

# **Contract Excellence for Non-Contract Professionals**

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# Contract Excellence for Non-Contract Professionals

#### Introduction:

In every organization the commercial and business structure is based on contracts. These may vary from simple purchase orders, or even handshakes, through to highly-complex financing agreements. The development, negotiation and management of these contracts are often in the hands of skilled professionals, but the general managers handling the delivery of the product, service or project may not be fully familiar with the complexities of the documents concerned. This course is intended to allow professional managers with a background other than law or contracts to better understand the processes and issues involved, and therefore improve their overall management skills. In this course you will learn how to:

- Explore the reasons why we use contracts, and how they can be developed
- Examine different contracting structures, and how they allocate and manage risk
- Review some of the major provisions in contracts, and discuss why
  they are drafted as they are, and what pitfalls there may be if they
  are not managed properly

### Who Should Attend?

Contracts, Purchasing, and Project Personnel, Engineering, Operational, and Maintenance Personnel, Project and Contracts Management Professionals, Tendering, Purchasing, Contract Administration Professionals and Personnel, Engineering, Operational, Finance, Maintenance Professionals, Managers and executives in the procurement, finance, legal, risk and supplier relations department, Business Managers, Commercial staff, Project Engineers, Procurement staff, Legal staff, Contracts analysts & Officers, Contract Leaders & Engineers, Cost & Planning Engineers, Contract Administrators, Contracting Unit Supervisors, Contract Strategists, Project Managers, General Managers involved in contract negotiation and disputes, Commercial Managers, Buyers,

Purchasing Managers, Tenders Managers, Supply Chain Managers & Executives, Procurement Managers & Personnel, Construction Managers.

# Course Objectives:

#### By the end of this course delegates will be able to:

- · Improve understanding of the structure and purpose of contracts
- · Show how different structures can be used in different situations
- · Improve the ability of managers to communicate with and instruct legal and contracts personnel
- Explain some of the pitfalls that exist within commonly-used contract clauses
- · Be more effective in selecting contract types and structures
- Ensure risk is properly allocated and managed in different situations
- · Anticipate problems and manage risks through the contract
- · Integrate the contract within the structure of project management
- · Handle disputes and performance issues, including the latest methods of dispute resolution
- · Establish appropriate terms and conditions, and what the different provisions in common use mean in practice

#### Course Outline:

#### The Basis of Contracting

- · Why we use contracts
- · How contracts are formed
- · Terms and conditions of the contract
- Authority to contract
- · Methods of signing
- · Internal contracts within a group
- · Some dangers from ignoring the need for formal arrangements

#### **Risk & Different Contracting Types**

- · Different types of risk
- · How to assess and manage risk
- · Selecting appropriate contract types

## **Major Contract Terms**

- · Obligation to perform
- · Limits of liability
- · Indemnities
- · Insurance, and how this links with indemnities
- Intellectual property
- · Warranty and rework
- · Force Majeure

- Notices
- · "Entire Agreement" clauses
- · Implied Terms some examples

# How the Legal Aspects of a Contract Relate to Changes & Variations & Payment & Close-Out Issues

- · Changes to the Contract Terms
- · Changes to the Scope of Work
- · Keeping control of change
- Impact of Variations
- Payment
- Warranty claims
- · Set Off and contra charges
- · Suspension and Termination
- · Contractual issues on close out

#### Negotiation, Avoidance & Resolution of Disputes

- · Negotiation, compromise and settlement
- · Traditional approaches to third party resolution
- · Alternative Dispute Resolution, different techniques
  - · Good record keeping and notices