

Introduction:

Contracts are the backbone of business operations, from simple purchase orders to intricate financing agreements. Effective contract drafting is essential to mitigate risks, ensure efficient project execution, and prevent costly legal disputes. This **Contract Drafting for Procurement, Tendering, and Commissioning** course provides participants with the skills needed to create well-structured contracts tailored to specific business needs.

The course focuses on the intricacies of drafting procurement, tendering, and commissioning contracts, emphasizing the importance of clear contract language and understanding the underlying principles. It prepares professionals to navigate the complexities of procurement and tendering processes, ensuring organizational benefits while reducing legal risks.

Participants will be introduced to advanced contract drafting techniques, common pitfalls in contract language, and effective practices in managing contracts within global business contexts. This course equips participants with the tools necessary to create and manage contracts that withstand challenges and lead to successful project execution.

Targeted Groups:

- Contract Administrators, Contract Professionals, and Project Coordinators
- Procurement Managers
- Purchasing Managers
- Specifiers, Buyers, and Procurement Officers
- Contracts Managers
- Project Managers

Course Objectives:

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

- Understand the structure and purpose of contracts and why they are drafted in particular ways
- Recognize the commercial impact of key contractual provisions
- Develop a comprehensive understanding of how contractual provisions interact and the importance of consistency
- Identify common contract pitfalls and learn strategies to avoid or mitigate them

- Manage contracts effectively to avoid disputes and address them efficiently when they arise
- Examine the legal effectiveness of contracts, from formation to closeout
- Select the appropriate contract type and tender process for different situations
- Understand key contract clauses, focusing on risk management, remedies, and insurance
- Secure performance obligations and understand dispute resolution mechanisms

Targeted Competencies:

- Risk allocation and management in contracts
- Selection of appropriate contract types and tender processes
- Contract management and administration
- Proficiency in interpreting and drafting contract language
- Negotiation and dispute resolution skills

Course Content:

Unit 1: The Importance of Contracts

- Understanding the significance of contracts in business transactions
- Controlling the contract process from negotiation to completion
- Essential contract formation principles: Offer, Acceptance, and Intention
- Battle of the forms and legal requirements for oral and written contracts
- The role of electronic contracts in modern business
- The value of due diligence and ensuring financial stability

Unit 2: Tender Process and Different Contract Types

- Overview of auctions and bids in the tendering process
- Steps in the tender process: Invitations to Tender, Requests for Proposals, and Quotations
- Pre-qualification and compliance requirements in tendering
- The use of Letters of Award, Heads of Terms, and Letters of Comfort
- Choosing the right contract type: Lump-sum, Fixed fees, Economic Price Adjustment, and more
- Understanding the advantages and limitations of fixed-fee contracts
- Key considerations regarding bonds, guarantees, and compliance with changing laws

Unit 3: Main Contract Clauses

- Defining the obligations to perform and ensuring the delivery of goods/services
- Controlling subcontractors and setting performance milestones
- Securing payment and remedies for non-payment, including Letters of Credit and Parent Company Guarantees
- Time and place of delivery, transfer of title and risk, and ICC Incoterms
- The importance of "time of the essence" clauses in contracts
- Retention of title clauses, liquidated damages, and penalties

Unit 4: Other Key Considerations During the Commissioning Process

- Managing variations and changes to the contract
- Understanding liability beyond the contract and intellectual property considerations
- When contracts end and the importance of limiting liability
- Warranty provisions and applying appropriate law to the contract
- Final contract review and closeout procedures

Unit 5: Dealing with Disputes

- Negotiation strategies and achieving compromise in dispute resolution
- Incorporating dispute resolution clauses into contracts
- Traditional dispute resolution methods: Litigation and Arbitration
- Alternative methods such as Mediation, Conciliation, Early Neutral Evaluation, and Expert Determination
- The role of dispute review boards and effective record-keeping for dispute prevention

This **Contract Drafting for Procurement, Tendering & Commissioning** course provides participants with the knowledge and practical skills to effectively draft, manage, and resolve issues related to procurement and project contracts. By the end of the course, participants will be equipped to handle complex contracting processes, mitigate risks, and navigate disputes, ensuring successful outcomes for their organizations.