

# PROJECT MANAGEMENT



## Contracts Master Class & Outsourcing

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# **Contracts Master Class & Outsourcing**

## **Introduction:**

All areas of business are involved, directly or indirectly with Contracts. They are the method by which all business relationships between different companies, and even between companies in the same Group, are conducted.

An understanding of Contracts is an important skill for all those involved in making business decisions, and in instructing or seeking advice from, specialist lawyers. In addition, disputes arising from Contracts often arising from misunderstandings between the parties, or from lack of clarity in the Contract wording, which could have been avoided by different approaches to drafting.

International business, particularly in the oil & gas industry, is increasingly conducted in English, adding an additional challenge when negotiating with contractors or suppliers for whom this is their first language.

This Master Class is intended to increase the skills of all those involved in the contracting process, and to improve skills at drafting, understanding, negotiating and managing Contracts.

## **Training Methodology**

As this is a Master Class, it is intended that training will be highly interactive. Each individual contract clause will be reviewed and then the delegates will then work on drafting clauses, or on reviewing and modifying real clauses from Model Form contracts, and real examples of bespoke contracts from relevant industries.

Delegates will be expected to work alone or in groups to draft or amend clauses, and to present proposals to the class as a whole. Support will be given on a one-to-one basis, and examples of contract writing worked through with the group.

Delegates are encouraged to bring real problem examples with them, for discussion on a confidential basis, and to share their experience of particular issues in their company or industry. Time will be allowed for general discussions, and for one-to-one discussion with the trainer.

To obtain maximum benefit, it will be necessary for delegates to be prepared to participate fully in the discussions.

### **Certificate**

**BTS** attendance certificate will be issued to all attendees completing minimum of 80% of the total course duration.

### **Who Should Attend?**

- Contract Administrators
- Contracting Unit Supervisors
- Project Engineers and Project Managers
- Claims Managers and Business Audit Officers
- Contract Strategists
- General Managers involved in contract strategy or negotiation
- Commercial Managers and quantity surveyors
- Lawyers and legal staff needing additional experience in contract drafting and amendment.

### **Course Objectives**

- Provide an understanding of different types of contracting structures, and how and why contracts are drafted in particular ways
- Enhance understanding of the legal principles behind contracts
- Develop an understanding of why contracts are qualified and amended, and how to evaluate and negotiate on such qualifications
- Allow Delegates to gain hands-on experience in analysing and amending different types of contract clauses
- Explain the commercial impact of particular provisions, and possible amendments that may be proposed
- Develop on understanding of the skills required to write successful contract clauses

# Programme Outline

## **DAY 1 - The Basis of Contracts**

- Why we use contracts
- Formation of a contract
- The key elements of a contract
- Terms and Conditions of contract
- The basic structure of a contract
- Standard Forms
- Form of Agreement
- Why contracts are amended
- Differing types of contract
  - *Contracting structures*
  - *International contracts*
  - *Purchase Orders*

## **DAY 2 - Main Contract Clauses**

The next two days will involve analysing example clauses and considering how they could be improved. Delegates will also be able to practice drafting clauses. The areas covered will include:

- Obligation to deliver/perform
- Rework/re-performance
- Risk
- Title
- Compliance with law/change of law
- Indemnities
- Insurance
- Third parties

## **DAY 3 - Main Contract Clauses - continued**

- Variations and changes
- Product liability and defective goods - rejection
- Precedence of documents – Special Conditions
- Intellectual property
- Taxation
- Suspension and termination
- Acceptance and Certificates

- Payment
- Liquidated damages/penalties
- Limits of liability
- Guarantee/Warranty/Maintenance
- Conflict of Laws and Choice of Law Clauses
- Dispute resolution clauses

#### **DAY 4 - Dealing with Amendments**

During this day, delegates will be able to work on drafting amendments, and in reviewing whether examples of possible amendments should be accepted or rejected.

Sample clauses will be provided, together with an outline of the contract scenario to which they relate.

#### **DAY 5 - Using Standard Form Contracts**

- Selecting a suitable standard form
  - Examples from various international standard forms will be discussed
- Necessary additional documents
- Drafting Special Conditions
  - Practical exercises will take place in drafting Special Conditions to work with industry-standard contracts

#### **Alliancing, Partnering and other collaborative arrangements**

- The course will consider the different techniques required for drafting contractual arrangements based on a collaborative approach, and will discuss approaches from different industries and jurisdictions
- Opportunities will be given to develop the type of wording that may be more appropriate for collaborative, as opposed to adversarial, relationships, which examples from real projects

#### **Overall Review**

- Delegates will be invited to discuss any particular contract conditions with which they are familiar and to see if they provide valuable lessons for the group as a whole.

