The MEA/CEO Standard Agreement + QBS

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Chief Executive Officer

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About Consulting Engineers of Ontario

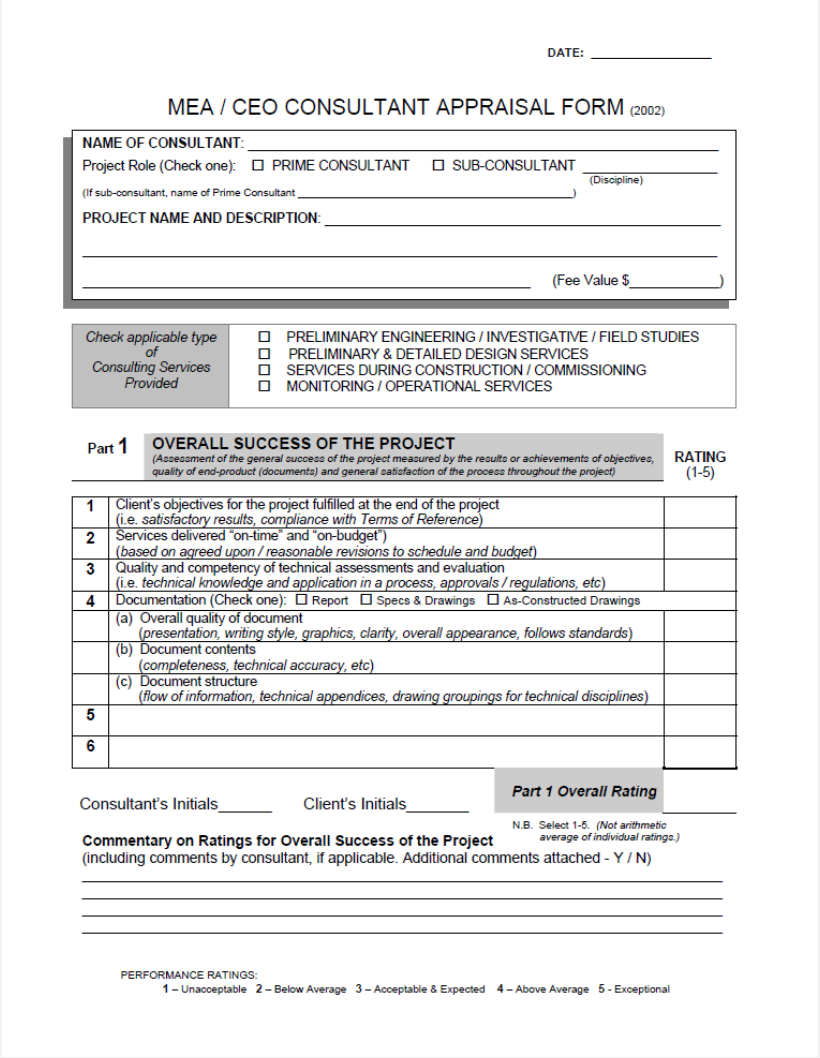
- Association of consulting engineering businesses, established in 1975
- Mission is to promote a stable business environment for member firms; CEO is the voice of the consulting engineering sector
- CEO member firms are problem solvers, committed to high standards of professionalism, ethics
- CEO member firms are facilitators and agents of positive change, contributing to the societal, environmental and economic well-being of Ontario

History of the MEA/CEO Standard Agreement

- First established in late 1980's – developed jointly by MEA & CEO
- "Client/Consultant Agreement for Municipal Works"
- In the form of a "Memorandum of Agreement"
- Contained detailed "General Conditions" and information re: "Fees and Disbursements" plus blank pages for "Services" information
- 11 pages
- An "Instructions" document was also provided (also 11 pages)

History of the MEA/CEO Standard Agreement con't

- From 1989 to 2015
- Introduction of an "Consultant Appraisal Form" in 2002
  - 4 pages
  - Overall Success of the Project
  - Quality of Service Performed on the Project
  - Corporate Practices for a Successful Project
- Agreement updated in 2006
  - Minor changes in General Conditions and Fees



DATE: _____

MEA / CEO CONSULTANT APPRAISAL FORM (2002)

NAME OF CONSULTANT: _____

Project Role (Check one): ☐ PRIME CONSULTANT ☐ SUB-CONSULTANT _____ (Discipline)

(If sub-consultant, name of Prime Consultant _____)

PROJECT NAME AND DESCRIPTION: _____

_____

_____ (Fee Value $_____)

Check applicable type of Consulting Services Provided	☐ PRELIMINARY ENGINEERING / INVESTIGATIVE / FIELD STUDIES ☐ PRELIMINARY & DETAILED DESIGN SERVICES ☐ SERVICES DURING CONSTRUCTION / COMMISSIONING ☐ MONITORING / OPERATIONAL SERVICES

Part 1	**OVERALL SUCCESS OF THE PROJECT** *(Assessment of the general success of the project measured by the results or achievements of objectives, quality of end-product (documents) and general satisfaction of the process throughout the project)*	RATING (1-5)
1	Client's objectives for the project fulfilled at the end of the project (i.e. *satisfactory results, compliance with Terms of Reference*)	
2	Services delivered "on-time" and "on-budget") (*based on agreed upon / reasonable revisions to schedule and budget*)	
3	Quality and competency of technical assessments and evaluation (i.e. *technical knowledge and application in a process, approvals / regulations, etc*)	
4	Documentation (Check one): ☐ Report ☐ Specs & Drawings ☐ As-Constructed Drawings	
	(a) Overall quality of document (*presentation, writing style, graphics, clarity, overall appearance, follows standards*)	
	(b) Document contents (*completeness, technical accuracy, etc*)	
	(c) Document structure (*flow of information, technical appendices, drawing groupings for technical disciplines*)	
5		
6		
	Part 1 Overall Rating	

