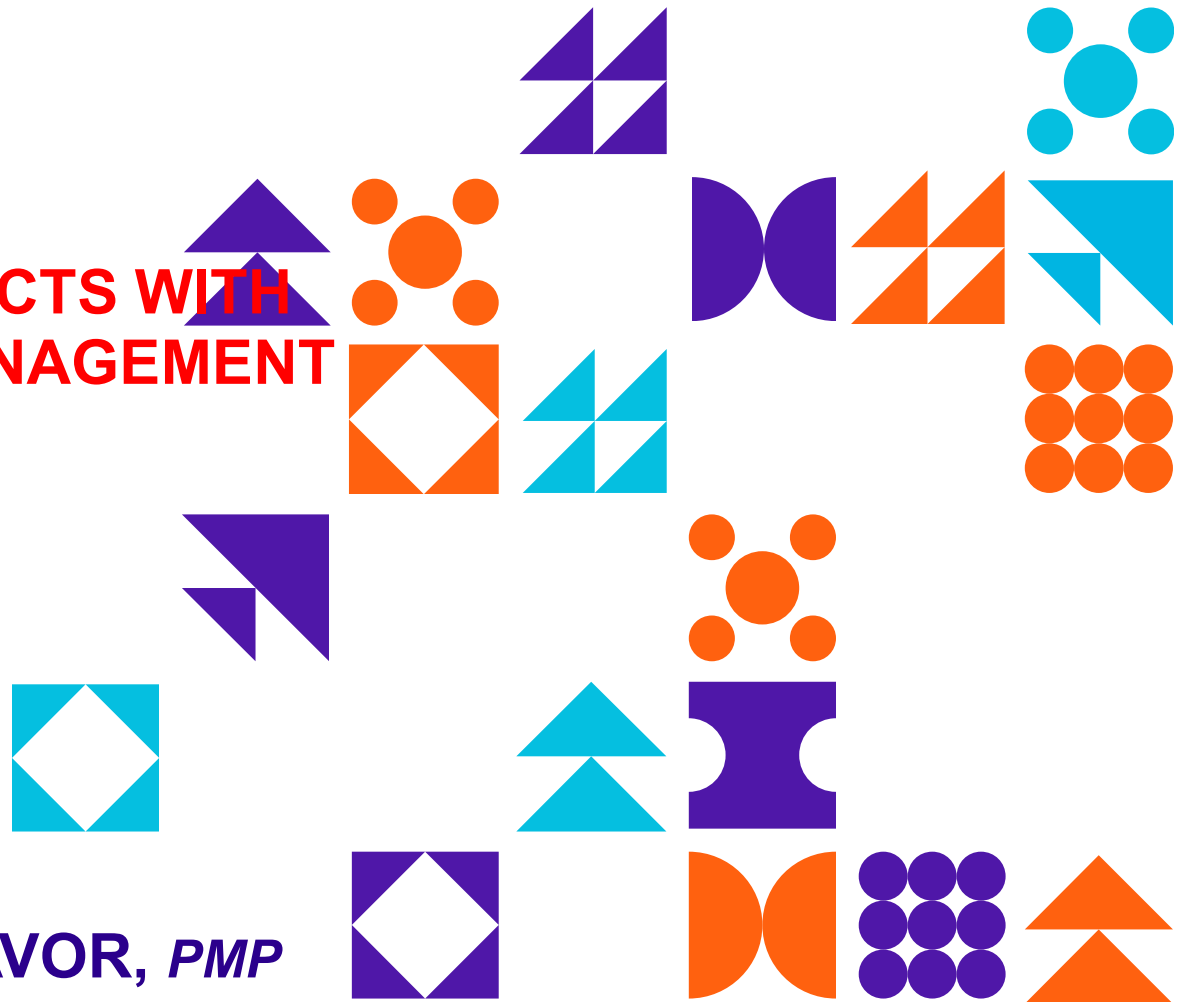


TOPIC: DELIVERING PROJECTS WITH EFFECTIVE CONTRACT MANAGEMENT TOOLS

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CONTRACTS

A contract is a legally binding agreement that recognises and governs the rights and duties of the parties to the agreement

CONTRACTS

*A contract is a mutually binding legal agreement that obligates the seller to provide the specified products, services, or results, and obligates the buyer to compensate the seller
(PMBOK Guide, 6th Edition)*

- **Agreements Includes terms and conditions, and may incorporate other items that the buyer specifies regarding what the seller is to perform or provide**
- *A contract is a legal relationship subject to remedy in the courts*

ELEMENTS OF CONTRACT

Offer

An offer is a promise to act or refrain from acting, which is made in exchange for a return promise to do the same

Acceptance

Acceptance of an offer is the expression of assent to its terms

Consideration

Each party to a contract must provide something of value that induces the other to enter the agreement. The law calls this exchange of values “consideration.

