ONTARIO PROFESSIONAL PLANNERS INSTITUTE

GUIDELINES FOR HIRING PLANNING CONSULTANTS

1. INTRODUCTION

The general responsibilities of planning consultants are defined in the Institute's Code of Conduct as well as in the terms of reference or contract for a specific project. However, the responsibilities of the client are not clearly defined or recognized.

Uncertainty about the client's role in client-consultant relationships is the most frequent cause of problems in consulting projects. These problems include:

a) the selection of a consultant who is not qualified for a particular job because the client did not adequately specify the requirements of the job;

b) disagreements caused by inadequate terms of reference; and,

c) budget overruns, because the scope of the job was not properly defined.

The Ministry of Municipal Affairs and Housing at one time played a significant role in consultant selection and established a framework that clarified the responsibilities of the client in the client-consultant relationship. However, with the withdrawal of the Ministry from that role, increasing problems have emerged in the consultant selection process.

The Institute, as the governing body for the Province's professional planners, therefore decided to establish general guidelines for public agencies and private companies that hire and manage planning consultants.

These guidelines cover:

- **identifying the objectives and resources of the project;**
- **developing the terms of reference;**
- **establishing a list of potential consultants;**
- **calling for proposals;**
- **selecting the consultant;**
- **drawing up contracts.**

2. PROJECT OBJECTIVES AND RESOURCES

Clearly defined project objectives, and an assessment of the resources needed to achieve those objectives, are essential for a successful project. They should be written down and formally endorsed by the appropriate authority.

The project objectives and resources document should answer the following questions:

a) Project objectives

i) What is the problem to be solved or the goal to be achieved?
ii) What is the intended end product or result?
iii) When will the project start?
iv) When must the project be completed?

b) Resources required

i) Can the client carry out part or all of the project? Why are the services of a consultant necessary?
- **Does the client have any or all of the necessary expertise in-house?**
- **Can existing staff complete the project by the deadline? If not, would it be practical to hire additional permanent or temporary staff?**

- **If adding staff is an option, what would be the difference in cost and effectiveness of hiring people with the necessary expertise compared with hiring a consultant?**
- **Would hiring a consultant have any non-quantifiable benefits, such as adding prestige or credibility to the project, helping to defuse political controversy, or providing a more objective or innovative approach than staff can provide?**
- **Is there a need for conflict resolution between different clients or groups within the client's organization?**
- **Is there a legal requirement for an independent opinion or peer review from a professional outside the client's organization?**

ii) What is the consultant's role?

- **What type of consulting services are required (e.g., land use planning, urban design, organizational expertise, project management, facilitation, mediation, financial analysis)?**
- **What functions must the consultant undertake (preparation of background reports or regulatory or policy documents, acting as general advisor, facilitator, or mediator)?**

3. TERMS OF REFERENCE

The terms of reference are based on the project objectives and assessment of resources. They should be written down and formally endorsed by the appropriate authority.

Generally the terms of reference should provide the following:

a) Context and background, including:

- **a clear description of the background to the project;**
- **details on the issues under examination;**
- **relevant information, such as a description of the characteristics of the community for which the project is to be undertaken or the status of related policy and regulatory documents.**

Details can be included in appendices.

b) Project objectives, including:

- **a description of the project for which the consultant is required and its current status;**
- **a description of the intended results and their eventual use.**

c) Project resources, including:

- **a definition of the role and responsibilities of the consultant;**
- **any involvement of staff, including the relationship of staff to the consultant;**
- **the consultant's qualifications.**

d) Services required

Generally, the emphasis should be on what the client needs from the consultant rather than how the client expects the work to be done. However, if certain parts of the process are important (such as holding public meetings, or using specific sources of information), they should be identified.

e) Schedule, budget, and other requirements, including:

- **the time frame for the project;**
- **the rationale for the schedule, including some flexibility for the consultant to modify it if necessary;**
- **the budget or an estimated budget range;**
- **whether the budget includes GST;**
- **the number of copies of the report to be submitted by the consultant.**

Clients should make sure that the budget fits the work program. It would not be appropriate to establish a work program that would result in a $100,000 project, if the budget is only $20,000.

f) Information available to the consultant, such as:

- **previous reports;**
- **base mapping;**
- **survey data.**

g) Proposal evaluation criteria

List the criteria to be used to evaluate proposals and the weight placed on each. A proposal is not a tender, and therefore the lowest cost should not be the primary criterion. However, if the client is looking for the lowest bid, this should be clearly stated.

h) Proposal evaluation process, including:

- **a format for the cost estimate, so that all consultants provide the same cost information and it is possible to carry out a fair comparison (some municipalities provide a specific format that must be followed);**
- **the number of copies of the proposal required;**
- **final date and time for submissions;**
- **required references, including names and telephone numbers for contacts;**
- **information about required interviews.**

