WHAT TO LOOK FOR IN SELECTING A CONSULTANT

Sara L. Bixby
South Central Iowa Solid Waste Agency
Tracy, Iowa

ABSTRACT
This paper describes several general rules of thumb to consider in selecting a consultant, whether that consultant is an engineer, planner, lawyer, or other professional advice-giver. Those rules of thumb begin with the entity seeking a consultant identifying its understanding of the problem and expectations for scope, budget, and schedule. The guidelines then consider a variety of tangible and intangible issues such as consultant qualifications and the consultant’s ability to provide tactful honesty, even when delivering a message the client may not wish to hear.

DEFINITIONS

Consultant
As used in this paper, a consultant is somebody who has an expertise and who makes that expertise available to somebody who needs it, typically for a fee. Consultant is a general term for a variety of professional advice-givers, including but not limited to engineers, planners, lawyers, bankers, and human resource professionals.

Agency
Agency is loosely used in this paper to refer to a variety of public organizations including but not limited to cities, counties, agencies, and authorities. Many of the thoughts in the paper could also be adopted for use by private organizations.

DEFINE YOUR OWN EXPECTATIONS

Why Do You Want or Need A Consultant?
The first key to selecting a consultant that will be successful on the agency’s behalf is to understand its needs and expectations. This is really a two-part question. First, most agencies consider hiring a consultant only if they’re facing some technical issue or unusual circumstance. The expectation may be geared toward identifying a solution to the issue or problem, responding to an opportunity, or implementing some previous decision. What is the trigger event or concern and do the agency stakeholders (staff, board, public) understand it? This is often the more straight-forward of the two questions.

Second, now that everyone has agreed that specialized assistance is needed to respond appropriately, what type of help is desired? Is the consultant expected to independently identify solutions to the problem or steps in capitalizing on the opportunity? Even when using a process that includes input from the client, staff, or the public, the consultant will work to develop this independently-formed result. Or does the agency or person doing the hiring already have a preferred course of action that they want the consultant to validate? This is a critical distinction.

What Are Your Budget Parameters?
In a perfect, fairy tale world, no one would face budget constraints. An agency could identify a project, send out a Request for Proposals (RFP) and make a selection based solely on the preferred scope of work, qualifications, and other selling points. Unfortunately, real life doesn’t mirror fairy tales.

Depending on the circumstances, either expectation may be appropriate but the expectation should be communicated to the consultant before they begin work. If the agency’s key staff person wants a validation of his/her plan, don’t let the consultant believe they are being hired to independently develop recommendations. Everybody will be frustrated with the outcome.
about building a Cadillac when a Chevy would have worked just as well? Similarly, don’t allow the consultant to scope a Harley-Davidson when they should be thinking moped.

It is rarely appropriate to develop unchangeable budget expectations based on the prices paid by other agencies. Comparisons like this are good for getting an idea of the types of services available and for identifying loose price ranges. They are much less useful in determining specific costs since project expectations and outputs will vary from agency to agency.

If the agency has some leeway on its budget or more critically, doesn’t have any idea what to expect for a project price, issuing an RFP is a good approach. The RFP will identify the project’s objectives and the agency’s expectations for output and schedule. The potential consultants (i.e., proposers) can then develop a scope of work they believe meets those expectations. It is important in this process to remember that the agency can’t pick the Harley but expect to pay for the moped. Most consultants will be willing to work with a potential client to fine tune a scope and a budget. This fine tuning will likely involve compromises by both parties. For example, agencies seeking to hold down costs may agree to fewer on-site meetings by the consultant or to provide additional staff time to complete certain tasks. The consultant may be able to identify less site-specific approaches to complete other tasks.

**When Does It Have To Be Done?**

Be proactive in identifying the need for a project. The earlier the need is identified, the easier it will be for the consultant to assign people, do a thorough job, and meet local needs. More importantly, fast-track projects typically cost more.

