



The supply chain

A project is only as good as the weakest part of the process

30 years ago the central issue was purchasing

- Reactive process
- Obtaining goods and services at lowest possible price
- Keeping stock

More recently the central issue is developing relationships

- Proactive process
- Relying on trust and long-term relationships
- High levels of performance of the supply chain
 - Lower levels of inventory





The challenge

The 'five rights'

- Right quantity (required)
- Right quality (conformance to standard)
- Right price (trade-of, iron triangle)
- Right time (allow longest possible time for supplier to deliver)
- Right supplier (identifying may require professional assistance)





Purchasing and contracts

1. Public purchase contracts
2. Bids may be treated as 'sealed' or 'open'
3. Part of the planning stage
4. Standard terms and conditions
5. Penalty clauses
6. Bonds and insurances
7. Retention money
8. Stage payments
9. Letters of intent

