

Contracting in the Changing World of Projects

Learn Key Contracting Practices and Processes to Drive Improved Capital Project Performance

COURSE SUMMARY

Contracting strategy is an important element of any project execution plan. It is often a contentious area with strongly held beliefs about how contract plans can influence project outcomes. However, no one contracting strategy is right for all projects or project systems. As more work is outsourced by owners to contractors, contracting arrangements have become increasingly important elements of the capital project process.

This seminar, based on IPA's extensive research and understanding of contracting as it relates to capital effectiveness, provides a set of practices and tools that will enhance participants' capabilities in evaluating, selecting, and developing appropriate and effective contracting strategies for capital projects.

KEY BENEFITS

- **Implement** a structured process for developing a contracting plan
- **Identify** owner characteristics that should be evaluated prior to selecting a contracting strategy
- **Understand** the relationship between the current market and available contracting strategies
- **Explore** the relationship between Terms and Conditions and contractor bidding behaviors
- **Discover** the concept of risk pricing and strategies to reduce contractor risk premiums
- **Learn** how risk analysis exercises affect contracting strategy
- **Apply** learnings from IPA's research on actual projects to improve ongoing and future projects

WHO SHOULD ATTEND?

All who consider contracting an important element of success in capital effectiveness will benefit from this program. This program targets those involved in selecting and implementing contracting strategies and managers of individual projects who establish the contracting approach for their projects. It will also provide insight into contracting approaches for those who manage whole project systems and seek to establish system-wide approaches to contracting.



PRIVATE DELIVERY

This offering is best delivered as a private, in-house seminar. The private setting enables us to provide a company-focused and cost-effective solution to educate large groups within a project organization or team.

Contact the IPA Institute for more information:
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REQUEST INFO

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COURSE TOPICS

Contracting Overview	Contracts and contracting strategy in the context of capital projects. A structured process for developing a contracting plan.
Starting Point: Project Environment	The relationship between clear project and business objectives and contracting strategies. Project scope and how it influences contracting strategy selection. The relationship between the current market and available contracting strategies.
Starting Point: Owner Characteristics and Risk Analysis	Owner characteristics that should be evaluated prior to selecting a contracting strategy. The ways that risk analysis exercises affect contracting strategy.
FEL, Scope, and Phase	Industry practices for contracting FEL. The relative roles of owners versus contractors in the project definition phase. Determining how the project scope and phases will be subdivided into different contracts.
Contract Formats	Research and explanations for relationships between contract formats and incentives and project results.
Selection Process	Research on selection criteria and why selection based only on cost leads to poor results.
Contracting Project Management and Terms and Conditions (T&Cs)	Risks associated with Project Management Contractors and strategies to help mitigate those risks. Options for construction management. Relationship between T&Cs and contractor bidding. The concept of risk pricing and strategies owners can apply to reduce contractor risk premiums.
Implementation	Best Practices related to effective project controls. The concept of claimsmanship and practices to manage the risks of contractor claims. Issues owners should monitor related to closeout of contracts.

COURSE BACKGROUND

The material in this seminar is typically covered in 2 days. Each module focuses on a specific topic, with material presented in a variety of ways. Important research findings are presented through lectures, with supporting presentation material and readings. A case study will be used to enable the participants to develop a contracting strategy for a sample project. Participants will learn to translate materials and findings into action items that they can implement to improve their capital project processes.

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Why the IPA Institute? The IPA Institute is the training and education division of Independent Project Analysis (IPA), the world's leading advisory firm on capital projects. Our courses equip industry leaders and capital project practitioners with Best Practices for projects, portfolio, and project system management/delivery. All course instruction, presentations, and supplementary course materials are rooted in IPA's unparalleled capital project knowledge.