Capacity and Competency

A natural person who enters a contract possesses complete legal capacity to be held liable for the duties he or she agrees to undertake, unless the person is a minor, mentally incapacitated, or intoxicated

ELEMENTS OF CONTRACT

Mutuality of Obligation

Under this doctrine, both parties must be bound to perform their obligations or the law will treat the agreement as if neither party is bound to perform

Written Requirement

Not every contract need be in writing to be valid and binding on both parties. But nearly every state legislature has enacted a body of law that identifies certain types of contracts that must be in writing to be enforceable.

Legality

Contracts cannot be created to govern the trade of exchange of illegal products or services.

Major Components in a an Agreement Document

Statement of work or deliverables

Schedule baseline

Performance reporting

Period of performance

Roles and responsibilities

Seller's place of performance

Pricing

Major Components in a Agreement Document

Payment terms

Place of delivery

Inspection and acceptance criteria

Warranty

Product support

Limitation of liability

Fees and retainage

Major Components in an Agreement Document

Penalties

Incentives

Insurance and
performance bonds

Subordinate
subcontractor approvals

Change request
handling

Termination and
alternative dispute
resolution (ADR)
mechanisms



CONTRACT TYPES

CONTRACT TYPES – PROJECT MANAGEMENT

*FIXED PRICED
CONTRACTS*

**COST
REIMBURSABLE
CONTRACTS**

**TIME AND
MATERIAL
CONTRACTS**

CONTRACT TYPES

- *This category of contracts involves setting a fixed total price for a **defined product, service, or result to be provided***
- *Firm Fixed Price*
- *Fixed Price Incentive fee*
- *Fixed Price Award fee*
- *Fixed Price Economic Price Adjustment*

• FIXED PRICED CONTRACTS

CONTRACT TYPES

- ***This category of contract involves payments (cost reimbursements) to the seller for all legitimate actual costs incurred for completed work, plus a fee representing seller profit.***
- *Cost Contracts*
- *Cost Plus fee*
- *Cost Fixed fee / Percentage fee*
- *Cost Plus Incentive fee*
- *Cost Plus Award fee*

COST REIMBURSABLE CONTRACTS

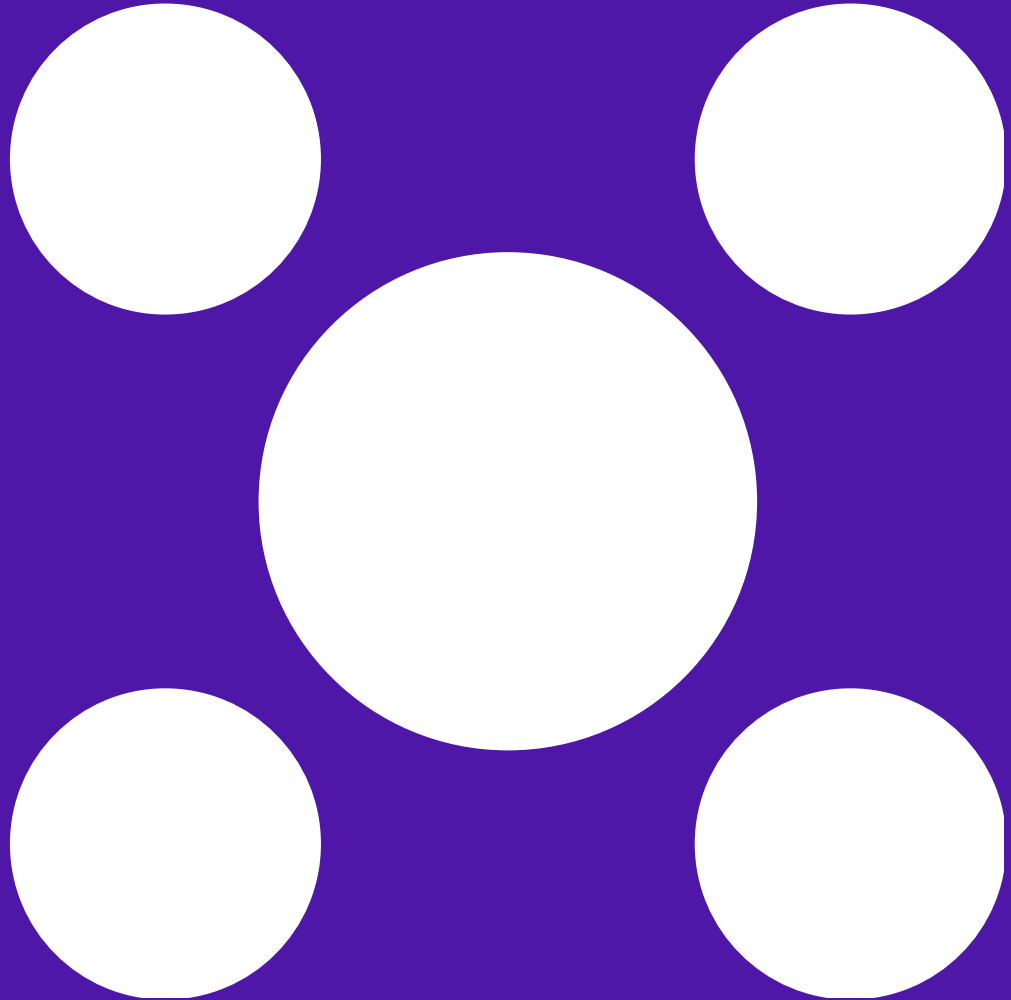
CONTRACT TYPES

- Time and material contracts are a hybrid type of contractual arrangement that contain aspects of both cost-reimbursable and fixed-price contracts
- They are often used for staff augmentation, acquisition of experts, and any outside support when a precise statement of work cannot be quickly prescribed.

