



Managing consultant contract:

Lessons from the Trenches

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Disclaimer

- The presentation is based on practical experience on both sides of the fence and for a wide range of projects

BUT

- Every organization is different and managerial approaches are different

SO

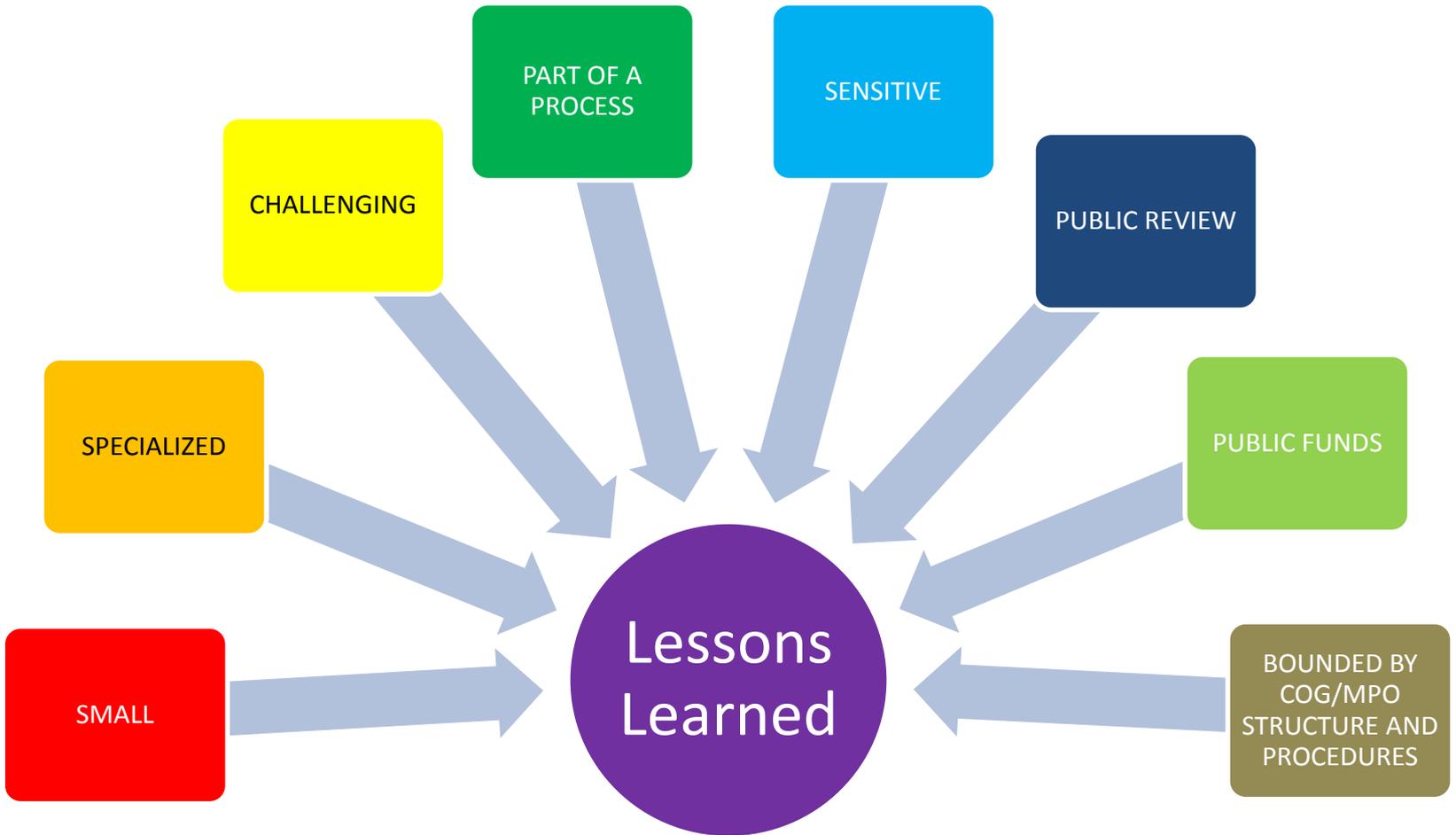
- Apply with caution

AND

- This presentation is by no means comprehensive. I am covering just a few lessons/aspects out of many learned.

What is special about typical MPO consultant projects?

- RELATIVELY **SMALL**
- **SPECIALIZED** IN A RELATIVELY NARROW AREA OF EXPERTISE WITH LIMITED MARKET AND OFTEN A SMALL POOL OF AVAILABLE CONSULTANTS
- CAN BE TECHNICALLY **CHALLENGING** AND INNOVATIVE WITH INHERENT RISKS
- MPO PROJECTS REFLECT PLANNING **BUSINESS PROCESSES** AND ARE OFTEN REPETITIVE IN NATURE WITH NEW INPUT DATA, INCLUDING NEW FUNDING, REGULATORY OR SOCIO-ECONOMIC ASSUMPTIONS
- MPO PROJECTS CAN BE POLITICALLY **SENSITIVE**
- MPO PROJECTS OFTEN NEED TO GO THROUGH A **PUBLIC REVIEW** PROCESS
- MPO PROJECTS ARE MOSTLY FUNDED BY **TAXPAYERS MONEY**
- CONTRACTUAL PROCESS IS **BOUNDED** BY COG/MPO ORGANIZATIONAL STRUCTURE, ESTABLISHED FISCAL, LEGAL AND REVIEW PROCEDURES



