is in the best interest of the taxpayer to insure that the most qualified firms are selected for public projects.

Recognizing the need for a qualification-based approach to procuring design services, the U.S. Congress established as federal law in 1972 (P.L. 92-582, commonly referred to as the “Brooks Act”) the requirement that architects and engineers be selected for projects on the basis of their qualifications subject to negotiation of fair and reasonable compensation. Most states and numerous local jurisdictions also use Brooks Act procedures relying on the traditional selection method of negotiating a contract with the firm most qualified to provide the services. Should negotiation fail between the public owner and the highest-ranked firm, negotiations are terminated with that firm. Negotiations then take place with the second-most-qualified firm and so on down the line in order of their ranking until an agreement is reached.

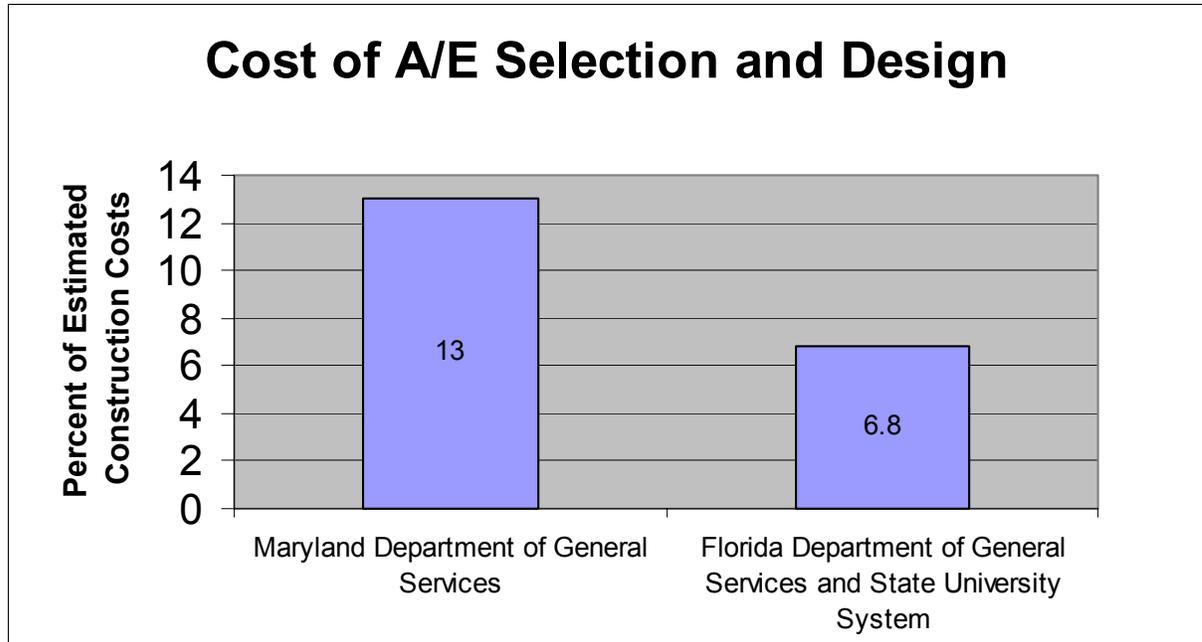
A/E Selection in Maryland and Florida

This study compares the experience of Maryland’s Department of General Services, which selects architects and engineers (A/Es) on the basis of price and other factors, with that of Florida’s Department of General Services and State University System, which emphasize technical qualifications in the selection process and, thereafter, negotiate a “fair and reasonable” fee. A study of the Maryland public building procurement process was prompted by Maryland’s advocacy of price competition in the A/E selection process and the belief of Maryland officials that a system based on price and other factors is more cost-effective than the traditional qualifications-based system. Florida, which uses the traditional Brooks Act approach, was selected for comparison with Maryland because, until price enters the process in Maryland, the A/E selection procedures in both states are similar.

Maryland. The 1974 law governing the selection of architects and engineers in Maryland requires that both price and professional qualifications be considered during the A/E selection process. The process involves the following key steps: 1) the state develops a comprehensive project program that provides results from a process in which the state develops detailed programs and A/E selections are made on the basis of both price and technical competence.¹