**TIME AND
MATERIAL**

CONTRACTS

CONTRACT MANAGEMENT



CONTRACT MANAGEMENT
REFERS TO THE
PROCESSES OF MANAGING
CONTRACTS FROM
PARTNERS, VENDORS ,
CUSTOMERS AND
EMPLOYEES

The process supports any process that contributes, creates and utilizes contract data

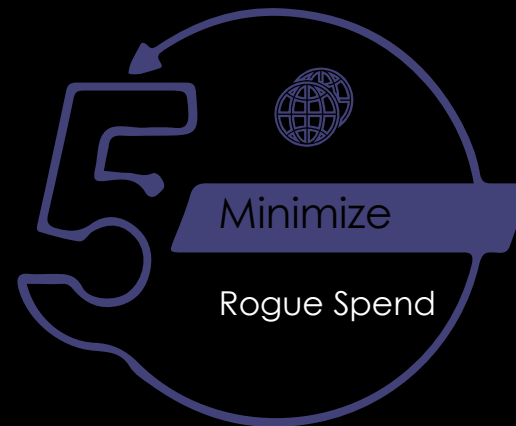
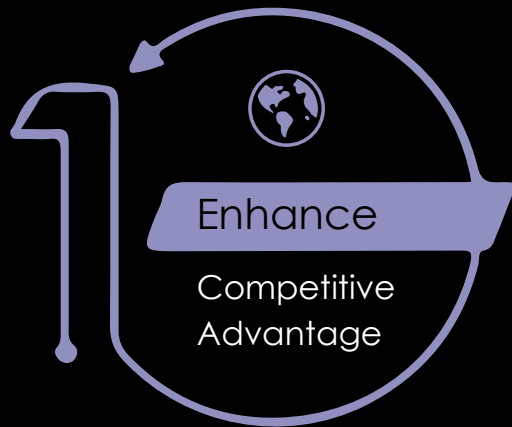
Depending on how it is done, Contract Management can be an asset or a liability to the company or organization

- The Level of success for any contract Management process is in how integrated and digitized the process is
- It involves certain infrastructure like self-portals, pre-approved templates, electronic signature and even a legal playbook to make the process manageable and easy to maintain

CONTRACT LIFE CYCLE



Contract Management In Successful Project Delivery



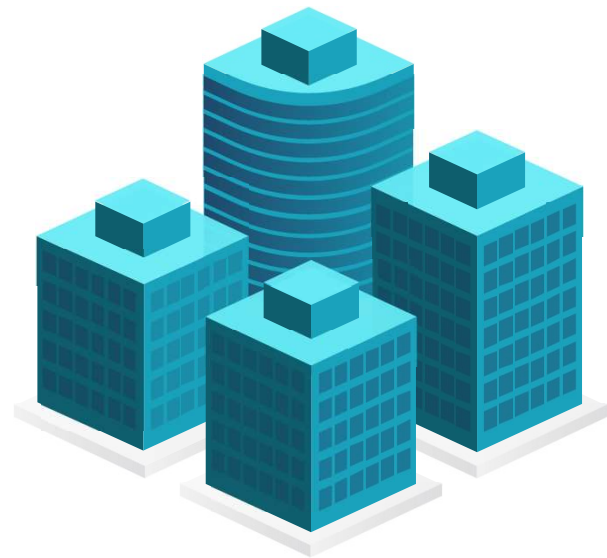
CONTRACT MANAGEMENT TOOLS

Depending on

- Nature of the Project
- Size
- Complexity
- Organization type
- Industry
- Contract



MANUAL TOOLS



SOFTWARE BASED TOOLS

SOME SOFTWARE-BASED CONTRACT MANAGEMENT TOOLS

Agiloft

Pros:

- Its many features support business automation
- Easy to use wizards provide unlimited customizations

• CONS:

- Unlimited customization can be complicated
- Expensive

Cablestone System Contract Insights

Pros

- Highly customizable and feature-rich solution
- Has full-featured free trial

• Cons:

- Numerous customization can make the program quite complex especially for beginner

CONTRACTUALLY

Pros:

- User friendly interface
- Cloud services

Cons:

- Lack of some more advanced features as compared to others

SOME SOFTWARE-BASED CONTRACT MANAGEMENT TOOLS TO CONSIDER

ContractNow

Contractbook

Symfact Contract and Compliance Software

Icertis Contract management

OTHER TOOLS

8 JUNE 2020

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IN SUMMARY

1. APPROPRIATENESS

2. COMPLETENESS

3. LEGALITY

THANK YOU