Consultant's Initials_____ Client's Initials_____

N.B. Select 1-5. *(Not arithmetic average of individual ratings.)*

Commentary on Ratings for Overall Success of the Project
(including comments by consultant, if applicable. Additional comments attached - Y / N)

_____

_____

_____

_____

PERFORMANCE RATINGS:
1 – Unacceptable **2** – Below Average **3** – Acceptable & Expected **4** – Above Average **5** - Exceptional

History of the MEA/CEO Standard Agreement con't

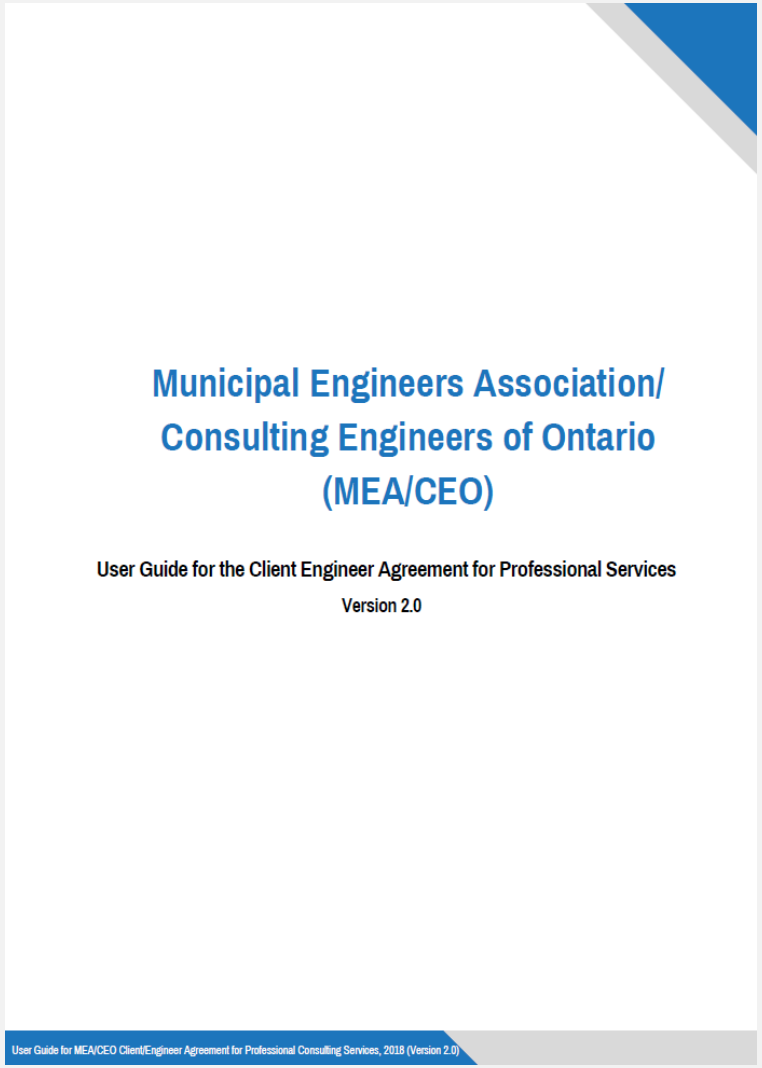
- Agreement updated in 2016
- "Client / Engineer Agreement for Professional Consulting Services"
- In the form of a contract
- The term "Engineer" replaces "Consultant"
- Structure re: General Conditions / Services / Fees & Disbursements remains

The Current Version

- Updated in 2017 / 2018
- Improved format
  - Easier to read and to use
  - Fillable PDF available
- 15 pages plus appendices and schedules
- Focus still on General Conditions & Fees
- Copyright
  - Copying and distribution encouraged
  - Content changes only through Supplementary Conditions

