

Contract Administration in Supply Chain (L3M3)

60 Hours

DURATION

4

MODULES

70

TOPICS

WHO THIS COURSE IS FOR

This qualification will prepare intermediate level learners looking to specialise in procurement and supply (particularly contract management) and to progress onto the CIPS Level 4 Diploma in Procurement and Supply

PREREQUISITES

- Basic understanding of how supply chain works. This is the second entry level qualification, there are no formal entry requirements.

LEARNING OBJECTIVES

- Identify types of contracts such as framework agreements and call offs
- Describe the documents that compose a purchasing or supply contract
- Describe the stages involved in forming contracts for goods and services
- Explain how to develop and present business cases to justify expenditure
- Explain the use of competition to obtain competitive price quotations
- Recognise the role of commercial negotiation in procurement and supply
- Identify the initial actions and documentation associated with tendering
- Explain the use of data and KPIs to measure contract performance

4 Modules, 70 Topics

1.0

Know the Administrative Content and Key Tasks Associated with Commercial Contracts

1.1 IDENTIFY TYPES OF CONTRACTS AND AGREEMENTS

- Spot purchases
- Term contracts
- Framework agreements (or blanket orders/panel agreements)
- Call offs

1.2 DESCRIBE THE PURPOSE OF THE DOCUMENTS THAT COMPOSE A CONTRACT FOR THE PURCHASING OR SUPPLY OF GOODS AND/OR SERVICES

- The specification
- The key performance indicators (KPIs)
- The contract terms
- The pricing schedule
- Other schedules (such as health and safety, use of subcontractors)
- Non-disclosure/confidentiality agreements

1.3 DESCRIBE THE STAGES INVOLVED IN FORMING CONTRACTS FOR THE PURCHASING OR SUPPLY OF GOODS AND/OR SERVICES

- Requests for quotations/information/tender enquiries
- Quotations/tenders received
- Orders/acceptance of tenders
- Delivery notes/acknowledgements
- Invoicing and payment
- The use of contract registers

1.4 DESCRIBE HOW TO DEVELOP AND PRESENT BUSINESS CASES TO JUSTIFY EXPENDITURE ON SUPPLIES, SERVICES OR PROJECTS

- Costs
- Benefits
- Options
- Alignment with organisational needs
- Timescales

2.0

Understand How to Achieve Competitive Pricing and the Role of Negotiation in Procurement and Supply

2.1 EXPLAIN THE USE AND COMPARISON OF COMPETITION TO OBTAIN QUOTATIONS ON PRICE

- The use of competitive pricing with suppliers through monitoring prices and obtaining quotations
- Comparing historical prices with newly quoted prices and evaluating the reasons for any significant discrepancies
- Taking appropriate actions to secure competitive pricing

2.2 RECOGNISE THE ROLE OF COMMERCIAL NEGOTIATIONS IN THE WORK OF PROCUREMENT AND SUPPLY

- Definitions of commercial negotiation
- Collaborative win-win integrative approaches to negotiation
- Distributive win-lose distributive approaches to negotiation
- Negotiation in relation to the stages of the sourcing process
- Sources of conflict that can arise in the work of procurement and supply
- The influence of stakeholders in negotiation

Understand How to Achieve Competitive Pricing and the Role of Negotiation in Procurement and Supply (continued)

2.3 EXPLAIN APPROACHES TO NEGOTIATE COMPETITIVE PRICES

- The link between costs, price, margins and mark-ups
- Use available data on submitted prices
- Retain or improve other aspects of value for money such as quality, availability and sustainability within the negotiation process
- Analyse actual outcomes from the negotiation process with planned outcomes and evaluate the reasons behind any differences

3.0

Know How Effective Tendering Is Achieved

3.1 IDENTIFY THE INITIAL ACTIONS PROCESSES ASSOCIATED WITH THE TENDERING PROCESS

- Supply/market research
- Early supplier engagement
- Pre-contract dialogue
- Develop and improve commercial and technical solutions

3.2 DESCRIBE INITIAL TENDER PROCESS DOCUMENTATION AND ASSOCIATED CONTENT

- Invitations to tender
- KPIs
- Contract terms
- Pricing schedule and other special to type schedules
- Prequalification questionnaires

3.3 IDENTIFY THE TENDER EVALUATION AND ACCEPTANCE PROCESS

- Check tender details and take any necessary remedial actions
- Assess tender proposals against initial requirements
- Awareness of specification creep

3.4 OUTLINE THE REGULATIONS THAT CAN IMPACT ON THE TENDERING PROCESS

- International frameworks
- Non-discrimination
- Free movement of goods
- Freedom to provide services
- Freedom of establishment
- Equality of treatment
- Transparency
- Mutual recognition
- Code of ethics
- Codes of conduct

4.0

Understand How to Measure Contract Performance

4.1 DESCRIBE THE USE OF DATA AS A CONTRACT PERFORMANCE MEASURE

- Types of data
- Data gathering and analysis methods
- Actions to address under performance
- Penalty clauses

4.2 EXPLAIN THE USE OF KEY PERFORMANCE INDICATORS (KPI)

- Quality performance
- Cost management
- Resources and delivery
- The use of audits to verify performance and costs
- The use of SMART targets for supplier performance and agree their application with suppliers and other stakeholders
- Agree mitigating actions with suppliers and other stakeholders

4.3 EXPLAIN TYPES OF CONTRACTUAL RISK AND HOW TO MANAGE THEM

- Use of risk registers
- Internal organisational risk
- Market economic risk
- Performance based risk

WHAT IS INCLUDED

Everything You Need to Succeed

- Koenig course material for every module
- Delivery by certified instructors and subject matter experts
- Hands-on exercises throughout the course
- Course completion certificate from Koenig

ABOUT KOENIG

Who We Are

Established in 1993, Koenig Solutions is a globally recognised training provider with 35+ technology partnerships, 5,000+ training programmes and a network of certified instructors and subject matter experts, supporting individuals and enterprise teams worldwide.

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