Project schedules should reflect a variety of tasks, including:

- Procure a consultant and negotiate a contract
- Gather and analyze data
- Gain public input – public meetings are significant time commitments, especially if following a pre-determined city council or board schedule (i.e., groups that meet only once a month)
- Develop and review preliminary outputs
- Refine and develop a final output
- Presentations

A former co-worker still working for an engineering consulting firm provides the following comment about schedule. “I think if you give a consultant too much time to do a project, the quality can suffer because they work on it in fits and starts. They’ll lose budget to inefficiency, then when the due date looms they rush through the project to meet the deadline.”

**What Else Do Consultants Say?**

Projects have three “elements” — quality, budget, and schedule. Owners reasonably can expect to choose and control two of the three. For example, an owner who chooses to control quality (e.g., high) and budget (e.g., low to medium) may have to allow the contractor to set the schedule.

Remember the old adage “you get what you pay for.” This is absolutely true, not only in setting the scope of work, identifying a price, and establishing a schedule, but also in selecting who to hire.

**MATCH CONSULTANTS TO THE PROJECT**

Matching consultants to the projects and the objectives identified by the agency seems like an obvious step. But sometimes the matchmaking can go awry or give that appearance.

For example, an agency that wants to know whether a transfer station is an appropriate component of their integrated solid waste management system may not want to hire a company that specializes in designing and building transfer stations to answer whether it should build a transfer station. Even if the company does a thorough analysis to answer “yes” or “no” to the need for a transfer station, the company’s answer may be suspect because an irate audience can argue the company stands to gain by providing a “yes” answer.

Does that mean agencies should never hire firms that provide more than one type of service – for example, a company that provides both planning and engineering for solid waste facilities? No. It does mean that the agency and consultant should identify the potential for real or perceived conflicts of interest early in the project and be prepared to address them if raised. It may also mean structuring a project in phases and creating checkpoints between the phases.

For example, consider an agency that hires a consultant to analyze the need for a new landfill. That project ends with a recommendation for or against the landfill to the agency board. The agency may then choose to contract with that consultant or issue an additional RFP for services to site and/or construct the landfill. The phased process may help to minimize some, though probably not
all, of the complaints that the recommendation came from “somebody in the business of building landfills.”

Finally, as indicated by the definition of “consultant” provided earlier, there is a whole universe of professional advice-givers. Some are general consultants that work across a variety of industries. Others specialize in single industries or narrow niches within industries. Try to match the specialty with the type of problem or project. This may seem like common sense but unfortunately isn’t always followed. Here are some, but certainly not all, general possible areas of specialty:

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<th>Consultant</th>
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<td>Accountants</td>
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**BE PREPARED TO PAY FOR GOOD ADVICE**

Appreciate the value of the expertise offered by a specialist. More importantly, appreciate the value of good advice that helps to avoid a mistake. For example, a frustration that appears common to both consultants and agency staff is that boards seem willing to pay large sums of money for construction fees and for engineering services as part of that construction (often done as a percentage of the construction costs). Those same board members are often willing to pay very little for an analysis of the need for the building in the first place. That difference in approach may have something to do with the tangible result of the effort. It’s much more satisfying to point to an operating facility, regardless of its problems, and say “we did this,” as opposed to sitting in a board room saying “we didn’t make a mistake.”

**PROCUREMENT AND EVALUATION**

**Approaches to Procurement**

Agencies that have determined they have a project typically use one of three approaches to find a consultant:

- **Sole source**: Hire a firm that already works for the agency or that is known to the agency
- **Request for Proposals (RFP)**: A competitive process in which the agency identifies its expectations and selection criteria, which include factors like:
  - Cost
  - Scope of work
  - Schedule
  - Qualifications
  - Previous experience with the agency
  - Project team
- **Request for Bids (RFB)**: A competitive process in which the consultant is selected on the basis of price. In this process, the agency should be very confident about its expectations and process.

Many different sources provide a detailed description of the steps within these approaches. Thus, this paper won’t provide a detailed discussion except about one step of the RFP process — evaluation.

**A Critical Procurement Step … Evaluation**

Some people may believe evaluation is where selection of a consultant begins. The truth is that identifying agency objectives and expectations is where the selection really begins. The evaluation of a scope, bid, or proposal puts that preliminary understanding to work. In completing an evaluation to select a consultant, be prepared to consider both **tangible** and **intangible** factors.

