Selecting the Best Partner for a Credit Union Facilities Project

Learn the best practices for requesting proposals for design-build facilities projects in the Credit Union industry, including what information to provide, what questions to ask, and how to make a value-based selection.

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Key Takeaway

Good, hard work and reliability are important – but you also need a partner with the demonstrated expertise of innovation and the ideas to drive a business like yours forward.

Your members want a great experience from your branches and your staff want a great workplace experience. You shouldn't ask for anything less from a facilities partner. All too often construction is seen as intimidating, opaque, and a challenge for internal team members, but it shouldn't be this way. You are taking a major step forward, innovating, planting the flag that is your brand in your communities and market. **This is an exciting time for your team.** In addition to delivering a successful project, you need a partner that will give you an experience that is easy, efficient, and engaging.

How to Select a Firm that Delivers this Experience

When selecting a firm to design and build your next branch, you're choosing a team member who can translate your strategic initiatives in to a compelling built environment – one that will support and engage both your employees and your members. Your project's success also depends on this partner's ability to deliver a great working experience through open communication and making it easy for your internal team to get the project done.

It will take a bit of work for you to uncover the differences between potential design-build partners. They each bring a unique personality and approach and you will find that some particular capabilities are strong with one firm while weak with another. The partner selection process must help you find a partner who is a cultural fit, and who will deliver projects reliably. But you also need to think a bit more like a Silicon Valley start-up. **Good, hard work and reliability are important – but you also need a partner with the demonstrated expertise of innovation and the ideas to drive a business like yours forward.**

What to Expect from This Guide

This guide presents an approach to partner selection that involves preliminary research, early communication with potential partners, RFP development, a recommendation for interviewing both references and firms under consideration, and a weighted, value and fit based selection scoring method. By following this selection process, you'll have the information you need to choose a partner that can not only deliver your current project, but also deliver on your long-term strategic objectives.

Find Good Candidates

Building the Long-List

The RFP process starts with deciding who you'd like to talk with in the first place. Industry message boards and colleagues will provide some idea of who's worth talking to. A web search and review of websites should help you add to or refine your candidate list. Each of your potential partners will have examples of their work posted online. You might be surprised by the amount of insight you're able to gather by making a call to one of their clients. You can also find articles, white papers, and other published content about firms' perspectives on industry. Some firms also partner with organizations such as The Filene Research Institute to research topics relevant to credit union branches and workplaces. Here are some ideas of where to look while creating a long-list of potential design-build project partners:

- Your company employees and industry peers
- Trusted vendor partners, particularly bank equipment, brand, and digital merchandising partners
- National and regional trade shows such as the CUNA GAC
- Industry group directories
- Web keyword search
- LinkedIn
- Articles, whitepapers, and other published content by potential partners
- The Filene Research Institute

Open a Dialogue

Key Takeaway

Opening a dialog with firms prior to sending them an RFP helps them to better align to your objectives and write more accurate proposals, and it helps you gain better insights into what it will be like to work with and communicate with these firms.

Avoid Faceless RFPs

One common pitfall that many organizations run into during the partner selection process is sending "faceless RFPs." These are RFPs that come out of the blue, and they tend to result in stock responses or responses that make selections more difficult because **they are missing the strategic nuance you provide through an open dialogue with potential partners about your objectives.**

There are many reasons why it is better to gain a basic and personal understanding of the firms you are considering working with prior to sending them a formal request for proposal. By having a dialogue about your vision and gaining insights from your prospective partner, both firms can uncover if the proposed relationship meets the basic criteria for a good fit. One thing a great firm will do is communicate when a potential project isn't a good fit and provide ideas of where to find the best partner. It will save you time to weed out poor fit candidates early.

During your exploration conversations listen carefully for understanding and insights. This will help you gauge what it will be like for your team to work with this partner, and you will likely be made aware of opportunities you weren't thinking about. Occasionally we encounter partners who re-orient their project vision based on their pre-selection conversations. Re-organizing the project vision before more formal steps have been taken in the partnering process is another huge time, cost, and frustration saver!

