



Managing & Negotiating with Consultants & Contractors: Selecting, Developing & Working with



2 - 13 December 2024



Lisbon (Portugal)

# Managing & Negotiating with Consultants & Contractors: Selecting, Developing & Working with Suppliers

course code: P4040 From: 2 - 13 December 2024 Venue: Lisbon (Portugal) - course Fees: 6750 Euro

## Introduction

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 programme is designed to provide knowledge in:

- 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

## Objectives

### Upon completion of this seminar, participants will know:

- How to evaluate bids and proposals
- What key clauses to include in contract documents
- Structure and application of incentive arrangements
- Best Terms & Conditions to protect your company
- Negotiation Planning and Strategy
- Monitoring and measuring Consultants and Contractors performance

## Training Methodology

The training methodology will incorporate both theory and skill training components, utilizing both traditional lectures, as well as hands-on exercises, group discussions and case studies.

## Organisational Impact

### The organization will benefit by:

- 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

## Personal Impact

### Attendees will gain by participation in the seminar as a result of:

- 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

## **SEMINAR OUTLINE**

### **Establishing Contractual Relationships with Consultants and Contractors**

- Introductions
- Purpose of the programme and objectives

### **Defining the Difference between Consultants and Contractors**

- Role of Consultants & Responsibilities to Buyer
- Role of Contractors & 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

### **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

### **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

## 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

### 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