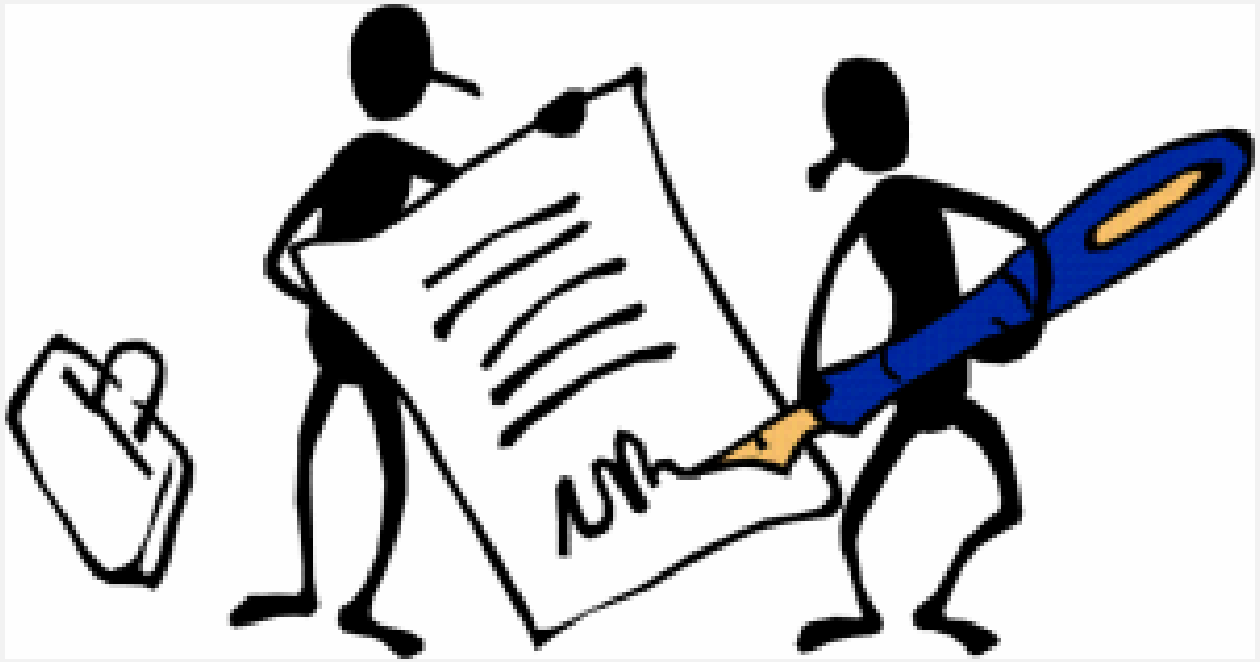
New for 2017 / 2018 – User Guide

- User Guide for the 2017/2018 version
- Provides clarification and guidance to municipalities and engineers
- Meaning of terms explained
- Rationale for including the various elements and articles in the contract
- 7 pages



Elements of the MEA/CEO Standard Agreement

- General Conditions
- Services
- Fees & Disbursements
- Attachments & Schedules

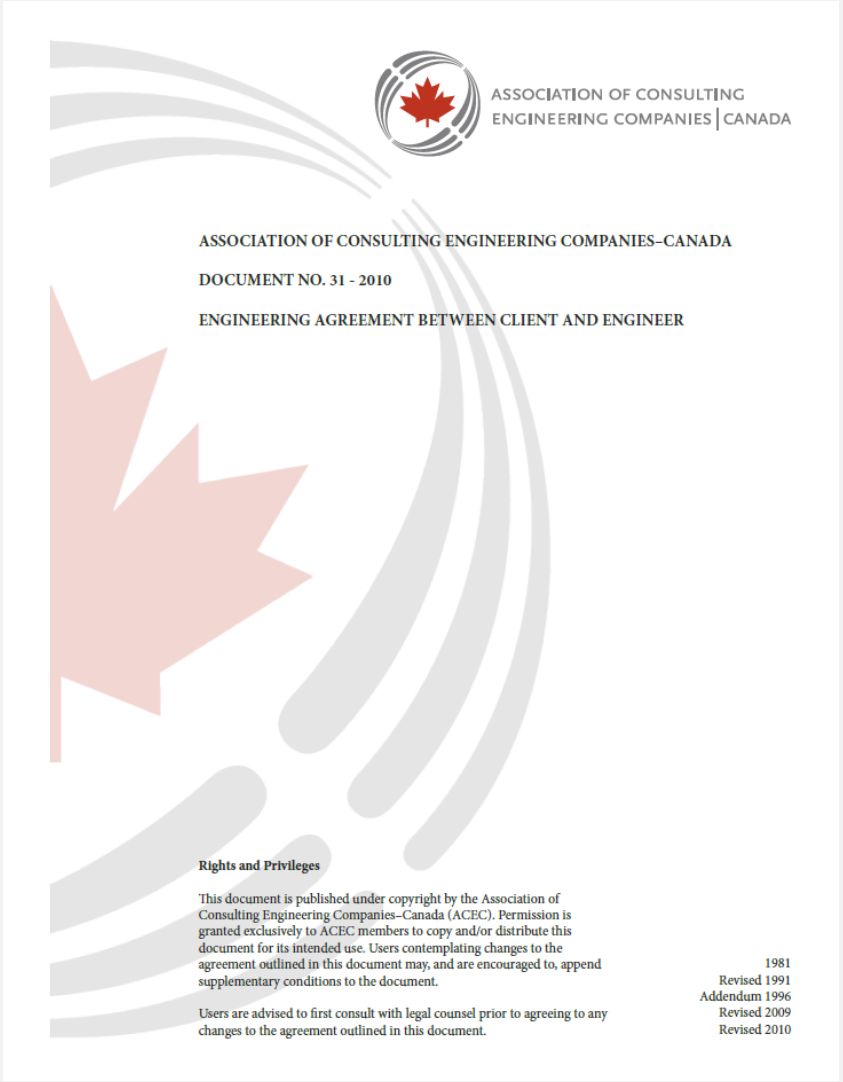


Key General Conditions

- Intellectual Property
- Changes and Alterations
- Indemnification
- Insurance
- Confidentiality
- Dispute Resolution