Things to Discuss During Your Conversation:

- What you are trying to achieve for your organization through the project
- Basics surrounding the geographic location or size of your project
- Your desired project delivery timeline
- Examples of other institutions who have faced similar situations
- Ideas and innovations that the potential partner has contributed to the field
- How they create transparency in a project, such as project management platforms, open book accounting, etc
- What the potential partner thinks the next best steps are for the conversation
- Who they've worked with and a couple early references

Develop Your RFP

Purpose of the RFP

Key Takeaway

More isn't always better. Too much information in a proposal can make the selection process more difficult than it needs to be. Focus on the information you need to make a decision.

Your work up to this point has been aimed at both pre-qualifying potential partners and honing your vision for the project. **Now it's time to gather written details from your candidates – details that you will use to shorten the list of potential partners and make a final selection.** For simplicity's sake, we describe here a process in which qualifications and proposal details are gathered in a single written document that we refer to as an RFP.

Focus on What You Need to Know to Make a Decision

As you formulate the questions you'll include in your RFP think about what you already know and what you need to uncover. Ask yourself, "What information will help my team make this decision?" **A lengthy RFP may be necessary, but gathering too much information may simply make the selection process more difficult and overwhelming.**

Another caveat in asking for lengthy narrative RFP responses – **the firm with the best writer on the team is not necessarily the best partner for you**. Focus on concise questions when possible and ask for narrative responses in only the most important areas. If possible, uncover examples of the firm's management skills (communication and problem solving for example) through discussions with references or during interviews with the team members you will actually work with. A last recommendation is to avoid hypothetical questions – because you are likely to get a carefully crafted response. Instead, ask for specific examples of how a firm has dealt with a situation.

RFP Objectives

Introduce the project

So where to begin? **Now is a good time to get down on paper a clearer vision of the project you are asking firms to partner with you on.** This will help proposing partners respond more accurately, be sure of a good fit, and provide more valuable details based on their understanding of what's valuable to you. Include details such as your goals for the project, the characteristics of the proposed location (if known!) expected delivery timeline, desired delivery format, and any particular details that are especially important to you. Don't forget to mention your submittal deadline, and selection timeline and criteria. Lastly, make sure firms know how to ask clarifying questions during the response period. The thoughtfulness your team conveys gives proposing firms a better idea of what it will be like to work with you – it's a great chance for you to build excitement around your project!

Key Takeaway

This process requires two-way communication. It is as important for responding firms to know about you and your project as it is for you to know their expertise and capabilities. This not only aids your decision, it helps you start the project on a strong footing.

Gather Basic data

Some folks skip this section – and that's fine as this information can be gathered later. Gathering basic firm data at this stage, however, does make it easier for you as you'll compel the firm to provide a centralized repository of information should you need it in the future. Business and professional license information, and contact information for the firms providing insurance or banking services for the respondent is some of the info you could collect here.

Determine What You Really Want to Know

On the next page is an outline of the insights you're looking to uncover through your RFP. Sample questions are provided as an addendum to this guide. Keep in mind that you're using these questions to shorten your list of candidates and make a selection. The way questions are framed, and the quantity of questions impacts your ability to efficiently make side-by-side comparisons between firms. **Also remember that in procuring a design-build project you'll be looking in to a variety of project stages – strategy and planning, design, and construction.** Just as importantly, you want to assess the integration between these three capabilities.

What You Really Need to Know

Capability to Deliver

What is the capability of this firm to deliver the project successfully? This can be found through demonstrated project experience, results and examples. It also depends on the experience of the particular team members you will be working with on the project.

Design Skill

What is the firm's capability to develop quality designs that reflect your strategy, requirements and brand identity? What is the likelihood you'll receive a unique, tailored solution versus something that is canned or inappropriate for your situation? You'll uncover this information through a better understanding of the firm's design process, and through case studies that describe the "why?" behind the design.