Case Study: 2012 MAG Regional Airport Survey

2005
2005 Phoenix Sky Harbor International Airport Passenger/Meeter Greeter and Employee Survey

2008
2008-2009 MAG Model is updated. New Sky Harbor International Airport sub-model based on 2005 Survey is included

2010
Dec 7, 2010. Multijurisdictional Project Initiation Meeting conducted at PHX. TAG is organized

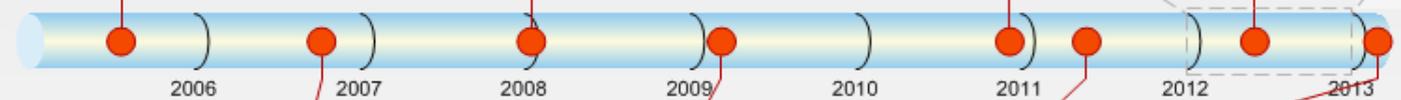
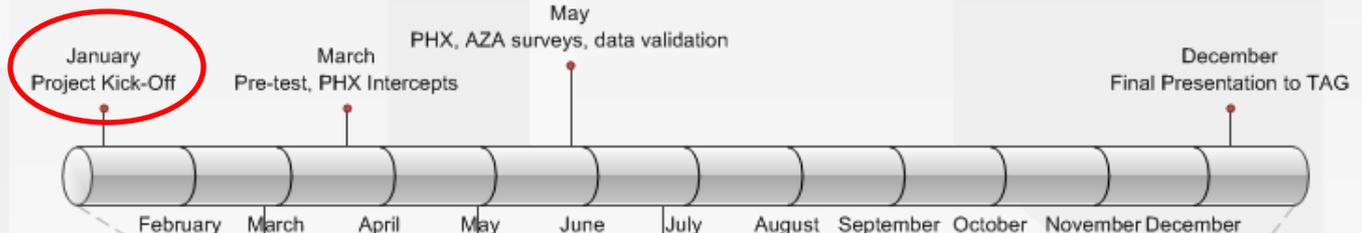
2012
Survey is successfully completed

2013
New MAG regional airports Model successfully completed and Incorporated in the MAG regional travel forecasting model

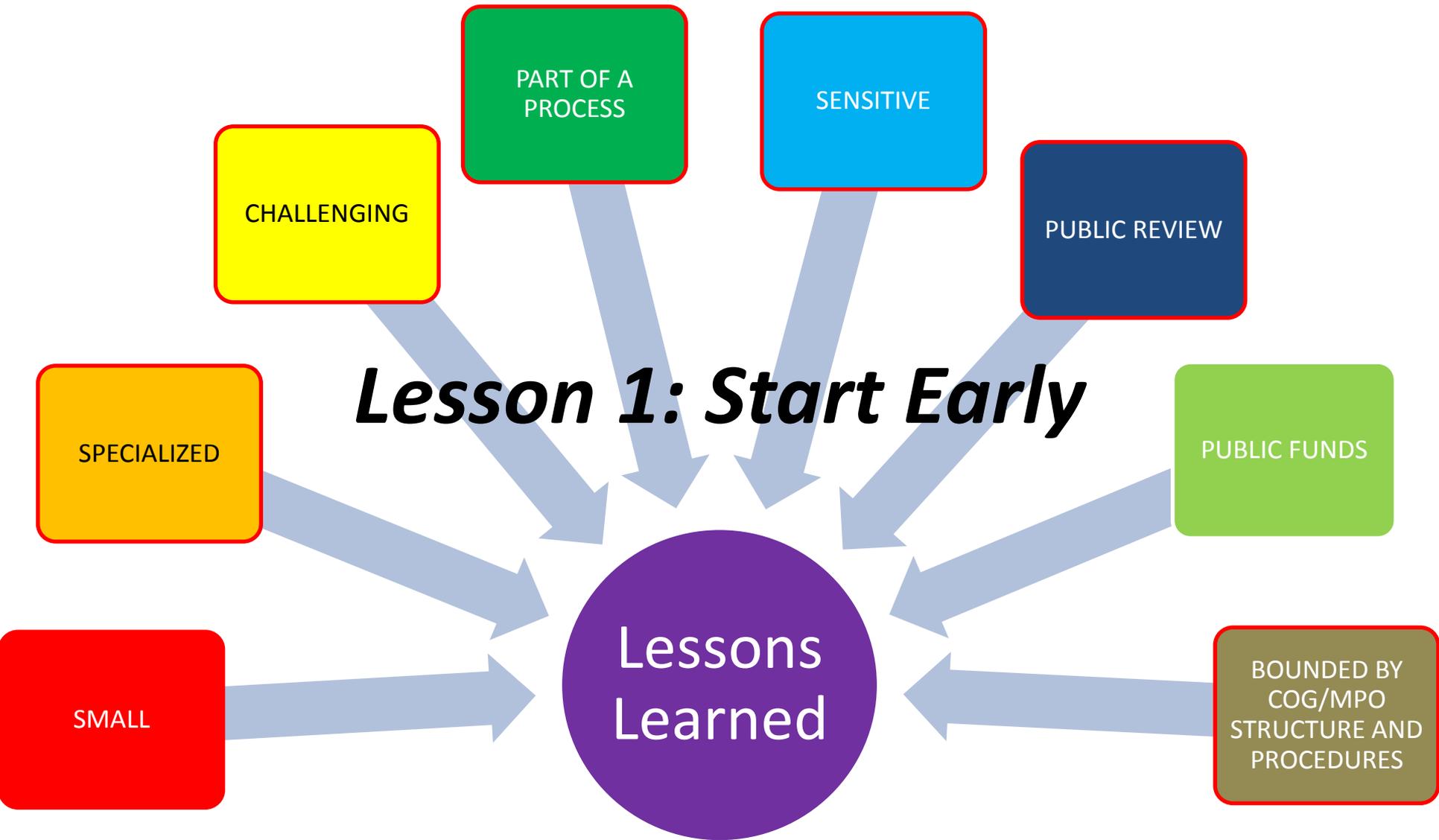
2011
Project is approved by MAG Regional Council as a part of the UPWP

