Seattle
Office of Planning &
Community Development

Guide to Selecting and Hiring Consultants

For Organizational Capacity-Building and Real Estate Development/Capital Projects

Successful real estate development and capital projects require a range of professional services, from early planning and site acquisition to design and construction. To ensure quality and alignment, it's best practice (and sometimes required by funders) to use a competitive procurement process to select consultants. This helps identify qualified professionals with relevant experience, a competitive price, a complete scope of work, and the right cultural fit for your team and organization.

Building the right project team is critical. As you build capacity to strengthen your organization's ability to take on a project, you may need additional support such as legal, financial, or strategic planning consulting. Your organization will also need the support of a variety of consultants and contractors for your real estate development/capital project. Your core capital project team will typically include your organization, a development consultant or owner's rep, architects and engineers, and eventually a construction contractor.

These key team members will be responsible for the coordination and execution of the project. They will typically lead the assembly of the team to include any other necessary consultants (additional engineers, specialists, construction subcontractors, etc). The team's size and makeup will vary by project complexity, ranging from a few consultants on small projects to a dozen or more on large ones.

Example Given: Hiring an Owner's Rep/Development Consultant

This guidance uses the example of hiring a Development Consultant—often referred to as a Development Manager, Owner's Representative, or Project Manager. Typically the first key project hire, the Development Consultant, helps define the project scope and budget, leads the assembly of the project team, and manages the process from start to finish—representing your organization's interests and ensuring expectations are met.

The Development Consultant usually leads the recruitment of other core team members, starting with the architect. While some organizations engage an architect early for site assessments, scenario planning, or feasibility studies, it's best to follow a robust, competitive selection process when hiring for full project scope.

This approach can be applied when selecting other professional services as well, including soliciting quotes and calls for bids from contractors, throughout the project lifecycle. For small-scale projects or discrete tasks, such as obtaining a zoning analysis for a specific property or ordering a site survey, a full-scale competitive process may not always be warranted. It is still preferred practice to obtain more than one quote, proposal, or bid to compare scope, qualifications, and price.

What You Need to Know About Prospective Development Consultants (This will help inform your Selection Criteria):

- ✓ Experience with your project type (new construction, renovation, etc) and use (healthcare, education, arts & culture, etc)
- ✓ Experience in planning, budget, scope, timeline development, management of project consultant teams and management of project risks
- ✓ Ability to manage project financials (budgeting, cash flows, and cost reporting)
- ✓ Experience with land use and building permitting processes in City of Seattle and King County, including SDCI, SPU, SDOT, SCL, and other agencies
- ✓ Experience working with clients that are nonprofit organizations
- ✓ Involvement in fundraising/capital campaign support and financing support
- ✓ Experience in supporting the client's community engagement efforts and leading any community input requirements per SDCI or project funders
- ✓ Experience overseeing construction and managing construction contractors
- ✓ Experience with environmental site evaluation and projects requiring remediation

Contents of a Request for Proposals (RFP):

1. ***Provide the Following (The hiring organization provides this in the RFP):***
   - Purpose of the RFP
   - Organization Introduction & Background
   - Project Description (including preliminary timeline and budget, if known)
   - Scope of Work/Services Requested
   - Solicitation Objectives (any MWBE or diversity goals, sustainability certifications, professional liability insurance requirements…)

2. ***Submission Requirements (the consultants provide these in their proposal):***
   - Minimum Qualifications & Experience Examples (require a minimum if preferred. Three is typical)
   - History of Firm and Firm Leadership
   - Proposed Project Team
   - Diversity, Equity, Inclusion at the Firm (if you choose to request this)
   - Located and experienced in Seattle/King County
   - Proposed Approach to the Project (They will provide their preliminary understanding of the project in this section and recommend their approach to managing the project to completion. Do they suggest a feasibility study with scenario planning first? Are there funding/financing structures they recommend? Do they suggest phasing the project? Do they have a recommendation for project delivery type? Are there other consultants they recommend bringing onboard or scope gaps)?
   - Proposed Fees & Fee Structure – (Lump sum fees vs. hourly rates, by phase, etc)
   - Professional References (Requesting contacts for three references is typical)

