

PROJECT MANAGEMENT



 **BTS**
Training & Consultancy

Professional Contract Negotiation Skills And Techniques For Project Managers

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Professional Contract Negotiation Skills and Techniques for Project Managers

Introduction:

In many occasions, project managers or the end users usually care less on how the contract will be structured and written. Project managers or the end users tend to forward the contract management process to the procurement, legal & contract department since they assume that such process relates to procurement and/or legal/contractual matters.

However, the contract management process is not only a simple contract writing process but it involves a bigger picture of the process. The project managers and/or the end users' participation in that process determines whether the entire contract management process is a success.

As the executor of the project & user of certain services, project managers and/or end users are highly recommended to participate in the contract management process starting from the beginning of the contract development & bidding process up to the negotiation process, contract execution and close out. This way all requirements related to the project will be well covered in the contract and there will be no flaws that may create disputes at present or in the future. One thing to remember is that project managers & end users are the persons responsible to run and manage the contract for the entire period of the project.

Therefore project leaders & end users are recommended to understand about the contract and its financial & legal implications in addition to the scope of work and financing management.

Methodology

This interactive Training will be highly interactive, with opportunities to advance your opinions and ideas and will include;

- Lectures
- Workshop & Work Presentation
- Case Studies and Practical Exercise
- Videos and General Discussions

Certificate

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

Who Should Attend?

The program is designed for Engineering, Operational, Maintenance, Purchasing, and Contracts personnel at all levels who are involved in the planning, development, approval, and management of contracts that cover the acquisition of materials, equipment, software, and services and who are in organizations whose leadership want high levels of competency in those involved in these activities.

Programme Outline

Module 1

Supply Chain Management

What is Supply Chain Management

- Who are involved in the Supply Chain Management
- Relationship between Supply Chain Management and Contract Management
- Prevailing Regulation

Procurement Process - Stage 1

- Planning and Budgeting
- The existence of Bid Committee
- Determining the Procurement Process : Direct Appointment, Direct Selection, Tender/Bidding
- Pre-Qualification Process: Selection of Vendors/ Bidders

Procurement Process - Stage 2

- Preparing the bid package
- Elucidation Meetings
- Evaluation of Bids

Letters of Intent

- Award Notification
- Major issues in Letter of Intent
- Letter of Intent vs Letter of Award
- Is Letter of Intent binding ?

Tender Compliant/Protests

- Causes for tender compliant/protests
- Legal/contractual implication

Module 2

Contract Management

- What is Contract Management
- Difference between agreement and contract
- What is a contract

Types of Contract

- Unilateral contracts
- Bilateral contracts
- Multilateral contracts

Pre-Contract process

- Offer
- Contractual Negotiation
- Acceptance
- Agreement

Provisions of a Contract

- Subjects of a contract
- Contract Term : commencement and expiration date
- Termination provisions
- Technical provisions: People and Equipment
- Commercial provisions : terms of payment
- Liability provisions
- Warranty provisions

- Force Majeure
- Liquidated Damages
- Penalty clause
- Amendment/Addendum /Variation of Contract
- Assignment provisions
- Governing Law
- Dispute Resolution : amicable, mediation, arbitration, or court

Legal Advices

- Who should you ask for Legal Advice
- Internal Legal Advice
- External legal advice

Contract Execution

- Time consistency
- Scope of Work compliance & monitoring
- Invoicing procedure
- Cost Control
- Management of Variation/ Amendment/ Addendum

Contract Expiry or Termination

- Control of the Contract Term
- Performance based evaluation
- Cost effective evaluation
- Contract reference for upcoming future similar project
- Contract close-out

Module 3

Negotiation Skills and Techniques

- Types of Negotiation: Positional Negotiation and Interest-Based Negotiation
- Basic Rules of Negotiations
- How to represent your company in a negotiation process
- Determining your objectives in a negotiation
- Attitude towards negotiation
- Persuasive attitude
- Bargaining Position

- Technical Negotiation
- Commercial Negotiation
- Legal/Contractual Negotiation
- Effective negotiation process: Who should attend, what are being negotiated and the aim of negotiation
- End result of Negotiation: Win-Win Solution, Agreement, Deadlock or Dispute
- Requirement on management decision

Bonds, Penalty & Liquidated Damages

- Rules of bonds requirement
- Penalty implementation & negotiation
- Liquidated damage philosophy

Basic International Contract Types

- Fixed Price
- Cost Plus Fixed Fee
- Outsourcing
- Time and Material
- Incentive or Award
- Economic Price Adjustment
- Engineering Procurement & contraction

Class Activities: Negotiation is Fun

Participants are required to participant in class room discussions by reviewing a draft agreement and role play on negotiation process.