2009
2009 A need for more elaborate Modeling for the Phoenix-Mesa Gateway Airport is identified. MAG consulted with the airport staff And the City of Mesa staff. Modeling networks are improved, but demand model needs a survey.

2006
2006 MAG Regional Model Peer Review – Special Generator Sub-Models are discussed



Lesson 1: Start Early



Case Study: 2012 MAG ASU Travel Survey and Model Update

(a consultant can be a project champion after consultant selection or for smaller task orders that don't go through competitive bidding)



ARIZONA STATE UNIVERSITY TRAVEL SURVEY AND MODEL UPDATE FINAL REPORT

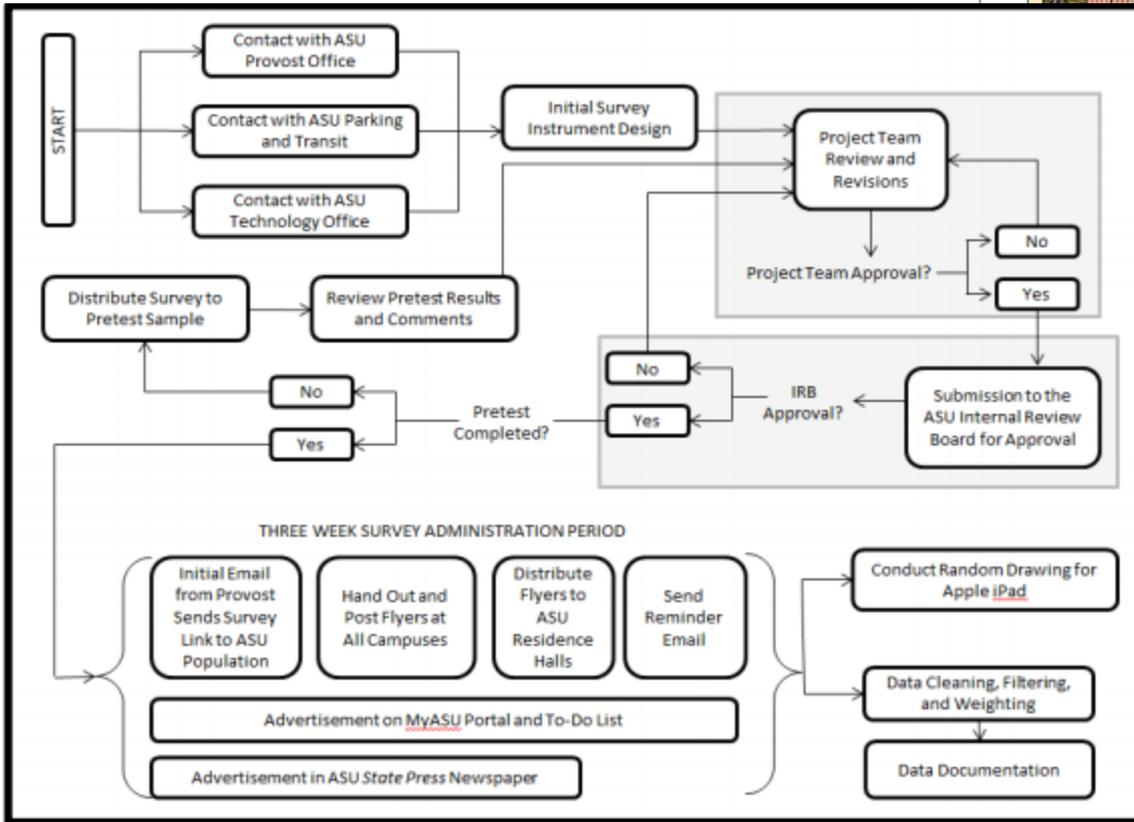
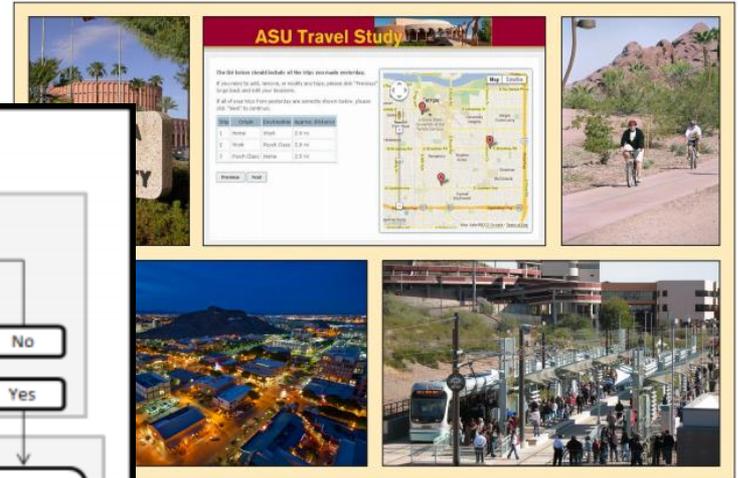


