

Secrets to Effective Communication for Statistical Consultants.

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Guidelines for Formulating Consulting Contracts

1. The overall process of securing contract consulting work.
 - a. Submit a bid or receive request for work.
 - b. Discuss technical issues with prospective client.
 - c. Discuss administrative issues with appropriate person.
 - d. Finalize a contract.

2. The importance of making sure proposed consulting work is expressed in writing.
 - a. Puts proposed activities in focus.
 - b. Lessens chances of misunderstanding.
 - c. Provides legal protection.

3. Terms in a contract.
 - a. *Consultant deliverables*
 - i. Clearly stated.
 - ii. Time schedule for deliverables. What happens if they are not met?
 - iii. How is material to be delivered? In person, email, regular mail.
 - iv. Penalties if deliverables not made on time.
 - v. Status reports.
 - vi. Final report.
 - b. *Client deliverables*
 - i. Data, subject matter expertise, etc.
 - ii. Time schedule for deliverables. What happens if they are not met? Can the contract deadline be extended?
 - iii. Penalties if deliverables are not made on time.
 - iv. Specification of client technical contract officer. Generally this is the person that you will be working with.
 - c. *Software*
 - i. What software will be needed?
 - ii. Who will purchase it?
 - iii. Can the consultant use client software?

- iv. Who owns the consultant developed software or code?
 - d. *Confidentially requirements for client supplied information*
 - e. *Security clearance considerations (for government contracts)*
 - f. *Invoice*
 - i. Where to submit? Contact information for contract officer.
 - ii. How to submit it?
 - iii. How often? You generally do not want to wait to end of the contract except for a short job.
 - iv. How soon after submission is payment to be received?
 - v. What happens if payment of invoice is delayed? Should there be any late payment penalties?
 - vi. What happens if there are budget over-runs?
 - vii. Travel expenses – invoiced separately and promptly paid?
4. Changes in the scope of a contract.
- a. They need to be in writing (email is fine) no matter how large or small.
 - b. What the client perceives as a small change may involve hours or days of additional work for the consultant. Before you say “no problem” in response to a client’s request and offer to make the change at no additional cost, make sure that it is indeed no problem. The cost should be renegotiated for any additional significant amount of work.
5. Other issues
- a. Size of contract (small versus large). Even for small jobs, you should have a written contract. I may only need to be a page or two.
 - b. Location of client relative to your location. Local clients provide opportunities for more frequent in person meetings.
6. Standard contracts. Some contract provisions offered by the client company or agency may be old or do not apply to statistical consulting.
- a. Non-negotiable compliance provisions. Examples when government funds are to be used:
 - i. Non discrimination
 - ii. Drug free workplace
 - iii. Worker compensation
 - iv. Health and safety regulations

- b. Possible negotiable provisions. Often contracts with larger entities are boiler plate and some provisions may not apply to statistical consulting work. Examples:
 - i. A recent contract of mine did not specify email as an acceptable form of correspondence. I called my contact with the firm and confirmed via email, which I saved, that email correspondence was acceptable.
 - ii. A small contract called for my business to purchase insurance to cover indemnity obligations. It did not make sense for my business to do so. I confirmed via email that I did not have to comply with that provision of the contract.
 - iii. A yearlong contract called for payment on completion of each of three tasks. The tasks may have run concurrently, which meant no payment for a year. I was able to change the contract so that payment would be made upon completion of sub-tasks.
 - c. Verbal statements from a client like: “Don’t worry, we don’t enforce that provision of the contract” do not carry legal weight. Confirm in writing (email is okay) any statements made to you regarding provisions of the contract.
 - d. The technical person that you will be working with often has little interest in the legalistic details of a contract. *The person in the accounting or contracts office has that responsibility.* It is his or her responsibility to ensure that **all** provisions of a contract are complied with prior to authorizing payment.
7. It is critical that someone experienced with contracts read it carefully and confirm in writing which provisions will not apply to you. Have an attorney with business law experience review large contracts.
8. **Be sure that you can comply with everything written in the contract before you sign it.**

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