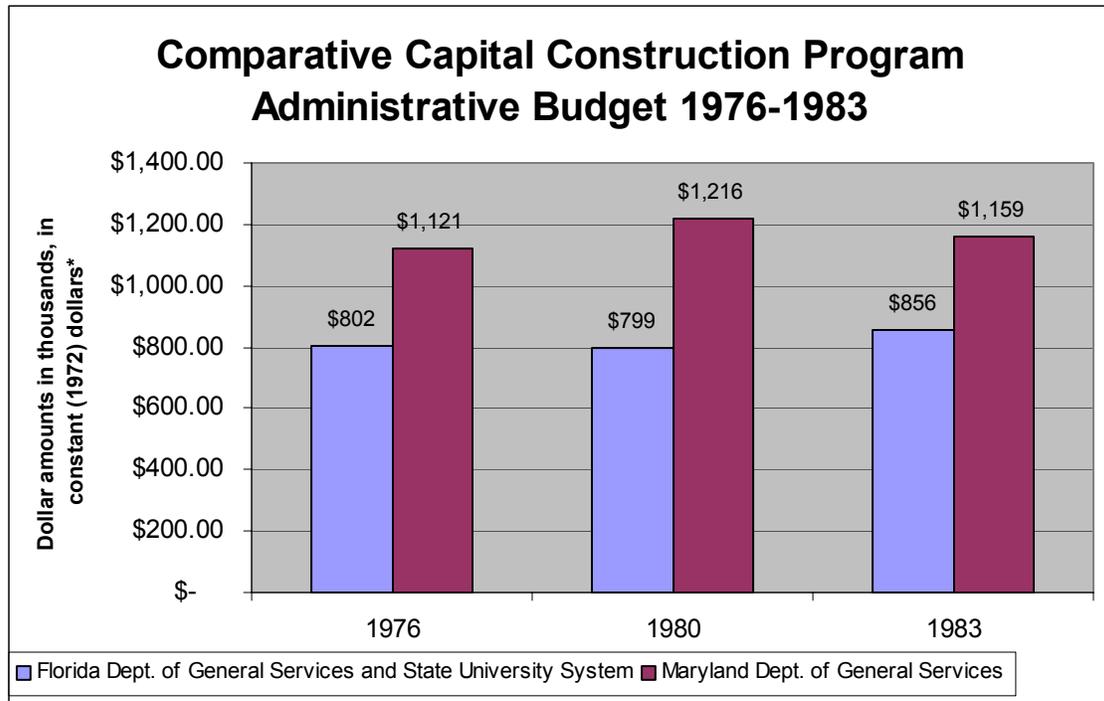
¹ Development of detailed programs in Maryland is done in-house or by consultants prior to the A/E selection process. In Florida, programs are developed jointly by the state and the selected A/Es.

The following chart shows the comparative costs of the A/E portion of the capital construction process in Maryland and Florida.



The Maryland A/E selections system, because of its requirement that competing firms submit elaborate technical proposals accompanied by fixed prices, also results in extraordinary cost to the A/E firms that compete but are not awarded contracts. Although not direct costs to the state, as operating expenses of the firms, those costs are eventually passed on to consumers of A/E services.

- a. Maryland's A/E selection process requires a significantly larger administrative staff and budget than Florida's. The increased administrative costs in Maryland result from the necessity of preparing detailed programs on which A/Es can submit price proposals.



- b. Maryland's A/D selection process takes considerably longer to complete than Florida's. The total delay relating to the A/E portion of the capital construction process in Maryland is almost 10 months. The delay occurs while the detailed program descriptions are being prepared, during the actual selection process and during the design and approval phase.

The Maryland Department of General Services completes the A/E portion of the capital construction process, from the point that funds are approved to the beginning of the actual construction cycle, in 31 months. The same steps are completed in 22 months by the Florida Department of General Services and in 20 months by the State University System of Florida. From the point that funds are approved in Maryland, it takes 11 months to prepare program description and select the A/E.

User agencies in both states are generally pleased with both the A/E selection system and the A/Es' work.

Development of detailed programs in Maryland is done in-house or by consultants prior to the A/E selection process. In Florida, programs are developed jointly by the state and the selected A/Es.

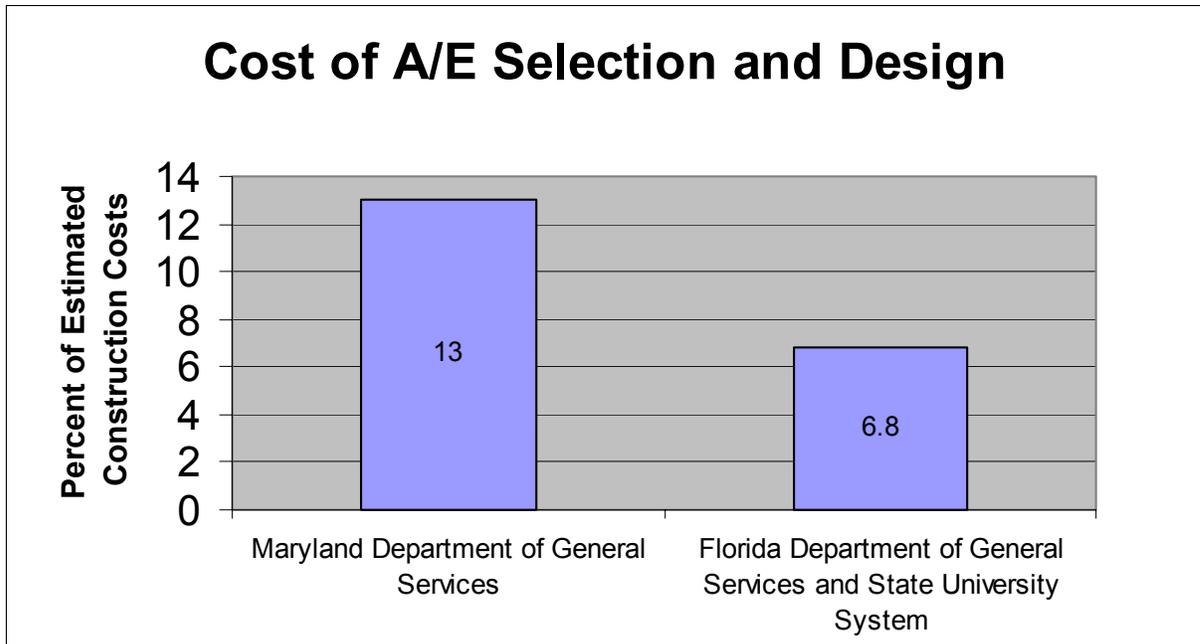
This figure represents the average annual dollar value in estimated construction costs of projects for which A/E selections were made between 1975 and 1983. At any one time, the state agency would be administering projects in all phases of the planning; design and construction process, and the total estimated construction costs of all of those projects would be much greater.