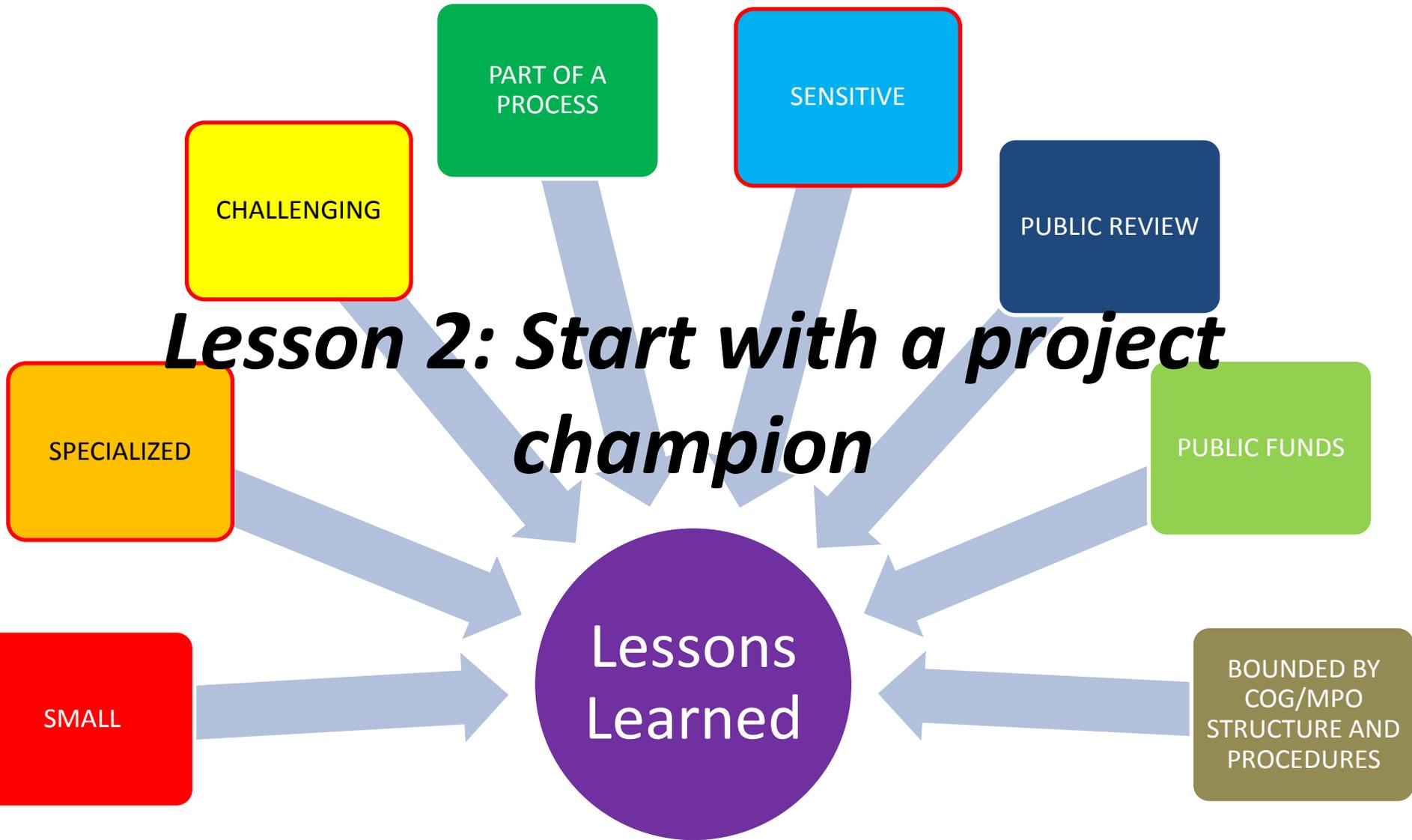
Figure 2.1 Overall Survey Design Process