Strategic Thinking

What is the likelihood that the firm will help you develop a strategy and deliver results? This can also be found through the breadth of their project experience, described through case studies that link project elements back to strategic intent.

Construction Skill

How successfully does this firm turn design and strategy in to a built environment? Here you can look at the firm's process around budgeting, cost and schedule management, quality, safety and change management. Again, project case studies will help you assess whether or not the firm is capable of your project's scale and scope. This is also a great place to look at the firm's communication process and the technology platforms they use to share information with the owner's team. Not all construction experience is equal. A firm with a specialty in branch renovations may not be qualified to take on construction of a large steel and glass headquarters building.

Risk Profile

Is the risk profile of the firm is acceptable to your credit union? Look at the firms' construction safety records, bond capacity and litigation history. Also consider the firm's proposed contract and the whether it is an industry standard agreement or developed uniquely for their best interest.

Working Relationship and Ease of Delivery

What will it be like to work with this firm, particularly how well will they fit with your culture and how easy will they make the experience for your internal team members? The clarity of responses and details on process and communication will help you answer this question. The experience you have communicating with the firm through the selection process is an even better indication. Here is an area where you will certainly need to supplement your insight by talking with references

Cost Information

The firm should be able to provide accurate cost details for the preliminary phases of their solution – typically the strategy and conceptual design phase for a design-build project. It is impossible to develop or compare detailed construction costs for an end building product at this stage. There is infinite variation in the decisions each firm could make in developing a delivery cost. So how do you ensure you make a sound selection without creating risk around cost? First, compare the cost structure each firm uses in developing their final delivery budgets. Overhead and profit fees can be compared as can the method for procuring competitive subcontractor costs. Don't forget to consider how open the procurement process is and if there are any fees hidden within cost line items. Feel free to ask for a sample copy of the construction phase contract. A second tactic is to review the budgets for recently completed projects that are similar to yours. Talk with references about the accuracy of budgets and project cost transparency.

Particular Specialties or Needs

If there is anything particularly special or important to you about this project that you expect might not be a core competency of each responding firm, don't forget to ask. For example, you may want to ask about their experience with branch network strategy, market analytics, and location selection. Other examples could be around brand activation, technology integration, or workplace strategy. Also, now is a chance to ask respondents to succinctly call out what they think is particularly valuable about their proposed solution.

Proposed Scope of Services

Finally, find out what the firm's proposed solution is for you. Find out what they propose to deliver, how long it will take, and how much it will cost. Find out who on your team will need to be involved, and conceptually, when the engagement would begin.

References

Key Takeaway

One of the greatest tools you have in this process is the insights from your industry peers. Speaking with references is the best way to gauge if the responding firms can deliver the promised experience and results.

Learn How the Firms Approach Projects

Armed with the data you've collected from potential partners, it's now a great time to get a fuller understanding of what it could be like to work with these firms. **Talking with those who have been through one or several projects with a candidate will give you the most accurate idea of not only the partnership qualities of a company, but also insights into their innovation process and their ability to develop a building strategy.** Lastly, it will give you the chance to validate some of the information provided in the RFPs and poke around a bit in areas where you are unsure or would like some confirmation.

Let's start at a high level and find out how well the firm helped this reference define and deliver on a strategic objective. Look in to how the firm helped uncover and clarify the purpose for the building project. Did the firm make a bee-line towards a solution or did they follow a process to pull together various ideas and insights towards a more cultivated solution? Once established, how well did the firm translate the strategic concept in to a working reality? While talking about the reference's situation you'll also gain insights in to how your own strategy could unfold.

Get a Feel for the Working Experience

From here you can delve in to some partnership questions. **Partnership qualities are so difficult to validate through an RFP, that they are perhaps the most important reason to talk with references.** Here are a few topics you could explore:

- How adaptable was the firm?
- How well did they communicate and collaborate with your team?
- How did they respond to challenges or problems?
- Did they make the project easier for your internal team members?
- Would you work with the firm on another project?
- How was the overall experience working with them?

