

**Training Title:**

**UNDERSTANDING THE PROCUREMENT PRINCIPLES**

**Training Duration**

5 days

**Training Venue and Dates**

REF SL031	Understanding the Procurement Principles	5	24-28 June 2024	\$6,000	Istanbul, Turkey
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In any of the 4 or 5 star hotels. The exact venue will be informed once finalized.

**Training Fees**

- \$6,000 per participant for Public Training includes Materials/Handouts, tea/coffee breaks, refreshments & Buffet Lunch.

**Training Certificate**

Define Management Consultancy & Training Certificate of course completion will be issued to all attendees.

**COURSE DESCRIPTION:**

High quality Understanding the Procurement Principles are essential activities in achieving improved levels of performance for all organizations. Providing the high value-added activities available from contract and procurement operations requires the continuous involvement of knowledgeable professionals and management who understand and implement the best practices in Understanding the Procurement Principles for the acquisition of goods, equipment, and services. Included in the many topics covered in this training session to move contracts from the tactical to a more important strategic focus are:

- Best Practice Understanding the Procurement Principles – Key Capabilities
- Understanding the Procurement Principles Is A Profession, Not Just A Job
- Elements of A Good Procurement & Competitive Bidding Process
- Developing Tender Evaluation Criteria
- Selecting the Right Contract Type
- Contract Preparation
- Contract Management

**COURSE OBJECTIVES:**

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

- Understanding the Procurement Principles – Key Capabilities
  - Preparation, Understanding the Procurement Principles
  - Reducing costs through shorter cycle times and administrative efficiencies

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- Managing contract performance and risk from inception to closure
- Consistent variations management via a holistic approach
- Process automation and enhanced digital transformation
- Leveraging contract data for insights and decision making
- Discuss Elements of Good Procurement Process
- Learn Methods of Tender Evaluation
- Review Contract Strategies
- Explore Steps in Developing Performance Based Service Contracts
- See Examples of Important Commercial Contract Clauses
- Be Presented the Essential Elements of a Contract
- Be Given Examples and Sources of Contract Checklist
- Provide an understanding of how and why claims and counterclaims arise
- Explain the differences between claims and counterclaims
- Identify common causes of claims and disputes, and how to avoid them
- Discuss how to develop contracts management procedures to avoid disputes over claims and counterclaims, while resisting unjustified claims
- Enhance understanding of basic negotiation techniques to be used when resolving disputes
- Provide an understanding of some of the main methods of dispute resolution involving third parties

#### **WHO SHOULD ATTEND:**

- ✓ Contracts, Purchasing, and Project personnel
- ✓ Engineering, Operational, and Maintenance personnel
- ✓ And all others who are involved in the planning, evaluation, preparation and management of tenders, awards, and contract performance 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 these activities

#### **TRAINING METHODOLOGY:**

A highly interactive combination of lectures and discussion sessions will be managed to maximize the amount and quality of information and knowledge transfer. The sessions will start by raising the most relevant questions, and motivate everybody find the right answers. You will also be encouraged to raise your own questions and to share in the development of the right answers using your own analysis and experiences. Tests of multiple-choice type will be made available on daily basis to examine the effectiveness of delivering the course. Very useful Course Materials will be given.

- 30% Lectures
- 30% Workshops and work presentation
- 20% Group Work& Practical Exercises

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- 20% Videos & General Discussions

## DAILY OUTLINE

### DAY 1

#### Understanding the Procurement Principles - when does the process start?

- What You Need to Know to Be Competent at Procurement Management
- Contract Management, Understanding the Procurement Principles
- Variations and Contractor negotiation, evaluation,
- Bidding Process
- Standards of Ethical Practice
- Example Policy "Relations with Suppliers
- Selecting the Right Contracting Strategy
- Types of Statement of Work
- The Importance of The Contract
- Basic Contract Types
- Basic Types of Project Deliver