2015

MARICOPA ASSOCIATION OF GOVERNMENTS

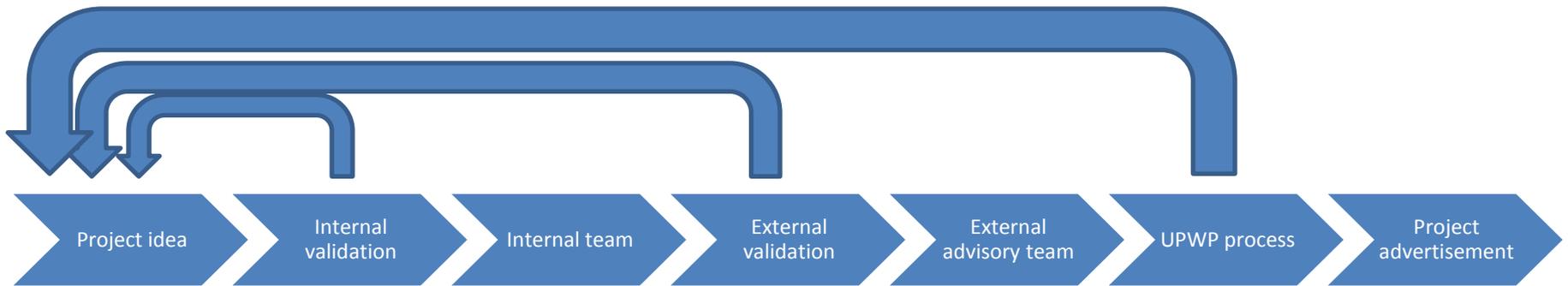


Lesson 2: Start with a project champion



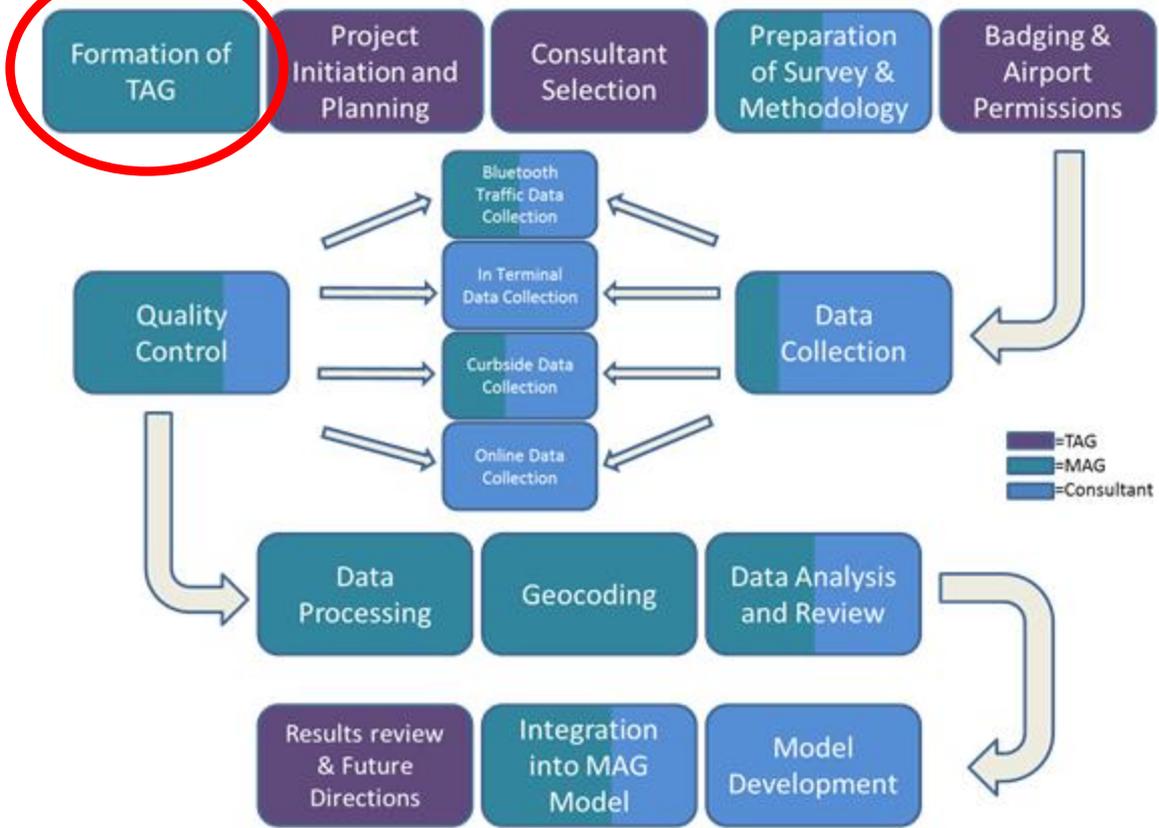
SWOT ANALYSIS (Decision Matrix for Risk Management)	Threats – Determine the Risks e.g., unmet planning or modeling needs	Opportunities e.g., ability to obtain required data in a more efficient way, or at a lower total or per unit cost, or at a higher quality/better coverage/larger sample
Strengths e.g., multiple data sources, current and valid data suitable for identified planning or forecasting needs, ability to collect the data at reasonable costs	MEDIUM RISK AREA	LOW RISK AREA
Weaknesses- Assess Vulnerability e.g., obsolete data or absence of required data sets (quality, coverage), difficult and/or expensive data collection	HIGH RISK AREA	MEDIUM RISK AREA

Source: V. Livshits. Modeling and performance measurement data needs for large metropolitan planning organizations. Presentation at the 2013 AMPO Annual Meeting. Portland, OR



This process will affect contractual negotiations, contract and project management

