

Advanced Contracts & Purchasing Management Skills

Course Description:

- In every organization the effective expenditure of enormous sums of money and resources is dependent on successful purchasing and contract management activities. Selecting and applying the appropriate methodologies to ensure value for money, and high-quality delivery by suppliers, requires collaboration across all functions and a strong contractual underpinning of the supplier relationship. Then it is essential to select the appropriate contracting models for creating and managing formal agreements with suppliers of goods and service and keeping up-to-date on contracting. The course covers the contracting process from tendering and award, through planning and management to close out and resolution of disputes. It then covers the purchasing process from specification through to contract completion.

Course Objective:

- **By the end of this course delegates will be able to:**
- Be more effective in contract management activities
- Select appropriate type and form of contracts for different situations
- Anticipate problems and manage risks
- Integrate contract management with contract needs
- Understand the best means of handling disputes and performance issues
- Establish terms and conditions for different situations
- Have the latest advances in contract selection and management
- Development of appropriate strategies for delivering value
- Use appropriate methodologies for managing suppliers
- Use of tendering, negotiation and other techniques
- Enhance value obtained from suppliers
- How to measure and improve the performance of the purchasing function
- Consider the latest advances in purchasing management

WHO Should attend?

- Contracts, Purchasing, and Project Personnel, Engineering, Operational, and Maintenance Personnel, Project and Contracts Management Professionals, Tendering, Purchasing, Contract Administration Professionals and Personnel, Engineering, Operational, Finance, Maintenance Professionals, Managers and executives in the procurement, finance, legal, risk and supplier relations department, Business Managers, Commercial staff, Project Engineers, Procurement staff, Legal staff, Contracts analysts & Officers, Contract Leaders & Engineers, Cost & Planning Engineers, Contract Administrators, Contracting Unit Supervisors, Contract Strategists, Project Managers, General Managers involved in contract negotiation and disputes, Commercial Managers, Buyers, Purchasing Managers, Tenders Managers, Supply Chain Managers & Executives, Procurement Managers & Personnel, Construction Managers.

Course outline

The Basis of Contracting

- Principles of Good Contracting
- Why do we use contracts?
- Key steps in the creation of a Contract
- Essential elements of a valid Contract
- Overview of Tendering & Contract Award Process
- Advantages of tendering and some pitfalls to avoid
- Law of Agency
- Authority to sign contracts
- Defining Contract Management Responsibilities

Risks and Selecting the Right Contract Structure

- Assessing and allocating risk
- Identifying Risk
- Apportioning Risk
- Incorporating Risk Assessment and Management
- Selecting types of contract
- EPC, BOT/BOOT

Course outline

Major Contract Terms to Aid the Handling of Performance Issues

- · Effective handling of Contract Performance issues
- · Design and Specification
- · Work Ordering Process
- · Obligation to perform work
- · Transfer for ownership
- · Risk of damage
- · Contract Administration

Managing Change within a Contract

- · Understanding change
- · Changes to the contract documents
- · Variations in scope
- · Increases and decreases
- · Change in timing
- · Change in method of working
- · Managing change
- · Risks of uncontrolled change
- · Developing Contract Terms and Conditions
- · Finding Contract Templates
- · Using standard form documents

Course outline

Resolution of Disputes

- · Eliminating sources of Contract disputes
- · Errors and omissions
- · Anticipating and avoiding Conflicts
- · Dealing with Unknowns
- · Tracking Changes
- · Managing Expectations
- · Resolving disputes
- · Negotiation
- · Litigation
- · Arbitration

The Basis of Purchasing Management

- · Principles of Good Procurement
- · Requirements and Specifications
- · Spend mapping
- · Supply Segmentation
- · Contracts
- · Price, cost and value
- · Principles of Good Management
- · Strategy
- · Vision
- · Styles of management

Course outline

Sourcing and Supplier Management

- · Appropriate sourcing techniques
- · Tendering
- · Open
- · Restricted, negotiated, competitive dialogue
- · PQQ
- · Tender evaluation
- · Negotiation
- · Electronic procurement
- · E-auctions
- · Assessing and allocating risk
- · Identifying Risk
- · Mitigating Risk
- · Split supply arrangements
- · Approved supplier lists and blacklists

Managing Suppliers

- · Managing Project Suppliers
- · Ensuring performance
- · Getting back on track
- · Total cost of ownership
- · Managing Partnerships
- · Appropriate opportunities for partnering and alliances
- · Structure of partnerships
- · Duration and end of partnership arrangements

Course outline

Measuring Performance & Leading Change

- · Measuring Performance
- · Key Performance Measures
- · Financial Measures
- · Leading Change
- · Ensuring Cross functional collaboration
- · Procurement marketing
- · Promoting Purchasing to the organization
- · Change Management
- · Critical path analysis
- · Stakeholder analysis
- · Action planning