



PM014: Managing Negotiation with Contractors

Training Description:

Consultants and Contractors can be a very effective option for all types of organizations. However, managing those individuals (or companies) is essential in achieving the desired costs and benefits your organization desires.

This training course will highpoint:

- Sourcing & Selecting Consultants & Contractors
- Issues to be considered before the Tender Invitation and Key contractual clauses
- Raising the Invitation and Managing the Tender Process
- Contract type and language for best outcome with Consultants and Contractors
- Developing "Statements of Work" and Service Level Agreements as contract documents
- Monitoring, measuring Consultant and Contractor performance and Negotiations with Consultants and Firms Supplying Contractors

Training Objectives:

By the end of the training, participants will be able to:

- ✓ Learn how to evaluate bids and proposals
- ✓ Know what key clauses to include in contract documents
- ✓ Have structure and application of incentive arrangements
- ✓ Be knowledgeable of the best Terms & Conditions to protect your company
- ✓ Learn negotiation Planning and Strategy
- ✓ Have monitoring and measuring Consultants and Contractors performance

Personal Impact:

- ✓ Increased skill sets in the management of Consultants and Contractors
- ✓ A greater sense of Professionalism
- ✓ Knowledge of World-Class practices
- ✓ Greater ability to negotiate and manage contracts
- ✓ Increased recognition by the organization because of improved performance
- ✓ Ability to control project progress and delivery against baseline

Organisational Impact:

- ✓ Reduced cost of Contracts for Services
- ✓ Improved performance from Consultants and Contractors
- ✓ Reduced Risk to the organization from potential liabilities
- ✓ Higher productivity from personnel contracting for services
- ✓ Greater strategic focus of personnel contracting for Consultant and Contractor Services
- ✓ Improved control over on-time and on-budget delivery

Training Designed for:

This course is intended for those who are working as Engineering Project Professionals, Construction Professionals, Contract Professionals, Buyers, Purchasing Professionals, Financial Personnel in organizations whose leadership wants advanced skills sets for those involved in major contracting and subcontracting activities.

The course is a great way to develop those new to the function, or to prepare for a major project, or useful as a refresher for veteran Buyer Professionals.

Training Requirement:

"Hand's on practical sessions, equipment and software will be applied during the course if required and as per the client's request."

Contents can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client's learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

Training Program:

DAY ONE:

- ❖ PRE-ASSESSMENT
- ❖ Introduction
- ❖ Establishing Contractual Relationships with Consultants and Contractors
 - Introductions
 - Purpose of the course and objectives
- ❖ Defining the Difference between Consultants and Contractors
 - Role of Consultants & Responsibilities to Buyer
- ❖ Defining the Relationship with Consultants and Contractors
 - Length of contract with consultant or contractor
 - Type of work to be accomplished
 - Reason for contracting out the work
- ❖ Consultants & Contractor Firms Pricing Strategies
 - Top Down Strategy - Market based
 - Bottom Up Strategy - Cost recovery based
- ❖ Sourcing & Qualifying Potential Consultants and Contracting Firms
 - Basic planning assumptions
 - Proactive sourcing & project scheduling
 - Use of the Internet
 - References from other known past users
- ❖ Defining the Scope
 - Statements of Work (SOWs) – work packages
 - Service Level Agreements (SLAs) – Key Performance Indicators (KPIs)
 - Importance to overall success
 - Clear and Concise to both Buyer and Consultant/Contractor
 - Establishing Milestones for future progress reporting

DAY TWO:

- ❖ The Bidding and Bid Evaluation Processes
- ❖ Invitations to Tender (ITT)/Requests for Proposals (RFP)/Requests for Quotation (RFQ)
 - What type of request is best for a situation
 - Why use competition?

❖ **Proposal/Bid Evaluation**

- Bid evaluation schedule
- Compliance matrix
- Terms & Conditions Analysis
- Factors that Affect Comparability

❖ **Contract Pricing & Price Adjustments**

- Fixed price or firm price?
- Costs Plus (Time & Materials); Incentive based pricing
- Contract Price Adjustment Criteria & Clauses
- Price Adjustments using Price Indices
- Price vs. Quality Factors – Value for Money

❖ **Cost Analysis of Proposals/Bids**

- Reasons for Cost Analysis
- Requesting Additional Cost Information from Bidders
- Cost Estimating Methods

DAY THREE:

❖ **Negotiations and Contract Development**

❖ **Negotiations Strategies and Techniques**

- Supplier/Buyer Positioning – pre-cursor for the negotiation strategy
- With Consultants
- With Firms supplying Contractors
- How to Negotiate with Sole Source
- Incentive Arrangements – Structure and Application

❖ **Model Contract Formats**

- Formats for Consultants
- Formats for Contractor Firms
- Important Contract Articles

❖ **Financial Considerations**

- Specifics of items included in base price
- Definition of expenses not included in base price
- Hourly/Daily/Weekly/Project rates

❖ **Progress Reporting and Payment**

- Payment based on Milestones Achieved Not Stage Payments (elapsed time)
- Payment terms – When, Where, How, Currency Net payment terms and currency

❖ **Termination of Contract**

- Reasons for termination – Both Parties
- Processes of terminating

DAY FOUR:

❖ **Confidentiality, IPR, Insurance and Warranties**

❖ **Confidential Information & Non-Disclosure**

- Need for Pre-contract arrangements
- Access to confidential or proprietary information
- Agreement not to use or divulge

- How long in force after contract is complete
- ❖ **Insurance Coverage**
 - What is insurable?
 - How much insurance required?
 - Nature of proof of insurance and possible impact
 - What type of coverage
 - Who bears the cost – Consultant/Contractor Firm or Buyer
- ❖ **Intellectual Property Rights**
 - Definition of IPR - Patents, Design Rights, Trade Marks & Copyright
 - Background & Foreground Rights
 - Ownership rights and assignment
- ❖ **Warranties and Representations**
 - No Conflict with Consultant/Contractor other work
 - Consultant/Contractor agrees to perform in professional manner
- ❖ **Restrictive Covenants**
 - Consultant/Contractor will not provide like services to Buyer's competitors
 - Will not publish without prior written consent of Buyer
 - Will not use in advertising, sales promotion or publicity without prior consent

DAY FIVE:

- ❖ **Contract Award and Performance Evaluation**
- ❖ **Awarding of Contract**
 - Contract formation & contract effectiveness conditions
 - Notification of successful bidder
 - Notification of unsuccessful bidders
 - Official signatures and start dates
- ❖ **Monitoring and Measuring Consultant Performance**
 - Performance based on Statement of Work
 - Milestones and progress against them
 - Project Management Processes
- ❖ **Monitoring and Measuring Contractor Performance**
 - Performance based on Statement of Work
 - Individual project performance
 - Work expectations
- ❖ **Contract Administration**
 - Ensuring performance of Consultant/Contractor as Invoiced
 - Resolving issues/problems from either party
 - Preparation for Renewing Agreement
 - Preparation for Terminating Agreement
- ❖ **Final Learning Review and Analysis**
 - Delegate feedback forms
 - Analysis against objectives
- ❖ **Course Conclusion**
- ❖ **POST-ASSESSMENT and EVALUATION**

Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

TBA as per the course location - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 14:00	Last Session

For training registrations or in-house enquiries, please contact:

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