

Learn how to:

- How to better manage project and procurement in contracting process
- Identify contract components and understand the process from start to finish
- Identify strategic advantages of specific contract types
- Contract risk management and mitigation
- Apply rules of contract interpretation in project disputes
- Lead a project through contract closeout

PMBOK® 5th Edition Guide Knowledge Areas :

1. Project Integration Management
2. Project Scopes Management
3. Project Quality Management
4. Project Time Management
5. Project Cost Management
6. Project Risk Management
7. Project Human Resource Management
8. Project Procurement Management

By:

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The benefit after completing this course the participants will have a better knowledge & skill on Contract Risk Management and Compliance in accordance with International Management Standards by PMI.

COURSE OVERVIEW

One of the major functions of contracting is to ensure that risks to owners and contractor are identified and managed in a way that both parties are satisfied with project outcome. While a contract cannot, of itself, make risk “go away”, it can, and should, identify the risks, determine who is responsible for managing each individual risk, and for the consequences should the risk occur.

The following are the highlights of the training:

- Critical understandings of the risk mitigation process
- Knowledge to move contracts from the tactical to more important strategic focus

- Ability to identify risks that can arise
- Skills in allocating contract and procurement risk
- Examples of Contract Terms and Conditions which allocate risk

Objectives

The primary objectives of the course are to help delegates to:

- *Provide and understanding of how risk arises*
- *Compare different methods of identifying and assessing risk*
- *Review the impacts of different approaches to risk allocation*
- *Explore different Contract types to transfer risks*
- *Consider the contractual techniques to ensure effective risk allocations*
- *Review risk management techniques during the life of a contract*

Course Methodology

Participants will increase competencies through a variety of instructional methods including lecture by an experienced practitioner and consultant, cases/exercises, reviewing published articles, checklist, and group discussions current practices and their relationship to the implementation of new concepts.

Delegates are encouraged to bring real problem examples with them for discussion on a confidential basis and to share their experience of particular issues in their company or industry. Time will be allowed for general discussions and for one to one discussion with the trainer.

Organizational Impact:

The Company organization will benefit by:

- Expanding the expertise of personnel involved in contract development and management will allow project and general management terms to be more effective
- The total cost of ownership will be understood and reduced by properly identifying and managing the risks

- Clear allocation of risk will reduce the possibility of disputes and any that do arise should be settled more quickly with less cost, delay and disruption
- Reducing project failure, cost changes, and cost overruns resulting from poor understanding and management of risk
- Implementing better risk management which improves the chance of project success
- Developing an appreciation of the true effect of contractual indemnities which will enable better decision making as to contract structures and ensure that risk is passed to others properly and in a cost effective manner

Personal Impact:

Attendees will gain by participation in this program through:

- Increased understanding of risks
- Better ability to allocate risk, and to select the appropriate contractual regime to achieve your aim
- Develop risk identification and assessment skills
- Heighten understanding of the alternative methods of allocating risk
- Improve understanding of different approaches to managing risk during a contract
- Improve the ability to reduce the negative impact of poorly managed risk on a project or a company

Who should attend?

- *Contracts, Tendering, Purchasing, Procurement and Contract Administration*
- *Project Engineers, Operational and Maintenance personnel*
- *Project Cost & Control Engineers*
- *Project Planner & Scheduler*
- *Project Cost Estimator*
- *Cost Accounting*
- *Financial Controller*
- *Cooperate & Business Planning*
- *Auditor*
- *Document Controller*

- *Project & Operation Secretary*
- *Person who get benefit for attending this Course*

Course Topics

Project Management Concepts & Principles

- a) What are project? , Standards & Codes, and Certifications
- b) Creation of a project, formal & informal bases.
- c) Define the characteristics of a project.
- d) Explain the need for project management, goals & objectives.
- e) Compare and contrast the roles of project managers in organizational environments.
- f) Describe the systems development cycle_project life cycle.
- g) Explain the roles of systems analysis and systems management in the life cycle of a project.
- h) Key project roles & Stakeholder management
- i) Best practise in project benchmarking

Project Organizational Structures

- a) Describe the ways groups are organized into projects.
- b) Explain the roles and responsibilities of project team members.
- c) Explain the relationship between project managers and line managers, especially in terms of the division of responsibility and authority.
- d) Develop plan communication

Introduction of Project Risk Management

- a) The need for Contractual Relationships
- b) Defining Risk
- c) Categories of Risk for both sides of a Contract
- d) Risk Assessment Process
- e) Managing Project Risk
- f) Qualifying Contractors / Suppliers
- g) Defining internal Control
- h) Proportionality of Control

Project Procurement Management Overview

- i) Project procurement management
- j) The relationship between projects and contracts

- k) Ensuring a successful procurement process

Plan Procurements

- a) Planning procurement and acquisitions
- b) Inputs to the procurement management plan
- c) Conducting make-or-buy analyses
- d) Contracting matters
- e) Recommending the best contracting methods
- f) Preparing the procurement management plan
- g) Preparing a statement of work**

Conduct Procurement

- a) The bid solicitation process
- b) Sources of prospective seller
- c) Key principles for conducting a bidder's conference
- d) Protocols for communicating with prospective sellers
- e) Identifying actions from the seller's point-of-view

Manage Procurements

- a) The purpose of procurement management
- b) Roles and responsibilities: project team, contracting organization, and sellers
- c) Managing seller performance
- d) Outputs of the contract management process

Close Procurements

- a) The procurement closure process
- b) Contract documentation
- c) Format acceptance and closure for sellers
- d) Outputs of the contract management process
- e) Lesson learned analyses

Minimizing and Transferring Contract Risk

- a) Uncertainty and risk in contract pricing

- b) Transferring risk through Contract Types
- c) Firm Fixed Price or Lump Sum Contracts
- d) Cost Reimbursable Contracts
- e) Incentive Contracts
- f) Selecting contract types
- g) Lesson learned analyses

Contract Risk Related Terms & Conditions

- a) External events
- b) Force majeure
- c) Strikes and Other labor disputes
- d) Risk and Title
- e) Use of ICC Incoterms
- f) Assignment and Novation
- g) Other clauses that need to flow down to sub-contractors
- h) Risks associated with sub-Contractors

Insurance

- a) How to utilize insurance to cover project risk?
- b) Explanation types of insurance use in project and typical covering by each policy
- c) Explain insurance for EPC Project
- d) Explain insurance for transporting goods & material to the projects

COURSE INSTRUCTORS



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He received Bachelor degree in Aeronautical Engineering from Mechanical Engineering Department, Industrial Engineering Faculty, Bandung Institute of Technology (ITB) on 1981. He has a professional and practice experiences as Project Management Senior



Staff more than 35 years in National & Multinational Company special Oil & Gas Onshore & Offshore Industry. He also attended at many project management seminar & course program at Indonesian & overseas institution. He retired from Petronas Carigali Indonesia (PCINO) on year 2014 and the present focused in Project Management Advisor and Project Management Instructor.