3. ***Submission Instructions***
   - Submission due date (and time)
   - Format (electronic or hard copy, address)
   - Q&A Period
   - Interview hold dates
   - Selection Criteria Scoring (see next Section)
   - Target Selection Date
   - Contact Information

4. *Attachments (Provide these if you have them)*

- ALTA/topographic survey
- Property Report or Existing Conditions Report
- Preliminary program, test-fits, mood board, collection of feedback from early community engagement, or other supporting documentation, if available

Evaluation & Selection

1. *Establish a Selection Committee*

If possible, include at least three people in the selection process for your development consultant, architect, contractor, and other core team members. Your selection committee should consist of individuals closely connected to the organization—ideally those involved in the project long-term and familiar with its mission, programs, operations, or community. This could include leadership, staff, board members, or long-term volunteers. A group of up to five is manageable; larger committees can work but may be harder to coordinate.

2. *Proposal Review & Scoring*

To better ensure organized data, consistent evaluation criteria, and scoring amongst the selection committee, it is advisable to create and share an evaluation matrix/score sheet for each selection committee member to complete. Refer back to the Submission Requirements section of your RFP and assign a maximum score for each evaluation criterion, i.e. Relevant Experience of the Firm, Local Permitting/Regulatory Knowledge, Proposed Team Experience & Strength, Project Approach, Fee Proposal. It can be helpful to also include an evaluation of mission alignment, community connection, or any other criteria that may be of special importance to your organization or project.

Example Evaluation Matrix

Consultant Evaluation Criteria	Max Points	Firm A	Firm B	Firm C
Relevant Experience of the Firm	25	20	18	25
Approach to Project	15	10	15	15
Local Permitting and Other Regulatory Knowledge	10	5	8	10
Staff Experience and Strength	20	10	15	15
Fee Proposal	10	5	10	8
Mission Alignment	20	5	20	1
Total Points	**100**	**55**	**86**	**74**
Rank by Points		**3**	**1**	**2**

3. Interviewing

What's the importance of interviewing?

Interviewing is a great way to get a sense of what it will be like to work with the consultant, to learn their communication style, their approach to the project, their alignment with your organization's mission and values, and to generally feel if they pass your vibe check. Based on the Proposal Evaluation Matrix that the selection committee completed, you may decide on a shortlist of candidates to interview. It's advisable to interview at least the two top candidates for a comparison. Interviews can help reinforce your evaluation of their proposals or may surprise you and change your mind about a candidate.

For example, look at the example Evaluation Matrix above. Mission Alignment has a high maximum score, meaning it is of high importance to the hiring organization. Even though Firm C has scored 2nd highest overall, their Mission Alignment is a 1 out of 20. Perhaps the organization decides not to interview Firm C based on that criterion since it's very important to the organization.

Interview Logistics

- ✓ It is important to adhere to the Interview hold dates included in your RFP, but to consider flexibility if a firm notified you during the Q&A period of any scheduling conflicts.
- ✓ Host interviews in whichever venue will ensure that all of the selection committee members and interviewing team members can attend, whether that's virtually, in-person, or hybrid.
- ✓ Provide interview guidance shortlisted candidates with as much advanced notice as possible, to allow them time to prepare. Include the following:
    - List of Selection Committee members
    - Date, time, and location of interview
    - Interview length and agenda (i.e. 45 minutes total: 10 minutes for set-up and introductions, 20 minutes for firm presentation, 15 minutes for Q&A)
    - Presentation format, if applicable (Slide presentation, handouts, etc.)
    - Presentation Topics, which should reflect the content of the RFP and firm proposals with focus on key components (i.e. example projects, project approach, proposed team member roles and responsibilities)

