



# Maintenance Contracting & Outsourcing



## Introduction:

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In the competitive environment of today, availability and reliability of assets are more than ever an important issue. A significant trend in maintenance is outsourcing maintenance activities to contractors. Maintenance contracts are being applied as a highly effective way to manage and control the relationship between the service provider and the end-user, both internally and externally. It manages the expectations of both parties, sets out the parameters of responsibility and offers performance indicators.

This training seminar will ensure that you understand how to decide rationally what maintenance activities to outsource and what not, how to select the best maintenance contractor and how to evaluate the delivered performance of all parties involved. You will understand the different contract types, get the most from your contracts, avoid the potential pitfalls and improve the performance of your assets. Maintenance contracts used in several branches will be discussed. You will have the opportunity to discuss the existing contracts used in your organization. Through a combination of formal lectures and group work, you will leave the seminar with the tools to improve your contracts and contract management.

This seminar introduces participants to the skills and knowledge areas of Maintenance Contracts & Outsourcing of today, such as:

- Understanding Outsourcing considerations
- Contracting types, incl. Service Level Agreements
- Key Performance Indicators to monitor performance
- Developing contracts – the contracting cycle
- Negotiating skills
- Continuous improvement and performance management: how to evaluate the performance with all parties involved

## Training Methodology:

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The seminar will be conducted along interactive workshop principles. There will be a variance of lectures, case studies, video material and practical exercises. Experiences from different areas will be discussed. There will be many opportunities for discussion and sharing experiences.

## Who Should Attend?

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- All professionals negotiating, managing and verifying maintenance contracts
- Teams who have been assigned the responsibility of establishing a maintenance contract will find it extremely useful to attend this seminar as a unit
- Anyone who wishes to update themselves on Maintenance Contracts & Outsourcing

## Seminar Objectives:

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

- Understand how to decide rationally what maintenance activities to outsource and what not
- Learn the features, functions and benefits of lean maintenance contracts

- Understand the different types of maintenance contracts (incl. Service Level Agreements) and when/how to apply them
- Learn how to define service levels and monitor the contractor performance
- Learn how to develop and negotiate a maintenance contract
- Recognize the pitfalls
- Understand how to evaluate the delivered performance of all parties involved
- Learn how to implement maintenance contract management

## Course Outline:

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### Day 1 - Outsourcing Considerations

- Introduction to program
- Introduction delegates
- Asset management
- The business impact of maintenance
- Considerations in outsourcing maintenance – what to outsource and what not?
- Activity on asset matrix
- Risks involved
- Case study: Outsourcing maintenance activities

### Day 2 - Maintenance Contracts

- Maintenance contract types
- Parties involved
- The tendering process – modern ways of tendering
- Choosing the right contractor
- Costing the service
- Defining Key Performance Indicators to monitor the performance of all parties involved
- Use of Balanced Scorecard with performance contracts
- Interactive exercise and examples

### **Day 3 - Developing the Maintenance Contract**

- Vendor management
- The contracting cycle
- Assemble a team
- Assess, determine and specify the required service levels
- Writing the contract – contents of a maintenance contract
- Interactive exercise: review some existing contracts
- Implementing contract management – how to make it work (performance management)
- Periodic evaluation & improvement

### **Day 4 - Grounding and Negotiating the Contract**

- Expectations about availability, reliability and costs
- The extensive preventive maintenance schedule – “tricks” of maintenance contractors
- The seven steps to develop a risk based maintenance concept
- Using the maintenance concept to negotiate more effectively lean maintenance contracts
- Negotiating the contract – negotiation plays
- Negotiating the contract – negotiation tactics
- Negotiating tips
- Interactive exercise and role play regarding negotiating

### **Day 5 - Final Workshop**

- Development of a maintenance contract in groups
- Defining the requirements and service levels
- Develop the offer
- Selection criteria
- Presenting the bid
- Closing the contract
- Evaluation of results
- Wrap-up