



World-Class Mastering Contract Management

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Procurement

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World-Class Mastering Contract Management

Introduction:

Contract management is an extremely important component of the procurement process as it enables a clear set of contract requirements and objectives to be managed and monitored throughout the contract term. Contracts often represent a tool that companies use to safeguard their resources. Therefore it is imperative that organizations have an understanding of successfully implementing a successful contract management strategy. Since the contract is at the core of all commercial transactions it is understandable that contracts management is a core competency of all successful organizations. World-Class organizations understand well the benefits of increased profits and higher productivity resulting from mastering best practices in the important phases of contract management. This course provides both strategic and practical insights into:

- Negotiations
- Price and cost analysis
- Managing risk through contract types
- Critical source selection
- Contract administration and claims disputes

Who should attend?

Procurement Managers, Purchasing Staff, Engineering, Operational and Maintenance Personnel, Contracts Engineers, Administrators, and Managers, Commercial, Financial and Insurance Professionals, Project and General Management, Contracts & Contracting Unit Professionals, Project

Professionals, Procurement & Purchasing Staff, Purchasing Professionals and Procurement Officers, Commercial Professionals, Contract Administrators, Contract Administration Professionals, Contract Managers and Contract Professionals, Supply officers, Buyers, Project Coordinator's, Project Managers and other Project Professionals, Claims Personnel, Legal Advisers, Contract Strategists, Business Audit Officers, Engineers, Project Construction Professionals, Contract Administrators, Contract Professionals and Project Coordinators, Buyers, Purchasing Professionals and Procurement Officers, Contracts Managers, Project Managers, Tenders, Contracts, Buyers, Purchasing, Financial Personnel, Tendering, Purchasing, Project Management Professionals, Engineering, Operational, Trade, Finance, and Maintenance Professionals, all others who are involved in the planning, evaluation, preparation and management of tenders, specifications, awards, and contracts that cover the acquisition of materials, equipment, and services and who are in organizations whose leadership want high levels of competency in those involved in these activities, those from a Project Management or General Management background who do not think they have sufficient understanding of contract issues, those new to the function, preparing for a major project, or experienced managers looking for a refresher, anyone involved in the management of risk, those involved in implementing and administering contracts and handling claims and change orders; also those involved in any conflict or dispute with a contracting party and interested to learn how to avoid or resolve these contractual issues, those involved in contract and business related negotiations, those involved in any aspect of implementing, managing or administering contracts in the post-award phase.

Course Objectives:

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

- Developing negotiation skill sets to gain the organization's objectives
- Understanding important aspects of price and cost analysis
- Exploring the various pricing models used in preparing proposals
- Learning about contract types and how they transfer risk
- Dealing with volatile materials pricing
- Evaluating performance-based service contracting methods

Course Outline:

Good Contracting and Procurement Practice & Risks and Financial Management

- Elements of a good contracting and procurement process
- Assessing risk
- Cost and pricing
- Cost analysis
- Allocating overheads
- What is a fair profit
- Developing should cost
- Pricing models
- Risk assessment
- Managing the risks

Contract Types and Payments

- Managing risk
- Contract risk sharing continuum

- Types and guidelines for progress payments
- Implications of contract types
- Fixed price and cost-reimbursement contracts
- Economic price adjustment clauses
- Understanding and using producing price indexes
- Invoices and payments
- Parties to letter of credit

Source Selection and Contract Development

- Processes for source qualification
- Developing prequalification and tendering criteria and applying standards for final selection
- Rules for drafting the contract
- Terms & conditions
- Forming the contract
- Essential elements
- Use of performance based contracting

Contract Negotiations

- Role of negotiation
- Negotiation, what is it?
- Characteristics of a good negotiator
- Basic rules of negotiation, part 1 -a quote is never a concrete number
- Basic rules of negotiation, part 2-the best prepared wins
- Basic rules of negotiation, part 3-have many issues and a BATNA
- Negotiation nuggets

Contract Administration and Close Out

- The critical integration or entire agreement clause
- Post award functions – overview and responsibilities
- Contract administration duties
- Contract modifications
- Scope of work variations
- Rules of contract interpretation
- Contract disputes
- Termination
- Contract close-out