

avoiding corruption
treatment.

* Contracting in Project Mgmt:-

- It refers to the process of creating, managing & executing agreements betⁿ parties involved in a project.
- It involves defining the scopes, responsibilities, deliverables, timeline & financial terms of a project to ensure all stakeholders fulfill their obligations.

• Imp. Aspects of Contracting:-

1) Types of Contracts:-

- a) Fixed-Price Contracts:- A set price for the work, regardless of actual costs.
- b) Cost-reimbursable contracts:- The buyer reimburses the seller for actual costs plus a fee.
- c) Time & materials contracts:- Payment is based on actual time & resources used.

2) Contract Lifecycle:-

- a) Procurement Planning:- Identifying what needs to be procured externally.
- b) Vendor Selection:- Evaluating & choosing suppliers or contractors.
- c) Contract Negotiation:- Defining terms, conditions & deliverables.
- d) Contract execution:- Implementing the contract & monitoring performance.
- e) Contract Closure:- Ensuring all obligations are met before closing the contract.

c) Key Elements in a Project Contract:-

- Scope of Work (SOW)
- Project timeline & milestones.
- Payment terms.
- Risk Management provisions.
- Performance monitoring & quality control measures.
- Dispute resolution mechanisms.

* Outsourcing in Project Mgmt:-

- It is the business practice of contracting tasks, services or processes to an external company or third-party provider instead of handling them in-house.
- Organizations outsource to save costs, access specialized skills, improve efficiency & focus on core business activities.

- Types of Outsourcing:-

① Business-Process Outsourcing (BPO)	IT Outsourcing	Manufacturing Outsourcing
- Delegating non-core business processes like customer service, HR, payroll & data entry.	- Contracting external firms for IT-related services, such as development, cloud computing or cyber security.	- Partnering with external factories or suppliers to produce goods.
- Ex. A company hires a call center in another country to handle customer support.	- Ex. A startup outsources mobile app development to a small company in India.	- Ex. Apple outsources iPhone production to Foxconn in China.
④ Knowledge Process Outsourcing (KPO)	③ Human Resource Outsourcing (HRO)	⑤ Finance & Accounting Outsourcing (FAO)
- Outsourcing specialized knowledge-based services like data analysis, research & legal work.	- Outsourcing HR functions like recruitment, training & payroll processing.	- Hiring external firms to handle bookkeeping, accounting & financial analysis.
- Ex. A law firm outsources legal research to a company that specializes in it.	- Ex. A company hires an external HR firm to manage employee benefits & hiring.	- Ex. A small business outsources its accounting tasks to an external firm.

* Outsourcing in Project Mgmt:-

- Hiring third party consultants, contractors or firms to manage specific project tasks or even the entire project.