



MEMORANDUM

TO: Whatcom County Council
THROUGH: Satpal S. Sidhu, County Executive
FROM: STV
CC: Sheriff Donnell "Tank" Tanksley
Finance and Facility Advisory Board
RE: Qualifications-based procurement process
DATE: March 10, 2025

The purpose of this memo is to describe STV's role as a third-party procurement facilitator and describe our strategic approach to procurement, emphasizing risk reduction, transparency, and alignment with County and community priorities.

The role of third-party procurement facilitation:

- To develop a procurement strategy that reduces risk and exposure while securing a team with demonstrated industry expertise. This includes proven experience in security-driven design, trauma-informed spaces, and behavioral health best practices. We consider experience with lifecycle and operational cost implications, energy efficient design, integration of medical and mental health services, and prior Progressive Design Build (PDB) experience in corrections and behavioral health. Additionally, we prioritize an approach that emphasizes early engagement, preconstruction collaboration, local workforce and resource planning, and a thorough evaluation of the proposed team and key personnel.
- While we do not make final decisions, we propose strategic directions, identify risks, and provide informed recommendations. Our expertise will frame options that align with project goals, County and community priorities.
- We present recommendations based on best practices and project-specific analysis. Our role is to support you in understanding the implications of each decision, ensuring that choices are made with a full understanding of their impact.

PROCESS:

Team preparation

The first step is to identify an internal team that will evaluate the qualifications of bidders. The ideal participants of this team are:

- Those with the time to devote
- Day-to-day / front line users
- Well informed decision makers

Publishing documents

- County procurement team takes the lead in publication of all advertisements and follow-up communication.



- The County website and other standard advertisement locations will be used to disseminate information.
- Outreach concludes upon publication to maintain a fair and equitable process.

Fielding questions for all

- Questions are to be directed to the County Special Projects team via the website.
- STV to support in providing responses as needed.

Consensus scoring for RFQ

Consensus scoring is essential in Progressive Design-Build (PDB) procurement to promote fair, transparent, and well-informed selection decisions. By bringing evaluators together to discuss strengths, weaknesses, and key differentiators, consensus scoring mitigates individual bias and ensures that teams are assessed based on a shared understanding of the project's priorities. This approach enhances consistency in evaluation, aligning selection criteria with the owner's goals while reinforcing the collaborative spirit that defines PDB. Additionally, consensus scoring provides a structured framework for decision-making, helping owners justify their selection process and maintain credibility in procurement outcomes. Key benefits to consensus scoring:

- **Reduces Bias and Subjectivity** – Individual evaluators may have different perspectives, preferences, or biases. By requiring a collective discussion and agreement on scores, consensus scoring balances these differences and leads to a more objective evaluation.
- **Enhances Transparency and Accountability** – Public projects are funded by taxpayers, so procurement decisions must be defensible. Consensus scoring provides a clear record of why a particular firm was selected, reducing the risk of disputes or accusations of favoritism.
- **Strengthens Decision-Making** – A collective discussion about each evaluation criterion encourages deeper analysis of qualifications, proposals, and past performance. This leads to a more informed decision rather than a simple numerical average of individual scores.
- **Mitigates Outlier Scores** – If one evaluator scores a proposal significantly higher or lower than others, consensus scoring requires discussion to justify or adjust the rating. This helps avoid skewed results based on personal opinions or misinterpretations.
- **Supports Legal Defensibility** – Public procurements are often subject to legal challenges. A well-documented consensus scoring process demonstrates due diligence and ensures the evaluation was conducted fairly, reducing the likelihood of protests or legal disputes.
- **Encourages Team Alignment** – Public agencies often have multidisciplinary evaluation teams. Consensus scoring forces evaluators to align on key priorities and interpretations, leading to a more cohesive selection process.
- **Ensures Compliance with Procurement Policies** – Many jurisdictions and agencies have procurement laws and policies requiring consistent evaluation methods. Consensus scoring helps agencies comply with these regulations and maintain public trust.