Similar Standard Forms of Agreement

- Association of Consulting Engineering Companies – Canada
  - ACEC 31 – Engineering Agreement Between Client and Engineer (2010)
  - Agreement / Definitions / General Conditions / Services / Fees & Expenses
  - 23 pages plus schedules
  - Guidance document also available
  - Efforts underway to have this document adopted as a CCDC standard agreement



ASSOCIATION OF CONSULTING ENGINEERING COMPANIES | CANADA

ASSOCIATION OF CONSULTING ENGINEERING COMPANIES–CANADA

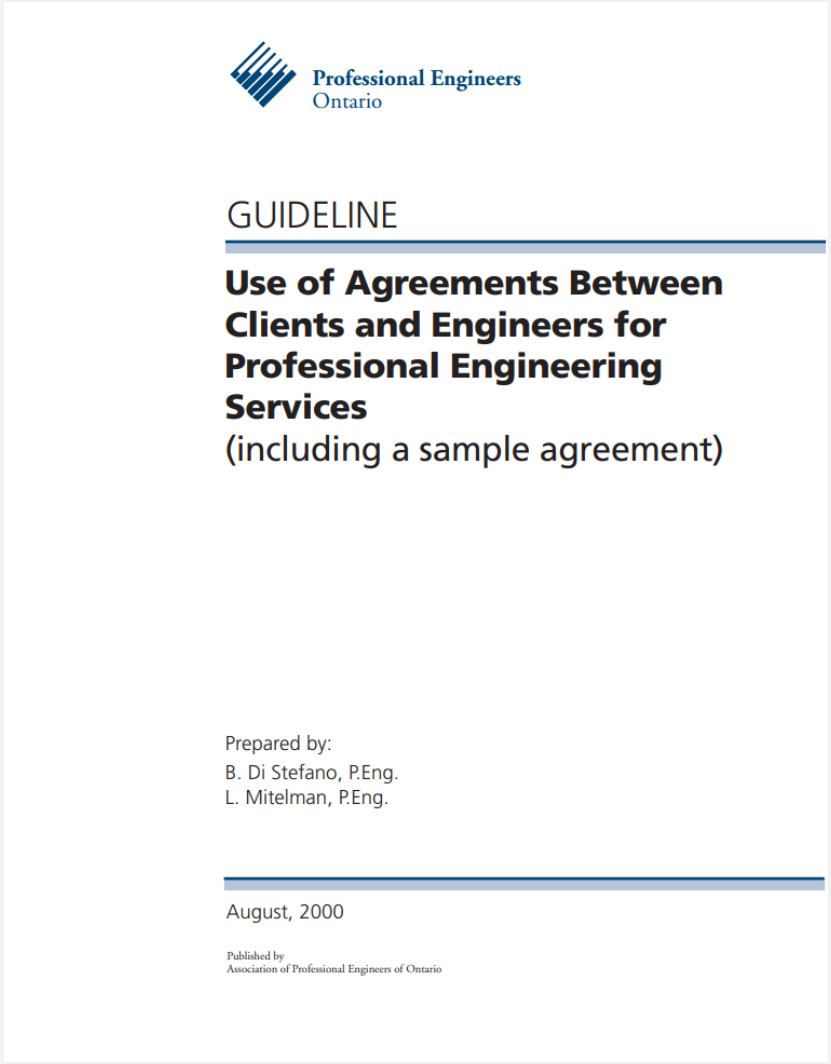
DOCUMENT NO. 31 - 2010

ENGINEERING AGREEMENT BETWEEN CLIENT AND ENGINEER

1981
Revised 1991
Addendum 1996
Revised 2009
Revised 2010

Similar Standard Forms of Agreement con't

- Professional Engineers Ontario
  - Agreement Between Client and Engineer for Professional Engineering Services (2000)
  - General Conditions / Client Responsibilities / Engineering Services / Fees & Disbursements
  - 8 pages plus schedules / appendices
  - Includes guideline for use
  - Out of date?