Find Out if Outcomes Matched Expectations

Finally, you have the chance to validate the quality of the building delivery. Were the firm's budgets accurate? Did they meet their delivery schedule commitments? Was construction delivered in a safe and orderly manner? How is the finish quality? Have there been many call backs and how have they been handled?

Conduct Interviews

Key Takeaway

Sitting in the room or video conferencing with a responding firm's team as they walk you through their proposal and answer your questions is necessary to understand their partnership qualities and communication abilities.

Face-to-Face Communication is Important

The face-to-face interview will give you a stronger indication of the partnership qualities of a firm than will written RFP responses. Allowing firms some latitude in what they chose to present or discuss with you will give you a more authentic understanding of what it will be like to work with them. Now is the chance to ask some of the scenario-based questions you wanted to include in your RFP. Do this by asking potential partners for specific examples of how they have dealt with issues that are important to you in delivering their previous projects.

Are They a Good Fit for This Project?

The interview is typically the final information gathering step in a partner selection process. It is both a chance for you to get your final questions about a firm answered, and also for your potential partners to highlight what they believe to be the best of their offering. It's also a chance for them to convey their big ideas and point of view around the challenges you are facing up to. Be looking for both an understanding of your business objectives and the analytical ability to prepare a customized and appropriate solution.

Value-Based Selection

Key Takeaway

It's not possible make an accurate construction cost comparison between firms before design takes place. This makes it important to compare the fee structures, the total value of the firm's offering, and their capability for success.

Value is More Important than Cost

When making a final partner selection it can be difficult to balance all of the information you've gathered and compare the firms objectively. When it comes to making a value-based selection, not all data is created equal. Your impressions from the interview, for example, might weigh more heavily on the decision than the firm's experience in delivering environmentally sustainable buildings.

One important value-based selection criteria is cost. The cost of delivery largely impacts the success of a project, but overall cost will be based on the final design, fit and finish, etc. You can compare the fee structures of one form versus another, but at this stage it is not realistic to do a direct cost comparison.

What you will have to do is look harder at the project components that impact cost. Will they help you set an initial budget goal? Do they follow a process that minimizes the number of late project changes? Do they explore materials and systems alternatives early in the design process? Do they integrate subcontractor expertise early on in the design phase of a project? Do they break down your work and competitively bid it to a large number of subcontractors? You want assurance that they will deliver the best outcome for your budget and the best value per dollar spent.

Weighing the Attributes

A weighted scorecard is one tool designed to organize the partner selection decision process. It will allow you to assign a weight to each item in your score sheet relative to its importance to the decision-making process. A strength of this process is that it allows your team to come to a consensus about what is important in the decision before gathering the data. That said, the scorecard is just another tool in the process. Ultimately, a vigorous team debate, and a bit of instinct resulting from the time you've spent exploring these firms will be your final step in selecting the best partner for your team.

You can find a download link for a weighted scorecard in the "Templates" section.

Endnote:
Of course, a thank you note to firms that weren't selected is a nice courtesy. But by spending a bit more time with the respondents to debrief on your selection decision and provide constructive feedback you help them not only gain from the experience, you also convey an accurate understanding of how much you value the time and effort that they spent in pursuing the relationship. It is a great way to end the discussion on a good note and leave the door open for future collaboration!

General Information

a. Provide firm's legal name, physical address, web address, email address, phone, and primary contact information.

b. Provide firm's licensure information demonstrating legal authority to perform work in the state of XXXXX.

c. Provide a brief history of your firm. Indicate years in business. Identify the legal structure of the entity and identify firm ownership, including key shareholders and their role in firm management.

d. Identify the following key professional relationships your firm currently maintains.

  1. Banking relationship and contact information.

  2. Accounting and auditing relationship and contact information.

  3. General liability and professional liability insurance relationship and contact information. Provide a sample copy of a certificate of insurance for each policy and identify coverage limits.

