

PROJECT MANAGEMENT

BTS
Training & Consultancy



Contract Cost and Price Analysis

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Contract Cost and Price Analysis

Introduction:

Obtaining fair and reasonable pricing from contractors and suppliers is a primary objective for all businesses and governments. Evaluating prices through Cost and Price analysis are essential skill sets in meeting these objectives. Those involved in these activities understand well the significant challenges in this ever changing business environment and also that there exist significant opportunities for improvement by providing best practice competencies to all those involved in contract and procurement activities. Attending this BTS Contract Cost and Price Analysis online training course will provide insight into:

- Managing Cost and Prices in Volatile Market Conditions
- Obtaining Better Pricing for the Original Contracts and Changes
- Understanding the Methods Contractors use for Pricing
- Understanding the Elements of Price that Make up the Price

Objectives:

- The Importance Of Price/Cost Analysis In Continuous Improvement Programs
- The Difference Between Price And Cost Analysis
- Criteria For Selecting The Analysis Type
- Methods Of Price Analysis
- Knowledge of Supplier Strategic Alliances
- Analytical Tools for Cost Drivers
- Methods Of Cost Analysis
- Development Of “Should Cost”
- Types Of TCO Models

Who Should Attend?

- Contract Managers, Contract Engineers, Quantity Surveyors, Contract Administrators, Project Managers and Engineers, Tenders Managers
- Buyers, Purchasing Managers, Procurement Managers
- Engineering, Contract Holders, Construction Managers

- Maintenance Managers and Systems Managers and all others in organizations whose leadership want world-class skills sets in those involved in contracts for the procurement of goods, equipment, construction, and service
- The Contract Cost and Price Analysis online training course is a great way to develop those new to contracts, prepare for a major project, or useful as a refresher for veterans

Program Outline:

Day 1 - Defining Cost Savings Opportunities

- Reducing The Cost Of Purchased Goods And Services
- Contract's Savings Impact On The Bottom Line
- Understanding Where To Focus Your Efforts
- Supplier Pricing Models
- Develop Opportunity Hypotheses
- Cost Reduction Reporting Procedure
- Continuous Improvement Skill Sets

Day 2 - Performing Price Analysis

- Difference Between Cost And Price Analysis
- Selection Tool
- Methods Of Price Analysis
- Historical Analysis
- Using Price Indexes
- Calculating Change
- Developing the Organization's Contract Price Index

Day 3 - Performing Cost Analysis

- Methods Of Cost Analysis
- Major Elements Of Cost
- What And How Important Are Supplier Overheads
- Developing "Should Costs"
- Requesting Supplier Cost Info
- Issues In Analyzing Supplier Cost Breakdown
- How much Profit should the Supplier make

Day 4 - Other Important Valuation Criteria

- Industry Analysis
- Global Industrial Labor Rates
- Working With Currency Exchange Rates
- Total Costs Of Ownership Models
- Reengineering Processes to Reduce Cost
- Cost Volume Profit Analysis
- Defining Value Analysis?

Day 5 - Controlling Contract Pricing in Volatile Markets

- Dealing in Volatile Economic Situations
- Contract Economic Adjustment Clauses
- Continuous Improvement Methods
- Early Supplier Involvement
- Reducing Waste In The Supply Chain
- Savings Reporting
- Get The Big Savings Now