Professional Engineers Ontario

GUIDELINE

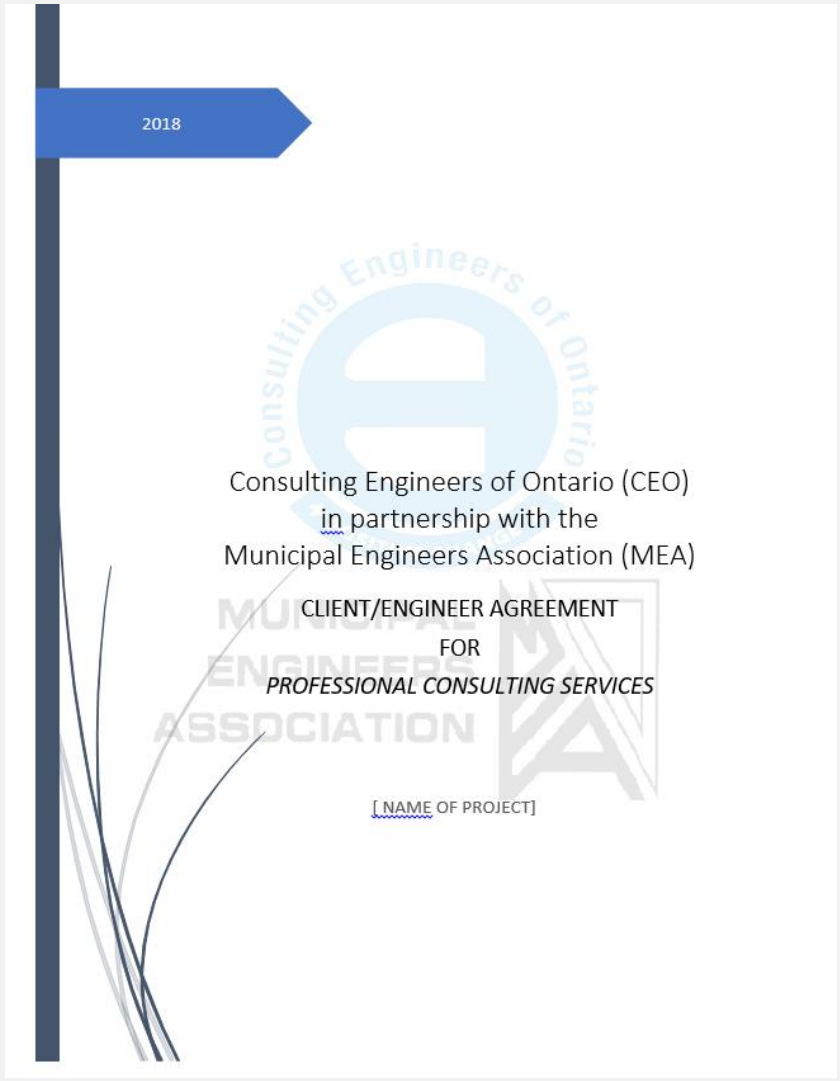
Use of Agreements Between Clients and Engineers for Professional Engineering Services
(including a sample agreement)

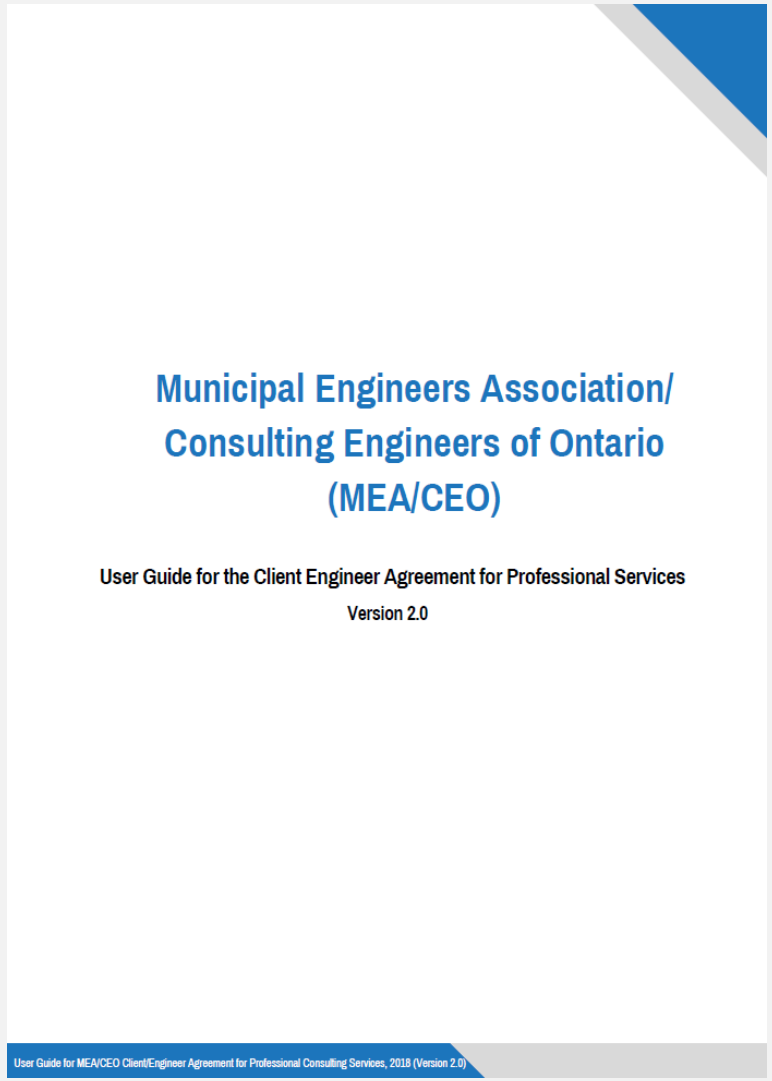
Prepared by:
B. Di Stefano, P.Eng.
L. Mitelman, P.Eng.

