



## CONTRACTS: WHAT YOU NEED TO KNOW

Most consultants solidify their consulting agreements by signing a contract with their client. Some consultants have a standard contract they use, while other consultants negotiate based on a contract their client supplies. Three years ago, the AICNCC partnered with the Beazley Group to put on the webinar, "[Contracts and Contract Provisions – Other Aspects to Consider.](#)"

**Colleen Palmer**, A&E Risk Manager with the Beazley Group, gave an excellent presentation about things to consider when putting together your consulting contract. As business picks up, it may be worth a review -- to determine if your contract includes everything to protect you, and best serve your client.. ■

## AICNCC WELCOMES NEW AFFINITY GROUP IN BINGHAMTON

The Alliance of IEEE Consultants Networks Coordinating Committee (AICNCC) congratulates Vincent Socci, on forming the IEEE Binghamton Section Consultants Network Affinity Group. The new Binghamton Consultants Network became official on 28 February 2022. To give a personal welcome to any new network, check out the consultants page on IEEE-USA's website for contact information. IEEE-USA also offers step-by-step instructions about how to start a formal network. We encourage new consultants networks to register as Affinity Groups. After a group forms a network, it can take advantage of IEEE's branding and resources, and qualify for funding through IEEE Section rebates. If you don't see your consultants network's contact information listed on the IEEE-USA website, contact Daryll Griffin at [d.r.griffin@ieee.org](mailto:d.r.griffin@ieee.org).





## RESPOND TO POTENTIAL NEW RISKS IN YOUR CONSULTING PRACTICE

As technology changes, so do the potential risks in business. Simply making a change about how you communicate with clients could create a new exposure, for example. Here are just a few, potential risks to consider:

**Cyber breaches and malicious software.** Cyber-attacks and malware incidents are at an all-time high. If you keep client data and project work online, and often use mobile technology, you're at an increased risk of having cyber thieves compromise your information.

**Intellectual property issues.** If you provide proprietary services that include copyrights, trademarks, trade secrets, or patents to your clients — you could be at risk of lawsuits that question who owns the work, and how it's used.

**Drone mishaps.** If you use drones to survey land, inspect sites, monitor projects from afar, or other business services — an accident or breach of privacy could occur — subjecting you to increased lawsuit risks.

**Web services.** Providing IT services in today's world can be a challenge, especially if networks and servers go down; or other malfunctions that could lead to disruptions regarding clients' work, or loss of revenue.

**Negligence.** Everyone can make a mistake. As diligent and detailed as you are, a design spec could be off; material may be flawed; documents could be misplaced; informal advice may be misunderstood; a team member could miss something during inspection; and so on, increasing business risks.

If a claim is filed for any of these or other situations — and even if it is unfounded — the cost to defend yourself, your business, and your work could be costly. On average, a contract dispute suit will cost business owners approximately \$91,000 (Source: countstatistics.org).

Risk management is a process that touches all stages of the project, as do the risk management benefits of the IEEE Members' Choice Professional Liability Program. The Program includes these risk management features to support your business, at no additional cost:

- Contract reviews
- Pre-claim assistance
- Live quarterly web-based seminars
- Toll-free claim hotline
- *And, coming soon, the IEEE Risk Management Hub, containing many new, educational resources*



## SHOULD I TAKE THIS W-2 PROJECT?

*(This article is reprinted here, with permission, from the “Jump to Consulting” blog by Daryl Gerke, PE. Originally published 21 July 2021. This post is in response to a question posed by the AICN.)*

A company posted a “consulting position” on the [IEEE-USA Consultant Finder’s Assignment Board](#) that sounded a lot like an employee (W-2) search. This posting prompted a discussion by members regarding whether this position was appropriate for the site, and whether a consultant should even accept a W-2 project.

The general consensus was it was okay, but several of us had caveats. Here is my response:

*Agree re: the posting. Looks like a W-2 situation, but if that is acceptable to respondents, fine. But as has been pointed out, everything is negotiable.*

*I had that happen early in my consulting career, when a client responded to my quote (through a contracting firm) with a W-2. That was when the IRS first said it needed to know about technical consultants. The contracting firm changed that to a 1099 project -- after I provided proof that I had multiple clients, a web site, etc.*

*No problems, and it was all friendly. But I was willing to walk, if we could not reach an agreement.*

*As a result, we adopted firm policies of NOT accepting W-2s, non-compete terms, or guarantees. In 35 years, we never lost business, but sometimes it took a brief explanation. As independent consultants, we are free to run our businesses as we see fit.*

*My two cents... to each their own...*

BTW, if you are an engineering consultant, check out the [IEEE-USA Consultant Finder](#). This service is sponsored by IEEE-USA/IEEE (Institute of Electrical and Electronic Engineers) — the world’s largest technical professional association. The fee is nominal, and it is an excellent way to reach those searching for technical consultants.

**Full Disclosure** — *I am a long-time member of both the IEEE and the AICN. I can recommend both for technical consultants.*

Editor’s Note: If other consultants have an opinion on this topic, I started a discussion on this topic in the IEEE Collabratec Consultant’s Exchange. ■