Contract development

During contract development we plan to evaluate the appropriateness of the use of structured incentives and stipulations to help formalize and align project goals, encourage collaboration, and drive performance. Incentives would be designed to reward efficiency, innovative problem solving, and cost control, while stipulations establish clear expectations for transparency, risk management, and long-term project success. Key considerations include:



- **Performance-Based Incentives** – Rewarding teams for achieving key milestones, meeting or exceeding performance metrics, and delivering cost or schedule efficiencies.
- **Shared Risk and Reward Structures** – Encouraging proactive problem-solving by linking financial incentives to shared project success.
- **Collaboration & Transparency Stipulations** – Requiring open-book cost development, active engagement with the owner, and clear communication protocols.
- **Target Value Design Integration** – Structuring contracts to drive value-driven decision-making, ensuring alignment with budget and owner priorities.
- **Quality and Lifecycle Performance Metrics** – Incentivizing durable, sustainable, and operationally efficient solutions rather than just low upfront costs.
- **Policy Goal Alignment** – Including language in the contract that instantiates requirements such as priority hire goals, prohibitions on discrimination, harassment, and retaliation, sustainable design standards, and others.

Interactive Meetings

Interactive meetings are a unique component of Progressive Design-Build (PDB), providing owners with real-time insight into how a design-build team collaborates, problem-solves, and engages in decision-making. Unlike traditional interviews, which focus on rehearsed responses, interactive meetings simulate the actual working relationship, allowing owners to assess team dynamics, communication styles, and alignment with project goals. These meetings also support the management plan, helping owners gauge how effectively a team can navigate challenges, coordinate across disciplines, and drive value during preconstruction. By fostering open dialogue and active problem-solving, interactive meetings help ensure that the selected team not only meets technical qualifications but also demonstrates the adaptability and collaborative mindset necessary for PDB success. Key considerations for evaluation of interactive meetings:

- **Two-Way Engagement & Problem-Solving** – Creates a real-time collaborative environment, allowing for dynamic discussions on project challenges.
- **Insight into Team Dynamics & Culture Fit** – Provides a firsthand look at how teams interact, problem-solve, and align with project goals.
- **Evaluating Thought Process, Not Just Responses** – Moves beyond rehearsed answers to assess adaptability, critical thinking, and decision-making under real-time conditions.
- **Testing Communication & Decision-Making** – Helps gauge clarity, responsiveness, and structured decision-making approaches.
- **Transparency & Trust-Building** – Encourages open dialogue, reducing misalignment and setting clear expectations.
- **Collaboration Over Salesmanship** – Shifts the focus from polished presentations to problem-solving and teamwork, highlighting teams that prioritize project success.

Fee

In Progressive Design-Build (PDB), fee is a factor in evaluation but not the deciding factor. Instead, it is assessed within a value-based selection that prioritizes qualifications, collaboration, and project approach to identify a team that brings the most value to the preconstruction phase. Owners consider fee within the broader context of team experience, partnership, and long-term project success, rather than as the primary driver of selection. Key considerations for fee evaluation:

- **Emphasizes Qualifications Over Cost** – The PDB process is designed to select a highly qualified design-builder that can collaborate effectively with the owner, not just the lowest-cost



proposer. Scoring too heavily on fee could lead to selection of a less-qualified team that may struggle to deliver the best project outcomes.

- **Encourages Innovation and Best-Value Solutions** – In PDB, the design-builder works with the owner during preconstruction to develop the best project within the available budget. Overweighting the fee could disincentivize innovative solutions and force teams to undercut costs at the expense of quality, sustainability, or lifecycle value.
- **Avoids a "Race to the Bottom" on Fees** – If fee is a major scoring factor, firms might submit unsustainably low fees just to win, only to later push change orders, value engineering cuts, or adversarial negotiations to recover costs. This contradicts the collaborative intent of PDB.
- **Recognizes That Most Costs Are Not in the Fee** – In a PDB project, the biggest cost drivers are construction and design decisions, not the design-builder's fee. Prioritizing fee in selection has little impact on the total project cost but could lead to selecting a firm that lacks the expertise to effectively manage cost drivers.
- **Supports Open-Book Collaboration** – A fundamental principle of PDB is open-book cost development, where the design-builder and owner work together to define scope, pricing, and risk allocation. The final Guaranteed Maximum Price (GMP) or Target Value is negotiated transparently, making a low fee less relevant than the team's ability to deliver cost certainty and risk management.
- **Serves as a Tiebreaker** – Washington's PDB procurement under RCW 39.10 prioritizes experience, team capability, and approach. The statute allows fee consideration but does not mandate it as a dominant factor. Best practices suggest minimizing its weight in favor of factors like experience, technical approach, collaboration strategy, and risk management. Meant to serve as a tiebreaker between highly qualified teams.

Through the qualifications-based selection process described above, we can identify teams with the expertise, experience, and collaborative mindset necessary to successfully deliver a justice facility and behavioral care center that meets the County's needs.

We welcome any questions and feedback from the Council and look forward to further discussions on how we can refine and implement this process effectively.