**Tangibles**: Tangible factors match what the consultant has proposed against what the agency has publicly identified as its expectations. Tangible factors tend to be easier to evaluate because a reviewer or review team can formulate a series of yes/no questions to be answered. This review will frequently focus on issues such as:

- Does the work scope appear to lead to the desired output or outcome?
- Is the proposed price within the agency’s available budget?
Does the proposed schedule for completion meet the agency’s desired timeline?

Is the firm and the project team assigned by the firm qualified and experienced?
  o Have they done this type of work before?
  o Do they have comparable experience on this type of project?
  o Have they previously worked for public agencies?

Can the two individuals communicate well with each other? Do they rub each other the wrong way?

Which consultant is the agency most comfortable with as an spokesperson:
  o To the agency’s most supportive audience?
  o To the agency’s most critical audience?

An important tangible factor that frequently is overlooked in evaluations is the project management process. The consultant should be able to identify what process is used for managing the project to complete it on time, on budget, and with the desired deliverables. This includes questions such as:

Who is in charge of managing the project for the consultant?

How often will the agency receive a formal update on project status?

What processes are available for the agency to give input and feedback on draft or internal outputs?

What are the specific deliverables – reports, plan sets, spreadsheets, and so forth?

How will the consultant approach scope or schedule changes?

How often will the agency be billed and what level of detail will be provided?

**Intangibles:** Intangible factors are qualitative and may just as well be called the “touchy-feely stuff.” These are the criteria that, while difficult to explain or quantify, can most define the agency’s sense of satisfaction with the consultant or the project. Consider some of the following:

Which consultant appears to have attitudes about the industry most similar to those held by the agency?

Which consultant treats its current clients like the agency would like to be treated?

Which project manager will the agency’s project manager be most able to work with?

Can the two individuals communicate well with each other? Do they rub each other the wrong way?

Which consultant is the agency most comfortable with as a spokesperson:
  o To the agency’s most supportive audience?
  o To the agency’s most critical audience?

One of the most critical intangible factors may be the consultant’s ability to be tactfully honest. Would the consultant say to the agency:

We disagree with your objective and as a result:
  o Recommend a different process
  o Decline to propose

We aren’t the right company for the project the agency has identified.

We can’t do the job within the agency’s budget parameters.

Your schedule is unrealistic.

We’re not comfortable working for you.

Those comments shouldn’t be considered negative implications of the consultant. They may well be indicators that the consultant, even during the procurement process, is trying to work in the best interests of the agency. Use them as indicators of corporate character. Does your agency need or want to buy someone who will only tell it what it expects to hear?

One final point on intangibles. Many consultants will provide a measure of percentage of repeat clients. If the consultant is willing to provide that measure, it’s usually a fairly high number. Percentage of repeat clients is probably not the best determination for the agency to use in gauging a consultant’s relationship with its clients. It’s far more important to know if some or all of those relationships have been tested and if so, how the consultant resolved problems in a way satisfactory to their client(s).
SOMETIMES THINGS JUST DON’T WORK

No matter what steps or assurances are sought during the selection process, some relationships between agencies and consultants will grow acrimonious. Expect arguments in a strained agency-consultant relationship about, but not limited to:

- Unmet objectives and blame – The consultant was supposed to vs. the agency didn’t or vice versa
- Money – Fees paid that are or aren’t appropriate to the services provided
- Liability – Who bears the responsibility or liability

Unfortunately, many of these arguments may play out on a large, public stage. Agency boards, media, and the general public all have the potential to weigh in with an “I told you so” or “you should have.” But a good process during the initial selection will help respond not only to the public but also to the claims and charges leveled by your former consultant.

BUT SOMETIMES THINGS DO

No process can unfailingly prevent stresses between agencies and consultants. But it is possible for agencies and consultants to work well and successfully together. By clearly understanding and identifying agency expectations and then working through a procurement and evaluation process that considers both tangible and intangible factors, the agency’s chances of successful selection are significantly increased.