



## **UNIX Trainers & Consultants**

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### **Skills Enhancement on Contract Risk Management & Compliance in the Public Sector**

#### **Course Overview:**

One of the major functions of contracting is to ensure that risks to owners and contractors are identified and managed in a way that both parties are satisfied with the 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 risk, and for the consequences should the risk occur

#### **Course Objectives:**

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

- Provide an 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 allocation·
- Review risk management techniques during the life of a contract·

#### **Course Coverage:**

##### **Topic 1: Types and Management of Risk:**

- The Need for Contractual Relationships
- Defining Risk
- Categories of R for Both Sides of a Contract
- Risk Assessment Process
- Managing Risk
- Qualifying Suppliers
- Defining Internal Control
- Proportionality of Control

##### **Topic 2: Minimizing and Transferring Risk:**

- Transferring risk through Contract Types

- Firm Fixed Price or Lump Sum Contracts
- Cost reimbursable Contracts
- Incentive Contracts
- Award-Fee Pricing Arrangements
- Indemnities
- Cross Indemnities
- Insurance

### **Topic 3: Risk-Related Terms & Conditions:**

- External events
- Force majeure
- Strikes and other labour disputes
- Risk and Title
- Use of ICC Incoterms
- Assignment and Novation
- Other clauses that need to flow down to sub-contractors
- Risks associated with Sub-Contractors

### **Topic 4: Dealing with Financial Risks:**

- Controlling Risk Associated with Payments
- Currency Risk
- Economic Risk
- Fraud and Corruption
- Limiting or excluding liability
- Distinctions between liability in contract, and the general law
- “Gross negligence”
- A review of some sample clauses from standard contracts, and other real documents

### **Topic 5: Remedies When Bad Stuff Happens:**

- Mistakes and Misrepresentations
- Impracticability of Performance
- Remedies Generally
- Types of Remedies
- Liquidated damages
- Warranties
- Cover

### **Targeted Participants:**

- Contracts, Tendering, Purchasing, Procurement, and Project Personnel
  - Contract Administration, Engineering, Operational and Maintenance Personnel
  - Risk, Claims, Financial, and Audit Personnel
  - Project Management Professionals
  - And all others who are involved in the planning, evaluation, preparation and management of tenders, specifications, awards, and contracts that cover the acquisition of materials, equipment, and services and who are in organizations whose leadership want high levels of competency in those involved in these activities
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