August, 2000

Published by
Association of Professional Engineers of Ontario

These are your "go to" documents…





Qualifications Based Selection

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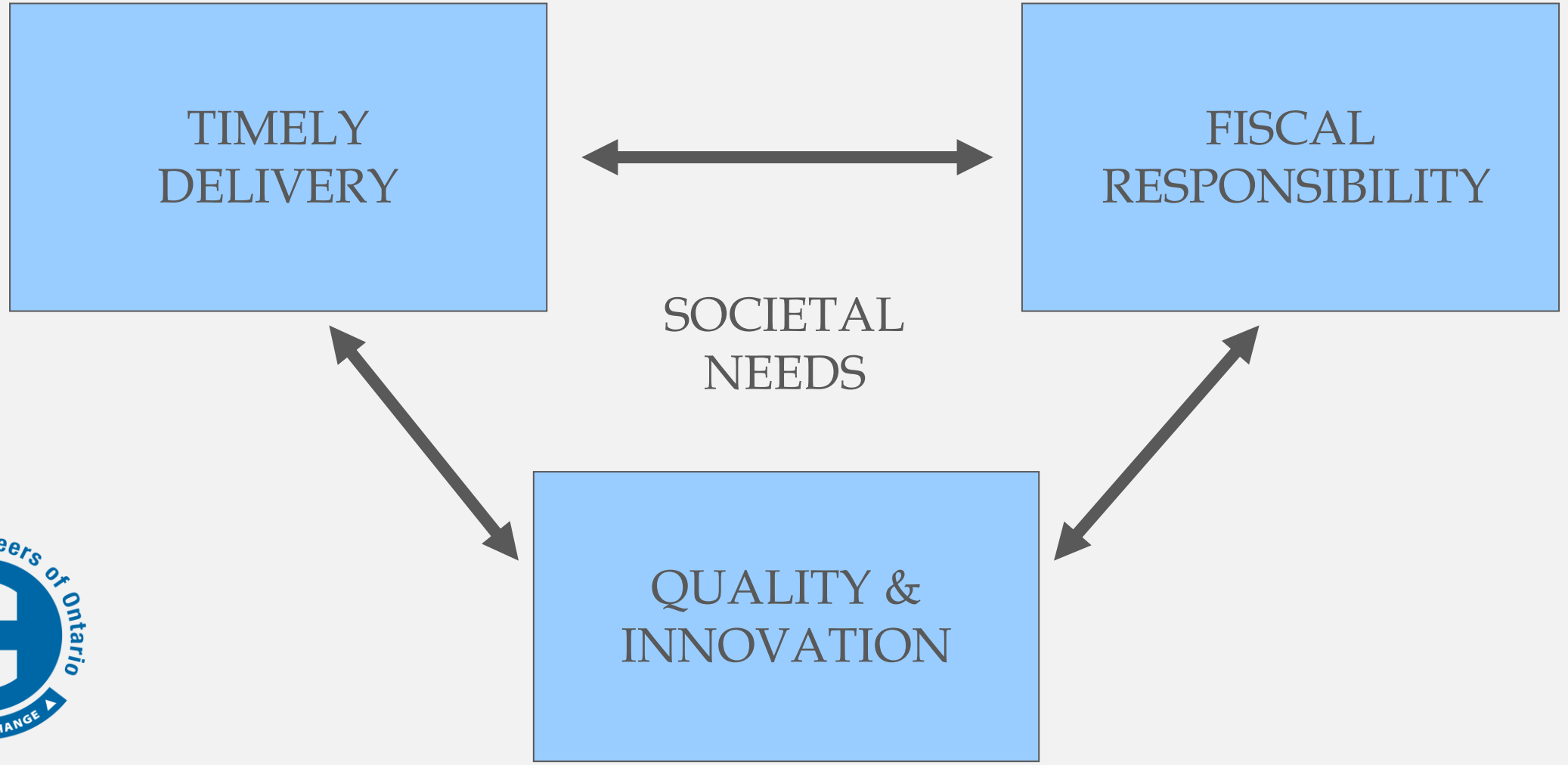
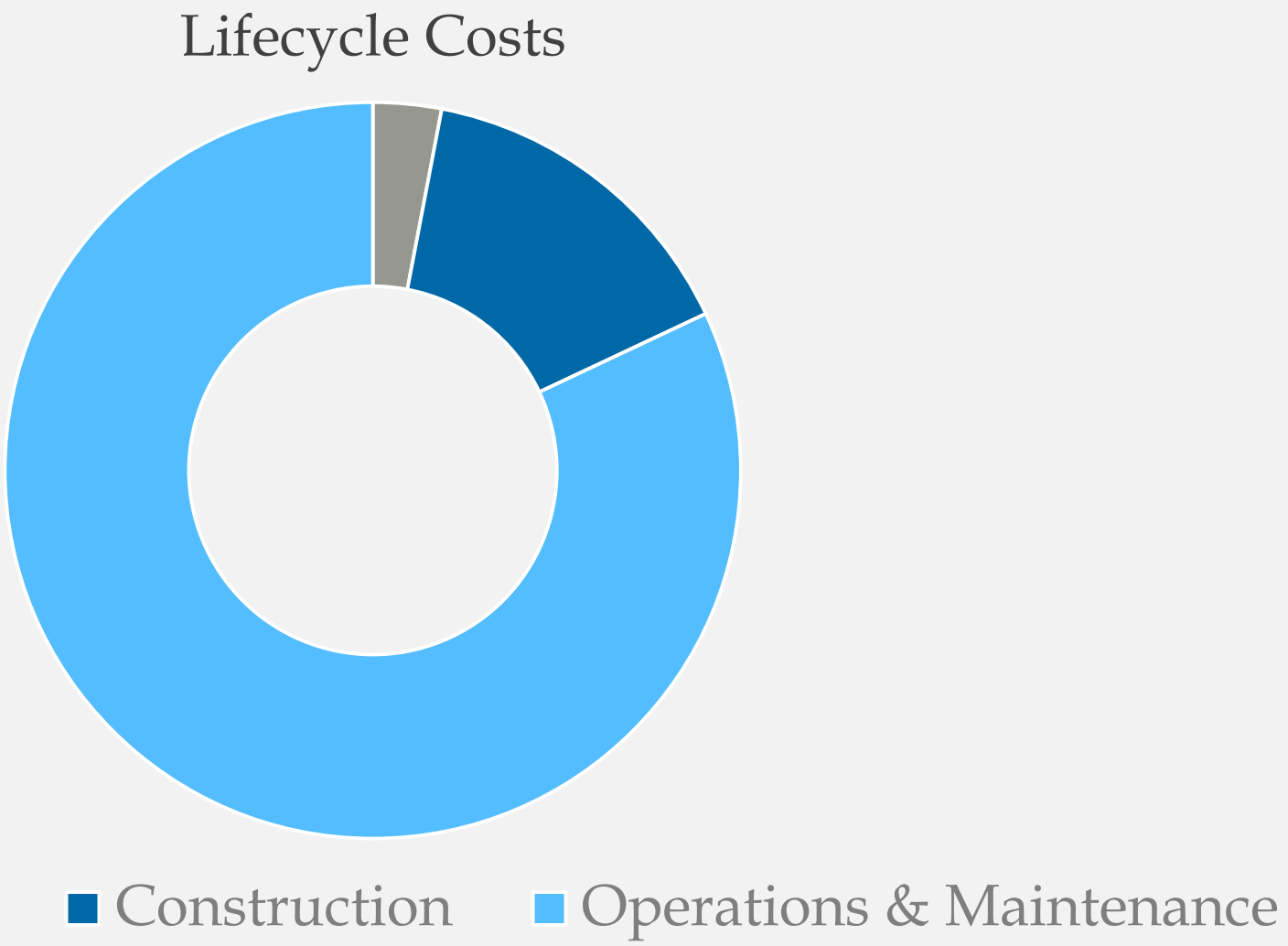
Challenges of Municipal Projects