- ✓ Prepare a few questions for the Selection Committee to ask during the interview in case they aren't able to think up any on the fly. Some example questions may be:
    - *What is your current project workload, and do you have capacity to take on our project?*
    - *Will the team members you proposed in your proposal/joining this interview be the team members throughout the duration of the project?*
    - *What do you look for in owners/clients, to help you to complete your scope of work successfully?*
    - *Can you share some lessons learned from past projects that inform your approach to projects now?*
    - *For an organization like us, that's not very experienced in development projects, what are some gaps in owner/client knowledge that we should be aware of?*
    - *Are there any phases or scopes of work that are missing from your current proposal, that we will need to address as the project progresses?*
    - *What is your experience with projects that have multiple funding sources and how do you help manage funder requirements?*

- ✓ The Selection Committee can either update the Evaluation Criteria Matrix based on the interviews, or you may create a new score sheet specific to interviews. Either way, it's important that committee members note their thoughts for discussion and decision-making.

4. Award & Contract Negotiation

After the Selection Committee has discussed and reviewed notes and scoring, you may find that you have follow-up questions before you can make a final determination. For example, you may see that a certain task or scope of work was proposed by one consultant but not by another. It's worth questioning both consultants to understand whether the scope should be included or not. This will help you attain an "apples to apples" comparison of the scope and fees.

Once you've made your selection, it's on to contracting. First things first – hire an attorney to review your consultant contract and to explain to you what is in it and what it all means. (You can use this guidance to hire the attorney as well!) Typically, the awarded consultant will provide the draft contract to you. For architect and construction contractor contracts, these are often on standardized AIA (American Institute of Architect) contract forms but not always, especially for projects with a smaller scope of work.

It is important to seek the counsel of an attorney familiar with real estate development contracts to achieve a contract that manages your risk. Your contract with your consultant should include the following content, at minimum, plus anything your attorney may recommend:

- ✓ Scope of Work and Description of Services and Deliverables
- ✓ List of subconsultants/subcontractors, if applicable
- ✓ Timeline and Milestones
- ✓ Excluded scope/additional services
- ✓ Consultant's Responsibilities and Owner's Responsibilities
- ✓ Insurance Requirements
- ✓ Fees and Compensation Schedule
- ✓ Claims and Disputes
- ✓ Termination or Suspension

Capturing Funder Requirements in your Consultant Contracts

As you are working through the process of building your project team, it is important to diligently track any funder requirements that may affect your consultants and contractors. A few things to consider:

- ✓ Is your funding source a reimbursable grant? If so, be prepared to pay your project consultants upfront with other funds and to seek reimbursement later.
- ✓ What are your funding sources' typical payment cycle and what is the process? Your consultants will likely include in their contracts a "Net-30" payment term, meaning payment is required within 30 days of invoicing and may apply late fees for late payments.
- ✓ Does your funder have any unallowable/ineligible costs? Are any of these being proposed by the consultant and if so, are they necessary and what other funding source will you use to pay for them?
- ✓ Does your funder require any additional requirements such as Prevailing Wage labor, meeting certain WMBE requirements, achieving LEED Certification, or reporting requirements?
- ✓ Does your funder have specific insurance or bonding requirements? Can your consultant obtain the levels required and are those costs factored into their fee proposal?

Final Notes for Readers of this Document

- If you don't know where to find consultants to choose from, try visiting EDI's Network of Support for a roster of consultants providing professional services relevant to organizational and project capacity-building.
    - Click here to go to EDI's Network of Support website
- Equitable Development Initiative grantees should contact their EDI Project Manager with any questions or for clarifications regarding your EDI contract requirements. You can also reach out to EDI's Real Estate Development and Program Implementation Manager, Mishelle Oun, at Mishelle.oun@seattle.gov.
- This guide is not meant to be prescriptive, but to offer advice on conducting a competitive process for hiring consultants. Your organization may utilize the information to fit your needs and should feel free to add, remove, or revise language as you see fit for your purposes.