

Sustainability Learning Guide: managing consultants

How to manage consultants to deliver sustainability outcomes

About this guide

This practical guide has been developed to assist council's working with consultants to deliver sustainability outcomes. While there can be no fail safe methodology for managing consultants, this guide draws on the experiences of the Local Government sector to provide practical advice and highlight some helpful tips.

The guide is also consistent with the basic principles contained within the [NSW Local Government Act](#). You should refer to your own council's procurement policy as protocols and processes vary significantly between councils. You should also consult with relevant sections or people within your council who have experience in procurement.

Why create a guide?

The need for this guide was identified by sustainability practitioners who posted requests for guidance on this topic on the Local Government Association and Shires of NSW "[sustainablenet](#)" email network. Additionally, a needs analysis undertaken by LGSA in 2008 also identified that councils would benefit from guidance in managing consultants, particularly those who had recently received grant funding under the NSW Environmental Trust Urban Sustainability Program.

The information presented in this guide is a result of a literature review conducted by LGSA in February 2009. It also draws on the experience of councils and other stakeholders. Councils who wish to provide additional 'tips' for future versions of this document can email sustainability@lgsa.org.au

For further reading please refer to the reference list.

10 steps for managing consultants to achieve sustainability outcomes:

1. Be clear about what you want
2. Check relevant policies
3. Maximise sustainability outcomes
4. Prepare consultant brief
5. Consider fees and expenses
6. Choose the consultant
7. Execute the contract
8. Contract & project management
9. Payment
10. Evaluation

1. Be clear about what you want

You can save time, money and effort by answering the following questions about the design of your project before you engage a consultant.

- Is there a demonstrated need for a consultant? Have you determined whether in-house expertise exists?
- Have you clearly defined the overall project aim and objectives?
- Have you defined the scope including the number and quality of deliverables?
- What is your budget? Is it realistic to achieve your sustainability outcomes?
- Does your project have long term viability? Is there a budget for ongoing costs?
- What is your timeframe? Is it flexible to maximise sustainability outcomes?
- How will you know if your project has made a difference?
- What is the relevance to other council, state and/or federal policies or programs?

2. Check relevant policies

Having a clear set of sustainability objectives set out in council policies helps send a strong message to potential consultants and/or suppliers that delivering sustainability outcomes is a priority for your council. It will also help to integrate sustainability considerations into your selection criteria. You should check all relevant policies relating to sustainability and environmental management (eg waste education, environmental health, water management etc) as well as policies related to council's own procurement of services.

Tip 1: *If you do not have a policy on sustainable procurement consider drafting some clauses for inclusion in council's procurement policy.*

Tip 2: *Your council could join [Sustainable Choice](#) - a sustainable procurement program available free to all NSW councils that can assist you by providing guidance on policy templates, case studies and training.*

3. Maximise sustainability outcomes

Have you considered the potential environmental, social and economic outcomes your project may have? For example, your project may primarily focus on environmental outcomes however have you considered social issues such as equity, access, health, learning, employment and engagement? You may find that thinking through other dimensions of sustainability will result in both changes to what you ask the consultant to do and how you ask them to do it.

An effective way of ensuring that the sustainability outcomes of your project are maximised is to include a set of sustainability criteria in your brief. Or you could ask potential consultants for their own sustainability policy or equivalent. Some specific considerations could include a commitment to:

- Reducing waste e.g. electronic transfer of drafts, use of recycled products
- Reduction of carbon emissions e.g. carbon offsets for travel, purchase of green power
- Minimising negative social impacts e.g. use of a code of ethics for research projects
- Ethical investment e.g. environmental and socially responsible investment
- And many more depending on the nature of your project.

4. Prepare consultant brief

The information that you will need to provide to potential consultants will vary depending on the nature of the project however important elements you should consider include:

- **Introduction:** Include background information about the project and a summary of work to be completed. This is also a good opportunity to identify sustainability as a key value underpinning your project.
- **Context:** Sustainability projects are not likely to be operating in isolation therefore connections to past work, links to other programs and any constraints of resourcing or timing should be made clear in describing the context.
- **Conditions of quotation:** Outline how the submission process will be managed. Does your council have standard conditions?
- **Statement of Deliverables:** The nature, scope and technical requirements to be fulfilled.
- **Requirements for Quotation:** Such as financial guarantees, public liability etc
- **Evaluation of Quotation:** Details all evaluation criteria to be considered in assessing submissions. Make sure adequate weighting is given to sustainability criteria.

Tip 4: Form a submission evaluation committee and agree on evaluation criteria before the market is approached.

Tip 3: Look for copies of other briefs written by Local Government and review for useful headings, format and structure.

