

## Communications: Partnering With Contracted Service Providers

Written by Ken Bannister, Contributing Editor  
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There probably is no maintenance department in the country that hasn't engaged the services of a contractor, or specialty services provider, in the past 12 months. How was your experience?

Past experience with outside assistance usually dictates how you approach your next contractual relationship with an outside labor source. Most of us are likely to remember the negative experiences far and above the positive ones, prompting us to be extra cautious and somewhat jaded at the prospect of working with a new service provider.

Unfortunately, there seems to be an abundance of service providers who are too eager to "stretch" the truth about their capabilities and, in a price-conscious world, too willing to cut corners and offer a price-beating alternative. These companies are prone to deliver poor quality and readily sour the partnership experience, never to be invited to quote on a second job. Doubtless we are all aware of the sweetness of a good price—and the bitterness of the true cost when the service falls short of expectations.

Quality work is about setting and surpassing scope-of-work expectations. It is about NOT cutting corners, using quality materials and, above all, dealing with service providers that use personnel who communicate well, are personable, highly competent, trained and experienced. You and your co-workers certainly will recognize many or all of these attributes in your favorite service provider(s).

These days, many companies are actively restructuring their labor pool through redundancy or attrition, with many maintenance departments forced to utilize contract labor to supplement their present understaffing or loss of technical expertise. With utilization of contract labor and specialty service groups that include trainers, management consultants, OEM technicians, preventive and predictive service providers on the rise, following a few simple rules can assure

a maintenance department of having a positive experience, every time.

### **Rule 1: Establish specialty service provider use guidelines**

Working together to take stock and document the current ability and level of expertise of the internal skilled labor pool, both maintenance and human resources can assess and match this capability against present and future plant work requirements.

- High-demand skilled work within the current capability of the internal staff should not be contracted out. This work would include general millwright and electrical work.
- Low-demand work requiring a high level of expertise, such as overhead door, roof work, training, audit assessment, etc., is a good candidate for the use of specialty service groups.
- Marginal work such as Heating, Ventilating and Air Conditioning (HVAC) can be negotiated depending on the internal expertise level. Total workload (backlog) also will play a role in determining what type of work can be taken on by internal or contract labor.

Establishing such a guideline document allows both management and workforce to agree on when specialty service providers are to be used.

### **Rule 2: Establish a value-added specialty service provider relationship**

Quality service providers may not come in with the best price, but usually will work hard to sustain a long-term working relationship. In doing so, most are open to delivering additional value-added services for little or no extra cost.

For example, competent and knowledgeable service providers are employed for their expertise; this can be “tapped” into by asking and expecting the service provider to perform the task requirement, and at the same time perform on-the-job training by allowing a maintenance department employee to observe and assist. This type of strategy is especially effective with apprentice training or specialty training of predictive maintenance technologies.

Other value-added services that can be expected from contractors are such things as 24/7 “on call” availability and reduced billing rates for blanket purchase orders.

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### **Rule 3: Establish a specialty service provider management policy**

Managing specialty service providers should not differ greatly from managing internal resources in that work assignments must be controlled through the Work Order Management system. The service provider's work assignment must be stated clearly, and the work estimated for materials and time requirements. The service provider's performance is based on variance of estimate and completed work quality.

Once the work is complete, prior to closing the work order, this document is used to collect all relevant comments and references to any contractor check-sheets, to check and assure work quality and to compare work done against the invoice statement before payment is released.

A service provider's daily charge rate may initially appear as significantly higher than internal resource rates (often used as an argument against using outside assistance). The decision to use outside service providers, however, must be assessed on their value and judged on timeliness of work completion, work quality, rarity of use (their expertise may only be required 2-3 times per year, or less) and cost of specialty tools used by a provider (an infrared thermographer might use an imaging system worth more than six figures; a consultant might use templates and intellectual property that cost hundreds of thousand of dollars to develop).

### **Win/win/win**

Use of a specialty service provider must be a balanced decision. Allowing everyone affected by such a provider to help establish the rules surrounding the use of this type of outside assistance will facilitate a healthy relationship among the workforce, management and contracted party—making for a positive experience! **MT**

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*Ken Bannister is lead partner and principal consultant for Engtech Industries, Inc. Telephone: (519) 469-9173; e-mail: [kbannister@engtechindustries.com](mailto:kbannister@engtechindustries.com)*