#### Best Practice in Procurement Principles – Key Capabilities

- Reducing costs through shorter cycle times and administrative efficiencies

### DAY 2

#### Important elements of the contract

- Selection and Claims Procurement Principles
- Saving with Economic Price Adjustment Clauses
- Force Majeure Clauses
- Contract Changes Clauses
- Methods of Payment
- Progress Payments
- Letters of Intent, Award, And Side Agreements

#### Bidder selection and tender evaluation

- Selecting the Bidders
- We Want More Than the Lowest Price
- How Do You Know You Got A Good Price?
- Use of Price Indexes
- Electronic Evaluations
- Requesting Cost Breakdowns and Evaluations of Cost Breakdowns

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## Managing the contract performance

- The Criticality of Good Contract Administration
- Contract Changes
- Determining Status and Expediting
- Contractor Payments
- How Contracts End
- Remedies for Breach of Contract
- Types of Bonds and Guarantees
- Negotiation Tips

## Best Practice in Contract Management – Key Capabilities

- Managing contract performance and risk from inception to closure

## DAY 3

## Best Practice in Procurement Principles – Key Capabilities

- Consistent variations management via a holistic approach

## How Claims and Counter Claims arise

- Causes of typical claims
  - Poor drafting of requirements
  - Lack of clarity in Scope of Work/Services
  - Misunderstanding of legal or technical obligations
    - By Client
    - By Contractor/Supplier
  - Deliberate “misunderstanding”
- Counter claims - how they differ from claims
  - Rights of set-off
- Overview of main contractual provisions relevant to claims and counter claims
  - Obligation to perform work
  - Standards
  - Programme
- Acceleration
  - Variations
  - Extension of time
  - Force majeure

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## DAY 4

### Best Practice in Procurement Principles – Key Capabilities

- Process automation and enhanced digital transformation

### Types of Claims and Counter claims

- Types of claims, in construction and other areas - and their distinctive features
  - Re-measure disputes
  - Variations - disputes on valuation
  - Variations - disputes as to whether there is change
  - Breaches of contract
  - Quality of workmanship
    - Re-work
- Rejection of goods
  - Full rejection
  - Partial rejection
- Liquidated damages and penalties
- Warranty claims
- Special issues with EPC/Turnkey contracts
  - Interface problems - are these always the Contractor's responsibility?
  - Tracking change where client involvement is limited
  - Special issues with documentation in EPC and turnkey contracts

## DAY 5

### Best Practice in Procurement Principles – Key Capabilities

- Leveraging contract data for insights and decision making

### Dispute Resolution

- What is a dispute?
- Introduction to dispute resolution methods and techniques
  - Stage negotiation - setting up internal dispute resolution within the contract
  - Measures of success - win-win negotiation
  - Understanding what constitutes a “win” for you
- What will be a “win” for the other party?
- Mirror negotiation/red teams
  - Negotiating “without prejudice”
  - Making offers
  - Compromise
  - Bargaining

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- **Interest-based negotiations**
  - Moving away from rights-based thinking
  - Making the cake bigger - settling other issues
  - Non-financial solutions
  - Long-term business relationships
- **Conflict and its resolution**
  - Defusing conflict
  - Personality clashes and how to avoid them
  - Dealing with disputes as they arise - not letting them fester
  - Traditional dispute resolution
    - **Litigation**
      - Use of foreign courts
      - Enforcement
    - **Arbitration**
      - Domestic
      - International
      - Single or panel
      - Enforcement
  - Issues with evidence and production of documents
- **Differences between alternative dispute resolution methods**
  - Mediation
  - Med/Arb and Arb/Med
  - Adjudication
  - Expert determination
  - Early Neutral Evaluation
  - Mini-Arbitration
  - Dispute Review Boards
  - Pendulum arbitration

**NOTE:**

**Pre & Post Tests will be conducted**

**Case Studies, Group Exercises, Group Discussions, Last Day Review & Assessments will be carried out.**

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