CONCLUSIONS: A/E SELECTIONS IN MARYLAND AND FLORIDA

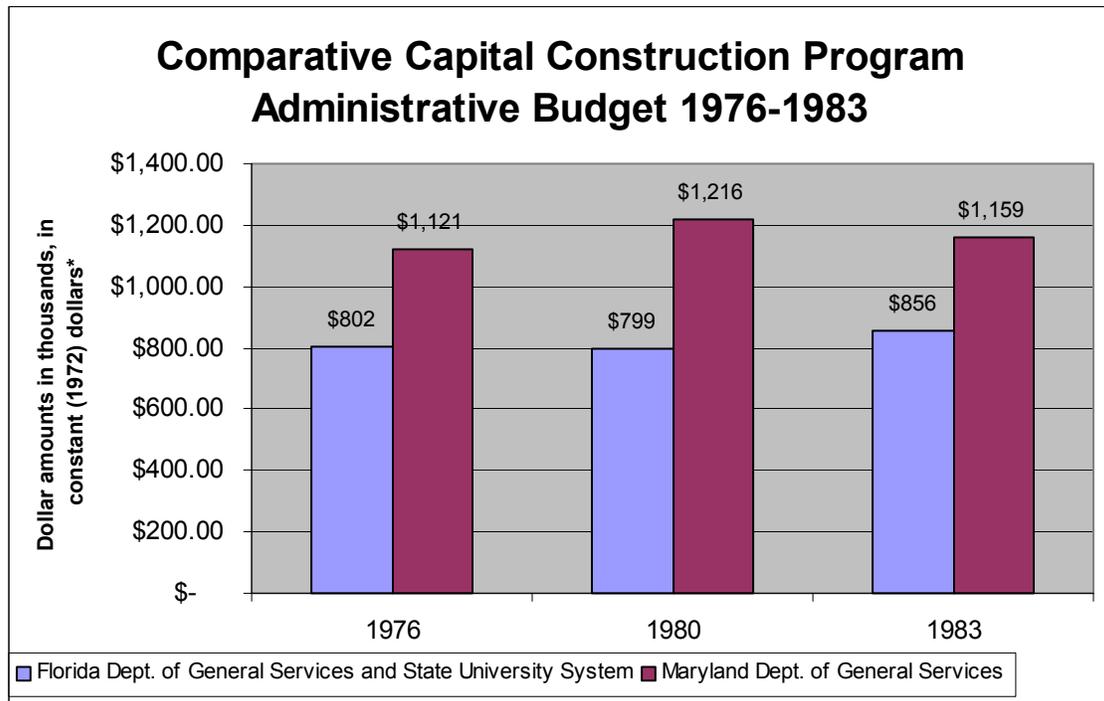
1. Maryland's A/E selection process is significantly more time-consuming and expensive than Florida's. In Maryland, the necessity of preparing detailed programs on which A/Es can base price proposals results in added expense to the state in the form of administrative staff, time delays and consultant costs. These additional system costs are unique to the Maryland process.

Total cost of the A/E portion of Maryland's capital construction process average 13 percent of estimated construction costs. Total costs in Florida average 6.7 percent of estimated construction costs for the Florida Department of General Services and 7.3 percent for the State University System. A/E fees are lower in Maryland than in Florida; however, the added costs of the Maryland process far outweigh the savings in A/E fees that result from a process in which the state develops detailed programs and A/E selections are made on the basis of both price and technical competence.

The following chart shows the comparative costs of the A/E portion of the capital construction process in Maryland and Florida.



The following chart illustrates the administrative budget of Maryland's and Florida's capital construction programs.



2. Maryland's A/E selections process takes considerably longer to complete than Florida's. The total delay relating to the A/E portion of the capital construction process in Maryland is more than 9 months. The delay occurs while the detailed program descriptions are being prepared, during the actual selection process and during the design and approval phase.

The Maryland Department of General Services completes the A/E portion of the capital construction process, from the point that funds are approved to the beginning of the actual construction cycle, in 31 months. The same steps are completed in 22 months Maryland dislike the system, which they feel rewards them inadequately. Accordingly, Maryland state projects are not attractive to many firms, who view them as work of last resort.

User agencies in both states are generally pleased with both the A/E selection system and the A/Es work.