4. ESTABLISHING A LIST OF POTENTIAL CONSULTANTS

No two consulting firms provide the same mix of experience, expertise, and availability. Therefore, the client should ensure that the list of consultants invited to submit a proposal include all those who have the appropriate mix of qualifications for their particular project. Procedures for establishing a pool of consultants to draw from include:

a) Submission of letter of interest

A request for a letter of interest and qualifications is publicly advertised and/or directly circulated to many consultants. Interested consultants may submit a brief description of their qualifications and experience to demonstrate their suitability for the project. After an initial evaluation and screening, including checking references for the top candidates, a short list of qualified consultants is developed. These consultants are asked to submit full proposals.

b) Other formal pre-qualification procedures

Some clients have a formal procedure for establishing a pool of available consultants and maintain a list of consultants, which they update periodically. Consultants who want to be placed on the list may apply for consideration. However, if clients have special projects for which they require consultants with unusual qualifications, the list must be supplemented by referrals, advertisements, and other mechanisms. The OPPI Consultants Directory is a useful resource for identifying consultants.

iii) Informal pre-qualification procedures

The client compiles an informal list of consultants for the project from personal referrals, consultants who have done previous work for the client, the Institute's list of consultants, and other sources.

5. CALLING FOR PROPOSALS

Four procedures are generally used to call for proposals:

a) Single-source procurement

The client either contacts and hires only one consultant for a project, or retains the same consultant on an ongoing basis This option may be appropriate when:

i) a highly specialized consultant is required, there is only one consultant with the right qualifications available, and time or budget constraints make an extensive search impractical;

ii) the contract is extremely small and a local consultant is available with the necessary skills and a solid record of satisfactory work for the client;

iii) there are severe time constraints on the project and a consultant is available who has the necessary skills and a solid record of satisfactory performance with the client.

b) Limited-source procurement

The client negotiates with three to five suitably qualified consultants, who have been informally identified. The firms are either familiar to the client or have been strongly recommended.

This approach is useful when the client lacks either the time or the staff to fairly evaluate detailed proposals from more than five consultants. It is also more efficient from the consultant's point of view. A busy consultant is more likely to respond to a request for proposals if the process makes the most efficient use of his or her time and resources and he or she has a greater chance of success.

The following steps are involved:

i) **The client approaches the consultants about the assignment and determines their interest and availability. If necessary, the client may check the consultant's references.**

ii) **The client requests a written proposal.**

iii) **The client evaluates the proposals and draws up a short list of consultants to be interviewed.**

iv) **Following the interview, the client negotiates with the primary candidate to refine the approach and other conditions of the retainer.**

This process is appropriate for all types of proposals.

c) **Two-stage proposals**

The client follows a formal pre-qualification process (see Section 4) to identify a limited number of suitable consultants, who are then asked to submit proposals. The client then follows the process for limited-source procurement.

This process is appropriate for large-budget proposals (more than $50,000), or for proposals that require specialized services for which it may be difficult to determine an appropriate initial list of consultants.

d) **Fixed-fee proposal call**

This is appropriate for design schemes or easily defined problems. Selected firms are invited to submit designs or other conceptual solutions in return for a fixed fee. The firm that makes the best submission is retained to complete the project.

6. SELECTING THE CONSULTANT

If the objectives of the project have been clearly identified, evaluation should be a relatively easy process. If possible, the evaluation should be carried out by more than one person. All those involved must review the same material

and be present at any interviews. They should also use a point system, in which each criterion is assigned a maximum number of points.

The client should evaluate each proposal based on:

a) the consultants' understanding of the project;

b) evidence that the project team (those who prepared the proposal and attended the interview) have the necessary qualifications to do the work and will actually be carrying out the majority of the work;

c) the appropriateness of the proposed work program to achieve the project's objectives;

d) special features of the work program that show an innovative or imaginative approach to the project;

e) costs;

f) schedules and deadlines;

g) the management and organization of the project.

The primary emphasis should be on professional and technical merit, rather than price. If all the proposals are in the same general price range, cost should play a relatively small role. It is more important to focus on the consultant's ideas, approach, and ability to communicate. The price of the service should be treated as a separate issue.

If certain proposals are much lower in cost than other submissions, the client should analyse them carefully to determine whether the terms of reference have actually been satisfied, and whether the consultant has allowed enough time to produce the required result. In particular, clients should identify whether they will be required to carry out certain tasks that in other proposals have been allocated to the consultants.

Proposals that are much higher in cost should also be reviewed to determine what additional value they would offer to account for the additional cost.

7. CONTRACTS

The contract should include the terms of reference and the proposal. However, the proposal may have to be modified to match precise objectives. These changes should be described in an addendum.

It is important to reach final agreement at this stage on all important details, even if not all of this information is included in the contract. Decisions should be made on:

a) dates for meetings and deadlines for the submission and review of documents;

b) which people will be assigned to the project by the client and the consultant;

c) the method and schedule of fee payments;

d) the need for liability insurance.

If it proves impossible to negotiate these matters satisfactorily with the first choice of consultant, the client should formally end the process and begin negotiating with the next firm on the list.

8. NOTIFICATION

The client should notify all those who participated in the consultant selection process of the final decision as soon as possible after the decision has been made.

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