5. Consider fees and expenses

Obtaining 'value for money' is very important when obtaining consulting services, however in line with 'triple bottom line' decision making- the cheapest price should not necessarily be deemed the 'best' proposal. [Local Government Regulation 2005 Part 7](#) has more information on what value for money means. Other criteria such as consultant skills, experience and their demonstrated ability to deliver the project are also important.

Tip 5: Payment schedules should be based on specific and realistic milestones that are easily measurable.

Tip 6: Providing a ball park figure for the value of a job in the consultant brief can signal to bidders to focus on the process and outcome rather than compete on cost.

Tip 7: When project outcomes are not entirely certain allow for a contingency amount of about 10 to 15 percent.

6. Choosing the consultant

Choosing the consultant that is right for you will probably involve:

- Reviewing proposals and assessing candidates against the evaluation criteria set out in the consultant brief.
- Interviewing short listed applicants to ask detailed questions about their methodology. Ask for specific processes they have in place to ensure sustainability criteria are met.
- Interviewing referees who have worked with the consultant. Ask for specific examples of things that went well and things that did not.
- Providing a debriefing for unsuccessful candidates.

Tip 8: For large contracts you might consider having an outsider sit on the selection panel, both for probity and to gain external expertise. If engaged early enough they could also provide peer review of your brief. Ensure the person you invite to be involved has no conflict of interest.

Tip 9: Just because a particular consultant comes highly recommended or has delivered solid sustainability outcomes before is no guarantee of future performance. Every job is different and a consultant's performance is dependant on the scope, objectives evaluation and budget.

7. Executing the contract

Basic steps to follow when executing the contract:

- Contracts are legal documents, therefore ensure your legal adviser is involved at an early stage.
- Resolve outstanding issues prior to signing.
- Use standard or model clauses as far as possible. E.g. [Standards Australia: General conditions of contract for engagement of consultants](#)
- Always sign the contract before the commencement of the consultancy.

Tip 10: The [Local Government and Shires Association of NSW](#) can provide legal advice for councils if necessary.

8. Contract and project management

- Ensure that not only do you have a clear understating of what is needed, but that you communicate your requirements to the consultants.
- Nominate a designated Project Manager for all formal contact with the consultant and ensure that all communication with the consultant is through this channel. Ensure that all significant communication is appropriately recorded and filed, include notes of telephone conversations.

- Steering committees can be useful when there are many stakeholders in the project however they also need to be carefully managed to ensure effective input.
- Request regular face to face or phone meetings to help ensure potential problems are identified, discussed and resolved before they develop into significant issues. If regular attendance at meetings or updates is required, they should be outlined in the brief.
- Any changes to the contract should be formally agreed to, and documented as a variation to the contract.
- Proactively manage project risks e.g. play “devils advocate” and consider what could go wrong with your project and how you can reduce the risk from this occurring.

9. Payment

It is advisable that payments are staggered against specific milestones or activities during the course of the project therefore finalisation will generally only involve the completion of the final milestone(s). Sustainability provisions should be an ongoing deliverable link to each payment.

The main factors to check before payment include:

- Have all the deliverables specified in the contract been met?
- Is the quality of the deliverables satisfactory?
- Were all the outputs delivered on time, or as part of an agreed variation?
- Have all expenses incurred by the consultant been authorised and approved for payment?
- Overall, have the objectives of the project been met?

10. Evaluation

Do not underestimate the importance of evaluation even if the project has been completed successfully. It is still possible to gain important knowledge for future projects. The evaluation should focus on major issues such as:

- Could the project objectives have been better defined?
- Was there enough (or too much) management of the consultant?
- How could the consultant have performed better?
- Have enough skills been transferred to council staff?
- Which risks were not properly identified before the commencement of the project?
- How useful are the results compared to the original objectives?
- How could you have performed better?

References and Further Reading:

Managing Consultants: A Practical Guide for Busy Public Sector Managers, Leo Dobes November 2006
<http://epress.anu.edu.au/anzsog/managing/pdf/managing-whole.pdf>



English Arts Council - Making Consultancy Work - general guidance here:
<http://www.arts-consultants.org.uk/using.asp>

Engaging and Managing Consultants: Better Purchasing Guide Queensland Department of Public Works, January 2001
http://www.qgm.qld.gov.au/00_downloads/bpg_engaging1.pdf

NSW Department of Local Government Tendering Guidelines for Local Government January 2006
http://www.managingprocurement.commerce.nsw.gov.au/nsw_government_guidelines/tendering_guidelines.pdf

Local Government Act 1993
http://www.austlii.edu.au/au/legis/nsw/consol_act/lga1993182/

Local Government (General) Regulation 2005
http://www.austlii.edu.au/au/legis/nsw/consol_reg/lgr2005328/

Acknowledgements:

Special thanks to Seb Crawford, LGSA Sustainable Choice Manager and Jade Herriman, Research Consultant, Institute for Sustainable Futures for their significant contributions to this guide.