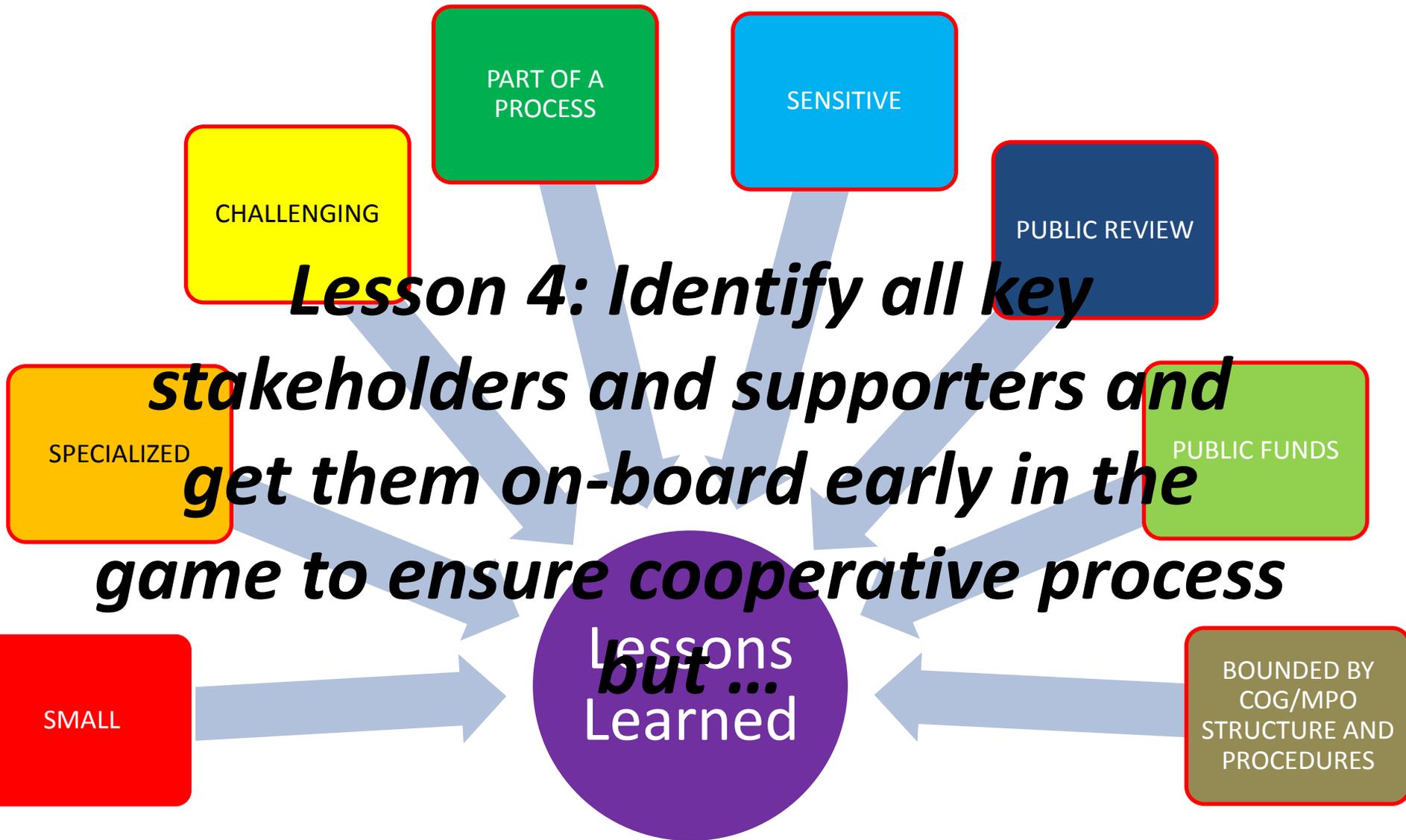




8/06/2015

2012 MAG Airport Ground Survey

8



Lesson 4 continued: ... if there are too many decision makers and too many moving parts successful project execution gets more challenging...

Lessons Learned

CHALLENGING

PART OF A PROCESS

SENSITIVE

PUBLIC REVIEW

SPECIALIZED

PUBLIC FUNDS

SMALL

BOUNDED BY COG/MPO STRUCTURE AND PROCEDURES

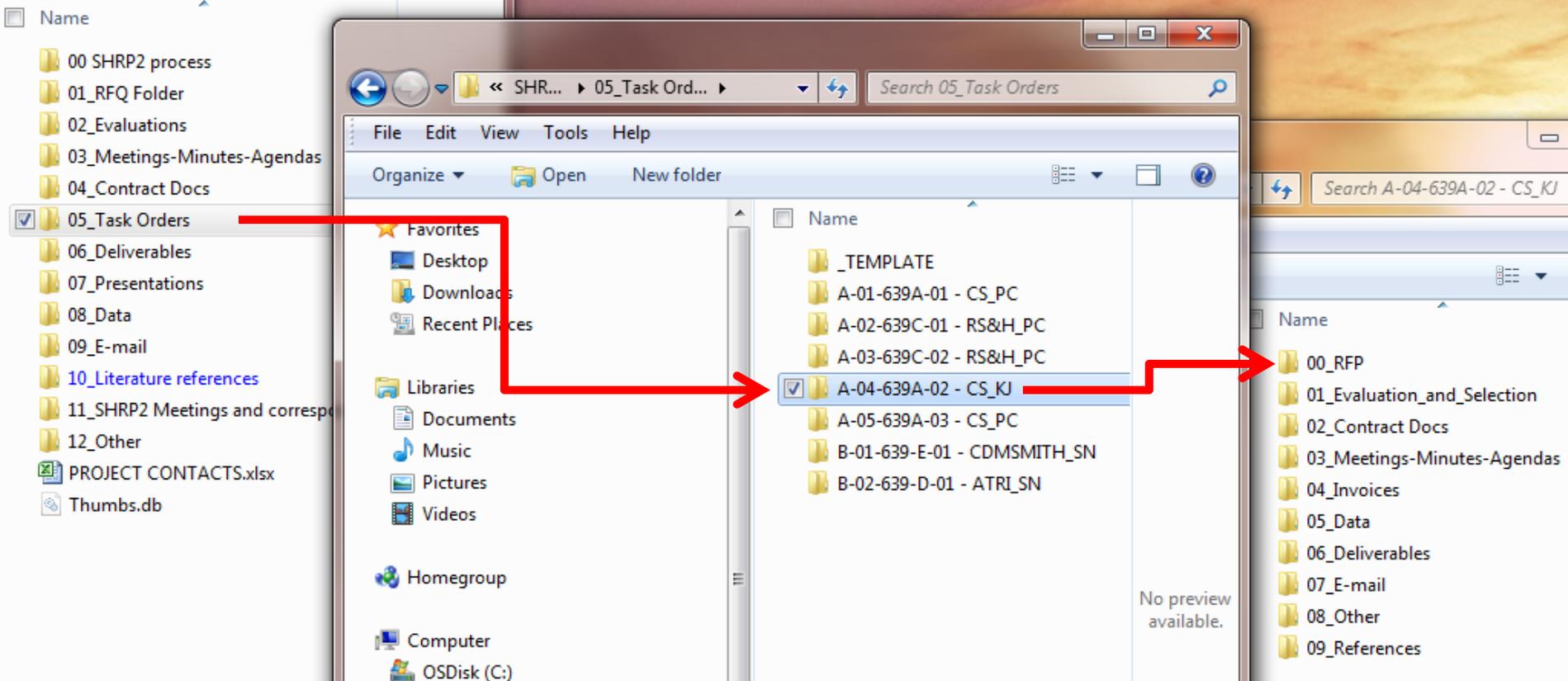
MPO projects are mostly done with public funds