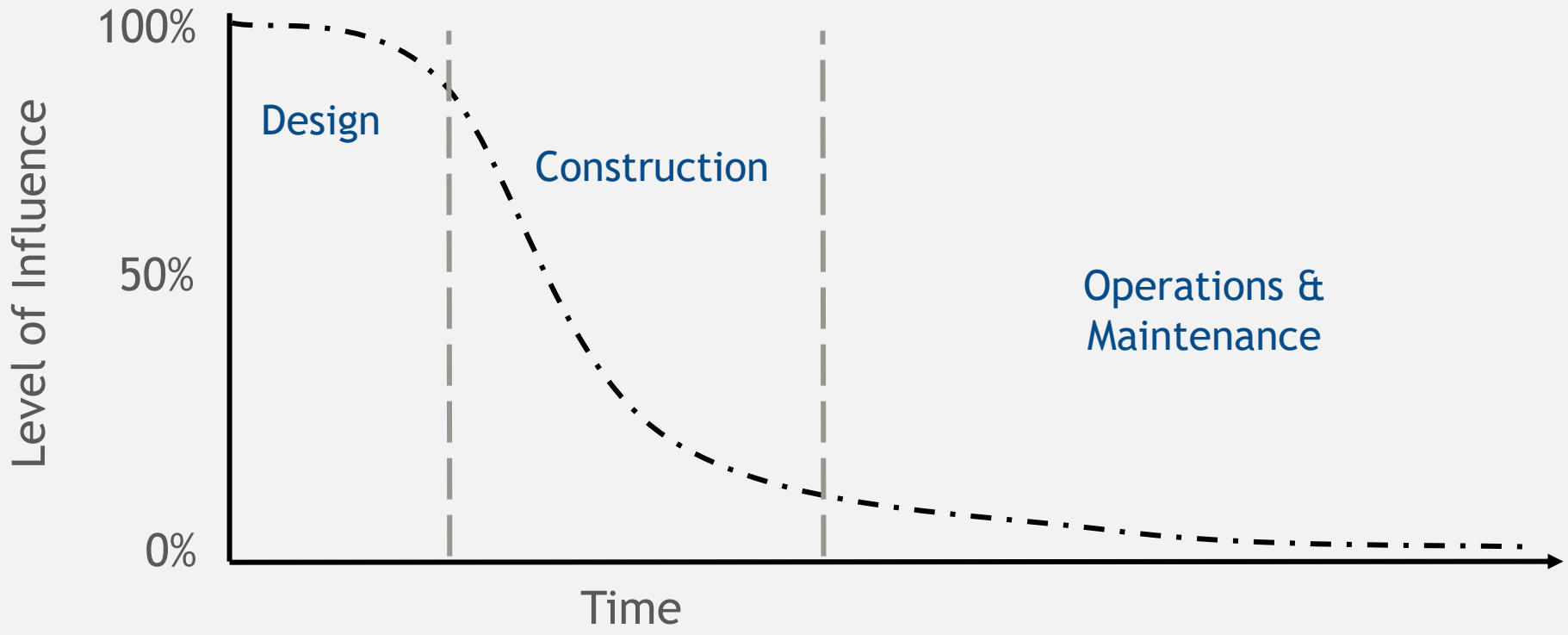
Engineering is an Investment



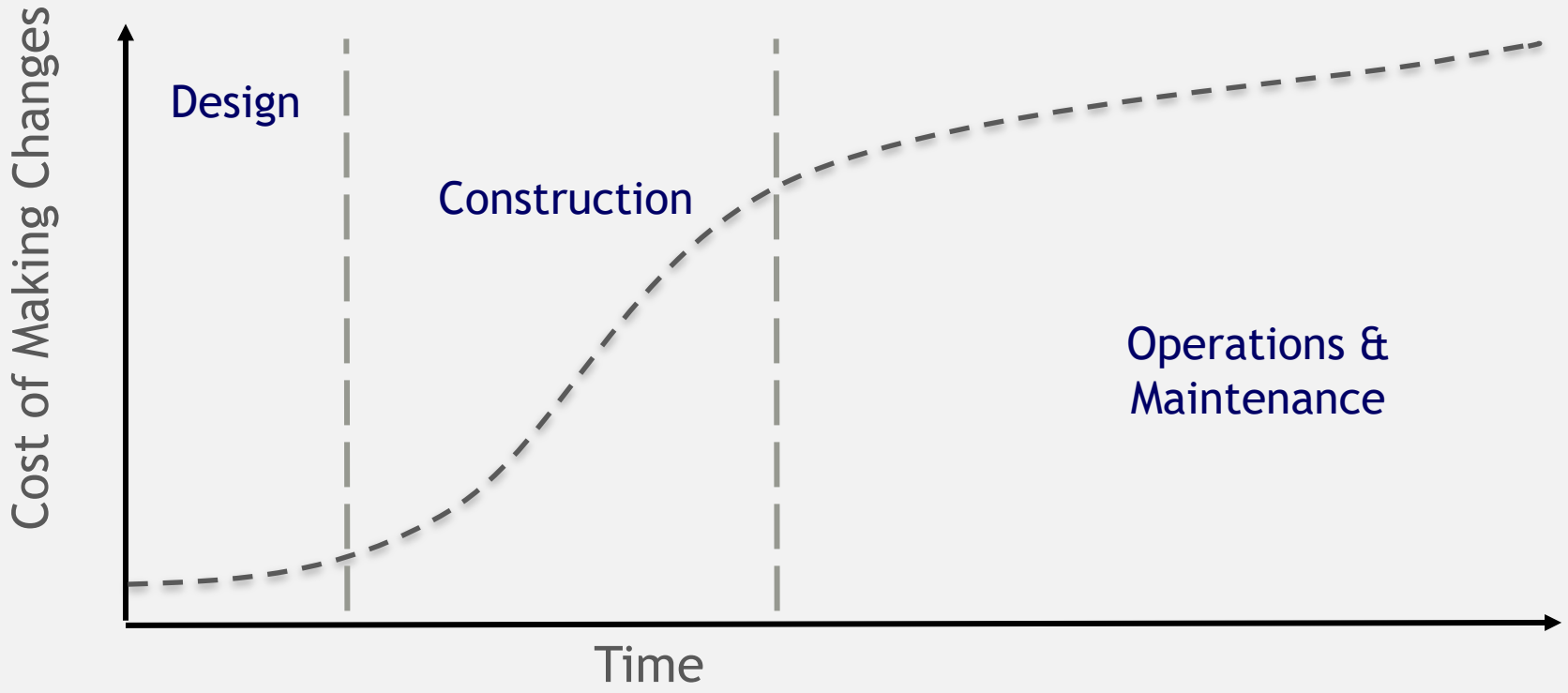
Procurement is Key!

- QBS is about procurement of consulting services (engineering, architecture, etc.) related to project design
- QBS is NOT about project delivery
- Once the consultant is under contract, QBS is done
- But… the benefits of having used QBS to select an engineering consultant will positively impact the balance of the project, regardless of delivery method
- It's all about adding value…

Opportunities to Add Value – When?



Opportunities to Add Value - Cost



What's Wrong with Lowest Price?

- Rewards firms that use minimalist interpretations of project scope to commit fewer resources and/or less experienced staff
- Penalizes firms that are proponents of innovation
- Penalizes firms that anticipate project complexities
- Sacrifices life-cycle cost savings in the name of design-phase cost savings
- Puts firms that have the best understanding of the client's actual needs at a disadvantage

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Why is QBS good for the Municipality?

Real

Lifecycle

Value

Who Uses QBS?

- QBS is legislated by the US federal government and by over 45 state governments
- Municipalities across the US
- City of Calgary, City of London, Metrolinx, City of Waterloo
- Canadian federal government – pilot project
- Quebec legislation now requires its provincial agencies to use QBS for engineering and architectural services

What Does the Research Say?

- 2009 joint study by Georgia Institute of Technology and University of Colorado - over 200 projects studied (both QBS and non-QBS)
- Strong positive correlation between use of QBS and successful projects (as measured by cost, schedule and quality)
  - QBS projects had 70% less cost growth than non-QBS projects
  - QBS projects had 20% less schedule slippage than non-QBS projects
- QBS was especially favoured on projects with higher risk factors and/or higher design complexity
- Projects incorporating QBS procurement exhibit positive results in emerging measures such as societal issues (e.g., sustainability) and third-party stakeholder concerns

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In summary…

- QBS is a competitive and transparent process
- QBS focuses on merit, quality and long-term value
- QBS ensures cost-effectiveness
- QBS lowers risk for complex projects
- QBS encourages innovation
- QBS is a win-win for the municipality and the consulting engineering firm

Where can I learn more?

Yes2QBS.com

Thank You!

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Consulting Engineers of Ontario

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