



Contracts & Purchasing Management

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Procurement

Supply Chain

Distribution

Time to Market

Contracts & Purchasing Management

Introduction:

Current and future leaders in Contract and Procurement functions are expected to be experts in world-class buying and contract practices. This course is designed to provide Contract and Purchasing Leadership not only with strategies, concepts, and techniques generally viewed as leading to World-Class performance in contracts and procurement activities but also to provide enthusiasm and guidance in how to make it happen.

Since a major portion of every organization's operating cost is spent on outside goods and services, executive management everywhere is determining that Contracts and Purchasing must emerge as a core competency if organizations are to decrease expenses while improving operations. This course is designed to explore many of the best practices in Contracts and Purchasing so that participants can determine where they are now and begin implementation of the steps needed to create maximum total value for their organization.

Who should attend?

Contracts, Purchasing, and Project personnel, Engineering, Operational and Maintenance personnel, anyone who is involved in the planning, evaluation, preparation and management of tenders, awards, contracts and purchases 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 contracts and purchasing activities.

Course Objectives:

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

- Discuss elements of good contract process
- Learn methods of tender evaluation
- Review contract strategies
- See examples of important commercial contract clauses
- Be presented the essential elements of a contract
- Be given examples of contract checklist
- Learn how to develop high performance purchasing organizations
- Develop strategic purchasing plans
- Be taught how to develop spend profiles and perform analysis to guide strategies
- Explore many ways of reporting key performance indicators (KPI)
- Be presented with the most important competencies for contract and purchasing personnel

Course Outline:

What are contracts and how are they created?

- The need for contractual relationships
- What is needed to create a valid contract?
- Offer and acceptance
- Intention to create a legal relationship
- Written or oral
- Legal formalities in different countries
- Signing and sealing
- Witnesses, Authority to sign
- How to prove authority

- The tender process
- Involvement of agents
- What happens if there is no contract, but work is carried out anyway?
- Making contracts enforceable with particular emphasis on the international context

Structure of Contracts

- Form of Agreement
- General Terms and Conditions
- Special Terms and Conditions
- Schedules or Appendices
- Title (ownership) and Risk of Damage
- When does it transfer?
- Use of ICC Incoterms
- Notices and other formalities
- Which law and which courts?
- Different contractual structures
- Traditional
- New Structures Used in the Middle East
- New Structures not widely used in the Middles East

Collateral Documents

- Bonds and guarantees
- Tender Bonds
- Advance Payment Bonds
- Performance Bonds
- Warranty Bonds

- Parent Company Guarantees
- Retention/Withholding
- Retention Bonds
- Letters of intent
- Letters of award
- Letters of comfort or awareness
- Insurance Policies
- Assessing the need for financial security in the current economic climate

Changes

- Changes to the Contract documents
- Changes to the scope
- Delay and disruption

Resolving Disputes

- Negotiation
- Staged dispute resolution clauses
- Litigation
- Arbitration
- New best practices in dispute resolution

The 1st Steps to Becoming World Class

- 4 Stages to World Class
- Strategic Sourcing
- Developing Spend Profiles and the ABC Analysis
- New Job Descriptions For Purchasing of the future
- Purchasing Personnel Required Skill Sets

Evaluating Your Own Operation

- What are best Practices
- Purchasing Gap Analysis
- Vision and Mission for Purchasing
- Developing The Purchasing Department Strategic Plan
- Developing Key Performance Indicators (KPI) For Procurement
- Developing A Company Purchase Price Index

Continuous Improvement and How to Get It

- Cost Reduction Initiatives
- Methods of Cost Containment
- Waste In The Supply Chain
- Breaking Down The Elements Of Supplier Cost
- Commodity/Service Strategic Planning
- Resisting Price Increases

You Will Never Be Better Than Your Suppliers

- Supplier Classification System
- Supplier Qualification Methods
- Supplier Performance Metrics
- Apply Performance to Purchasing Decisions
- Process Mapping to Eliminate Low Value Activities
- E-Procurement

Improving the Image of Procurement

- Global Sourcing, International Labor Rates Comparison

- Developing and Maintaining a Customer Focus
- Basic Issues in Corruption and Fraud Prevention
- Increasing the Level of Procurement Professionalism
- Keeping Current in the Profession