- Do maintain continuous ongoing development of the project documentation and organize project files throughout the project execution.
- Do keep projects ready for audit at all times during project execution or after project completion.
- Do organize multijurisdictional oversight or advisory committees (group) for all significant MPO projects.
- Don't wait till the project completion to start preparing or organizing project documents and files.
- Don't wait till the start of the project to organize the project oversight or advisory committee or group.

PROJECT FOLDER

TASK ORDERS

TASK ORDER FOLDER



Develop (or acquire), document and maintain your documentation and filing system for both electronic files and hardcopies

What is special about typical MPO contractual negotiations?

- If budget is advertised proposals tend to come at the budget level, so negotiations are focused on scope, schedule, insurance, liabilities, license agreements, risk management, product support and ownership.
- General scope is also advertised, details, methods and schedule can be negotiated and rarely is drastically changed in the proposals.
- Contractual process is often highly regulated and subject to various MPO/COG policies and procedures.
- Contractual negotiations and contract management can be a public process with possible debriefings, audits, public reviews, etc.

Lesson 5: Clearly define where you can have negotiation leverage and plan for possible alternative developments in the negotiations: have Plan B

ACTION NEEDED: Recommend approval of the selection EXCELLENT PROPOSAL CONSULTANT to conduct the 2099 GREAT MPO VERY EXCITING STUDY for an amount not to exceed \$XXX,XXX,XXX. If negotiations with EXCELLENT PROPOSAL CONSULTANT are not successful, that GREAT MPO negotiate with its second choice, GOOD PROPOSAL CONSULTANT, to conduct the project.



Lesson 6: Learn about your organizational business processes (fiscal, legal, technical, HR) before advertising for the project and document the contractual process, if possible



Contractual and Documentation Processes for Consultant Project System Analysis Program

9/17/2015

DRAFT



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Terms

Contract- An agreement between two or more parties relating to the exchange of a good or service.

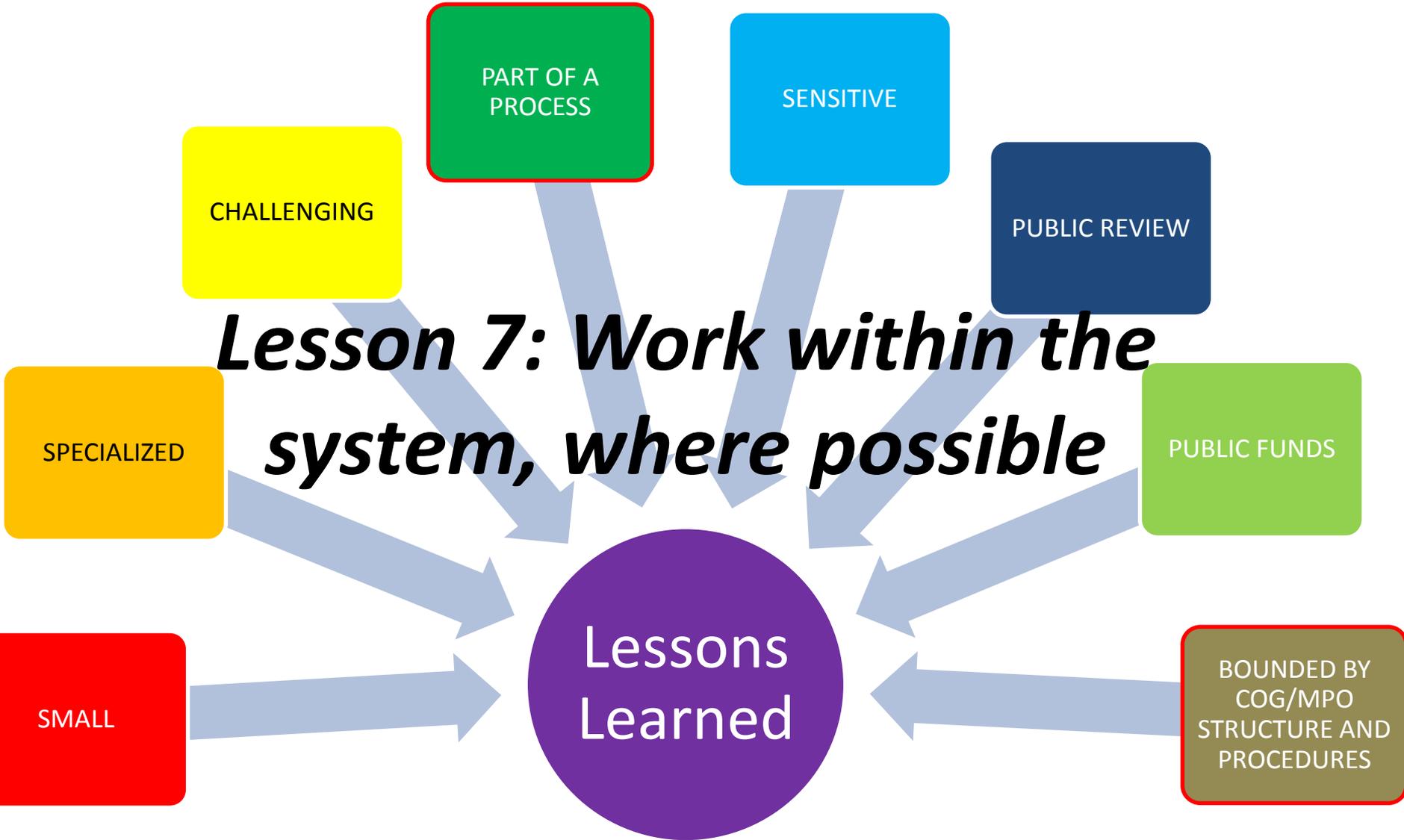
On-Call – two to three year contracts with multiple consultants that have been selected by a multi-agency evaluation team. On-calls have a stated purpose (such as Model Re-Calibration) and are used to issue multiple task orders to various consultants in support of the on-call goals.