  4. Legal counsel and contact information.

e. Risk Assessment:

  1. What is your firm's insurance safety rating modifier?

  2. Identify any safety violations that have been received in the previous five years.

  3. Describe any litigation outstanding or executed against your firm within the last five years.

  4. Has your firm ever declared bankruptcy? If so, explain.

  5. Has you firm ever failed to complete a project? If so, explain.

Experience and Expertise

a. Provide the firm's volume of business and project mix for the previous five years.

b. Provide three subcontractor and three professional services firm references.

c. Provide three client references pertaining to relevant projects of the same type (branch/workplace). One reference should be for a client for which the firm has delivered multiple projects under a partner relationship. Describe each of the projects, including services provided, contract format, scope of the work, and the size of the project.

d. Describe your firm's experience with aiding site acquisition, due diligence, and securing development entitlements.

e. Please provide case studies that highlight your firm's experience in developing retail branch transformation strategy and design, including operational model refinement, technology integration, brand activation, and prototype documentation.

OR (depending on project type)

Please provide case studies that highlight your firm's experience in developing workplace strategy, design, and delivery.

f. Describe your firm's experience with sustainable design and construction, and identify the individuals within your firm that are LEED® Accredited Professionals.

Project Approach

a. Describe the proposed approach for the conceptual phase including:

1. Scope of Services
2. Project Investment
3. Proposed Timeline

b. Describe your firm's approach to financial institution branch (or workplace) design.

c. Describe your firm's approach to project management and provide an overview of the process you will follow during this engagement.

d. Identify key team members proposed for the project and describe their roles. Include a resume for each team member.

e. What contract pricing format will your firm propose for project delivery (lump sum, cost-plus fixed fee, guaranteed maximum price, etc.)?

f. Please provide a template copy of any contracts that will be proposed for use in design and construction of the project.

Project Approach (Continued)

g. Identify the following fees for professional services and/or identify the fee structure that will be applied to both the preconstruction phase and the construction phase of this project:

1. Preliminary planning and conceptual design phase.
2. Architecture and engineering.
3. Interior design, including interior finishes, furniture and specialty equipment.
4. Plan-design-build management, including overall project management and construction management activities.
5. Identify other professional services consultants required for the project and describe the procurement process associated with each consultant.

h. Describe the work your firm will perform in construction of the project.

i. Describe your firm's subcontracting process.

j. Identify your firm's proprietary vendor and equipment providers. Identify the equipment that the credit union can purchase directly.

k. How does your firm integrate subcontractors into the project planning process?

l. Describe your first key preconstruction activity.

Additional Information

a. Describe what sets your firm apart from other design-build firms.

b. What, if any, original innovations and research has your firm contributed to the industry?

c. What technology platforms does your firm use to enhance project management and communication capabilities?

d. If your project requires unique experience, include that here.

e. What other services does your firm provide that we may be interested in?

ABOUT MOMENTUM

We are a design-build firm that works with financial institutions on projects that go far beyond design and construction, helping our partners with all aspects of branching and workplace strategy. From delivering environments that support the best team and member experiences to evaluating a current branch network with the latest analytics technology, we're here to help you get the biggest impact possible out of your strategic and facilities investments.

Insights

We publish insights into a variety of issues facing the credit union industry, informed by industry research and experience working alongside our clients around the United States.

You can learn more about branch transformation and other topics on our blog at momentumbuilds.com/blog.

Here's some more recommended reading:

- The Filene Research Institute - The New Hybrid Credit Union Workplace: Culture, Performance, and a People-Centered Strategy
- The Human Era of Banking – A Branch Ideabook
- Navigating Risk in a Credit Union Branch or Workplace Project
- The Evolution of Customer Interactions
- Interview: Steve Rymers on Market Analytics for the Financial Industry

Reach Out

Want to learn more? Interested in our services, or perhaps just a conversation about the industry? Or do you have a suggestion for an article or area of research that you'd like to see us pursue? Feel free to reach out!

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