Task Orders- project or work given to a consultant under an on-call contract. Task orders of less than \$100,000 do not need the approval of the Executive and Management Committees. These are the most common task orders.

MPO contracts are developed and processed within COG or MPO organizational structure

- DO make contractual, fiscal and legal review staff a part of your team, capitalize on their expertise and respect higher organizational priorities.
- DO check in advance with all involved staff and departments to appreciate how soon the contract development and review can be started and how long it might take.
- DO follow established contractual procedures within you organization and provide suggestions if you find them unsatisfactory where and if appropriate.
- **Do allocate sufficient time and resources to account for organizational burden and longer processing times if required and possible.**
- Don't take shortcuts or try to bypass certain contractual procedures or staff as – it will backfire and can compromise the project in the long run. In my view the fact of public funding in MPO environment require certain level of oversight in contractual processing, unless there is an explicit direction to make rapid changes to the contractual process. Planning in advance and working within the system is usually more efficient (and less stressful) than trying to go outside of the system on the fly.

Lesson 7: Work within the system, where possible



Conclusions

- Planning, modeling or analytical/data collection projects in MPO environment are usually relatively small with budgets ranging from a few thousand to a few million dollars at most (compare to tens or even hundreds million dollar budgets in construction of software development industries).
 - They normally don't require as extensive project management documentation as larger projects.
 - On the other hand relatively small scale of projects is often misleading in a sense that PM might not fully appreciate complexity, required resources or consider proper risk management measures.
- MPO projects are often require expertise in a relatively narrow niche limiting consultants selection.
 - MPO selects consultants from available qualified proposals but consultants often go through a selection process between different solicitations and decide whether to submit proposal or not and what level of effort should be committed for the proposal development.
 - Small size of the market and limited number of players affect selection processes and level of effort that is required on the clients side.
- MPO projects can have innovative nature where risks are hard to estimate.
 - Contingency and risk management should be included in the project planning to the extend possible.
 - MPO contractual templates might fully reflect all required risk management and contingency elements.
 - Additional time should be allocated for work with contractual, legal or fiscal departments, staff or associates in order to properly include these elements in the contracts.
- MPO projects often require a follow up and a strong good will on consultants side.
 - Good rapport with consultants and strong in-house expertise are critical in order to bring challenging projects to successful completion.
- MPO projects reflects business processes and needs and often need to be repeated with a similar scope but on a different level and/or with a different input data.
 - Proper STANDARDIZED documentation, archiving and contractual processing are important.
- MPO projects are mostly done with public funds.
 - Projects should be ready for audit at all times during project execution or after project completion. Project audit and public review requirements result in documentation that might not be needed for a larger private project.
 - Multijurisdictional steering committees are strongly advisable at least for the most important or larger projects.
- MPO contracts are developed and processed within COG or MPO organizational structure . They must follow certain procedures and go through certain levels of review approval .
 - Always allocate sufficient time and resources to account for organizational burden and longer processing times if required.
 - Check in advance with all involved staff and departments to appreciate how soon the contract development and review can be started and how long it might take.
 - Work on the contract development as a part of the team and respect higher organizational priorities.
 - Always follow established contractual procedures within you organization and provide suggestions if you find them unsatisfactory where and if appropriate.
 - In my view public funding in MPO environment require more conservative approaches to contractual processing, unless there is an explicit direction to make rapid changes to the contractual process. Working within the system is usually more efficient than trying to go outside of the system on the fly.