Resource Person: Shaheer Malik, shaheermalik@rocketmail.com

Semester Fall, 2018

Course Title: Contracts Management in Supply Chain

Course Code:

Course Type: Applied

Pre-Requisite: Project Management

Counseling Hours: Class Evening

Program: Masters in Supply Chain Management

Program Head: Mr. Zakee Saadat

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|  | **Name** | **Signature** | **Date** |
| **Checked By**  (Program Head) | Mr. Zakee Saadat |  |  |
| **Approved By**  (Director SPA) | Dr. Naveed Yazdani |  |  |

**Course Description**

This course is aimed at getting a grasp over Contracts Management with specifically focusing on Supply Chain. The initials sessions lay the theoretical foundations on the needs of Contracts and what kinds of contracts are being made in field of Supply Chain.

The later sessions will be purely experiential in nature and will expose the students practically to the theoretical knowledge gained in the earlier sessions. It is through these sessions that the students will be able to understand and evaluate different contracts, planning the procurement process, selection of supplier, price negotiation, teaming arrangements and subcontractor management.

**Course Instructional Objectives**

1. The main instructional goal is to inculcate Contracts Management Skills in the students of Supply Chain.
2. This will be achieved through lectures, in-class activities.
3. The course will enable the students to select a proper contract type and identify the strengths and weaknesses of all possible contract approaches keeping supply chain in consideration.
4. Another instructional objective of the course is to connect the theoretical knowledge which the students already possess about different aspects of Supply Chain such as Procurement, Outsourcing, Third party Logistics hiring etc. to the process of Contract development.

**Course Student Objectives**

* The main student objective however is to develop an understanding of the Procurement Management process, supplier evaluation and selection, bidding process, contract types and negotiation strategies, contract closure procedures.

**Course Contents**

Following is the session-wise breakup of the course:

**Week 1.**

**Course introduction**

* One-to-one introduction.
* Recap of different aspects of Supply Chain Management.
* Difference between Procurement and Sourcing.
* Describing Procurement Management
* Classifying Centralized VS Decentralized Procurement organization Structure.

**Learning Outcomes:**

The students will be able to identify the difference between sourcing and Procurement along with discerning what is Procurement Management and what makes centralized & decentralized procurement structure different from each other.

**Week 2 Procurement Generic Categories**

* The need to categorize procurement.
* Identify different Procurement categories and their difference
* Special procurements including interdivisional and teaming agreements.

**Learning Outcomes:**

At the end of the session, the students will be able to identify procurement categories and differentiate between them.

**Week 3 Planning for Procurement**

* Procurement Scope
* Make or Buy Decision
* Determine Requirements and Market Availability.
* Develop Procurement Matrix

**Learning Outcomes:**

The Students will be able to define the procurement scope. Differentiating between Make or Buy Decisions and will be able to use Procurement Matrix.

**Week 4 Corporate Teaming Agreements and Alliances.**

* Teaming Agreements, alliances and Arrangements.
* Different Models for Teaming Agreements.
* Anti Trust Law Implications on Teaming Agreements.

**Learning Outcomes:**

The session will help students to understand why corporations collaborate with each other for a common task & the different ways in which this collaboration is done.

**Week 5 Procurement Risks**

* What is Procurement Risk
* Identification & Assessment.
* Responding Actions.

**Learning Outcomes:**

After this session the students would know implications of Risks in Procurement and how to deal with these Risks accordingly.

**Week 6 Contract Types**

* Fixed Price and Cost Reimbursement Contracts.
* Incentive Fee and award fee contracts.
* Time and Material Contracts.

**Learning Outcomes:**

This Session will help the Students to identify different types of Contracts and their applicability.

**Week 7 Supply Chain Contracts**

* Buy Back Contracts
* Revenue Sharing Contracts
* Quantity Flexibility Contracts
* Design Collaboration
* Logistics Contract
* Information Technology Contracts
* Warehousing Contracts.

**Learning Outcomes:**

This session will help the students to understand the different types of contracts that govern the supply chain.

**Week 8 Assessment Due: Mid Term Exam**

**Week 9 Planning for Solicitation**

* Supplier Selection Process and issues.
* Soliciting, Negotiating and Competing through Buying Approach.
* Construct a Request for Proposal (RFP).
* Evaluate Received Proposals.

**Learning Outcomes:**

The Students will be able to understand the Supplier Selection Process, the negotiation process and how to evaluate Received proposals for the award of contract.

**Week 10 Legal Aspects of Procurement Management.**

* Contract Law and Agency Law.
* Compare obligations of a Guarantor and a Surety
* Classify Special Contractual terms.

**Learning Outcomes:**

This session will help the students to understand the different Legal aspects of Procurement such as the role of a Guarantor.

**Week 11 Contract Administration**

* Apply Earned Value Management of Contracts.
* How to deal with 2nd and 3rd Tier Suppliers.
* Managing changes.

**Learning Outcomes:**

This session is intended to equip the students with knowledge on how to handle the contracts once they are made.

**Week 12 Close Out of Contracts**

* Termination of Contractual Relationships.
* Appraise Contracts Closure.
* Compile a Summary of Procurement Management.

**Week 13 PPRA Rules**

* Pakistan Procurement Regulatory Authority has developed standardized rules to procure for public sector organization.

**Learning Outcomes:**

Students will be introduced to the rules and regulations prevailing in the country.

**Week 14 Pakistan Engineering Congress Guidelines**

* Six guidelines issued by PEC specifically for large scale projects.

**Learning Outcomes:**

Students will be introduced to PEC guidelines for procurement process for large scale projects. Students will have industry examples of large scale projects how these PEC guidelines can help in managing these projects.

**Week 15 Final Presentations**

* The students will be divided in groups and will be asked to present different topics assigned to them regarding the subject.

**Recommended Book (s) & Text:**

* ***Project*** ***Procurement Management, Contracting, Subcontracting, Teaming***.

Quentin W. Fleming.

Publisher: FMC Press, 2003. ISBN 13: 9780974391205

* ***World Class Supply Management, The Key to Supply Chain Management. 8th Edition, McGraw-Hill***

David N. Burt, Donald W. Dobler, Stephen L. Starling

* ***Class Notes.***

**ASSESSMENT METHODOLOGY**

|  |  |
| --- | --- |
| **Mid Term Exam** | 25% |
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| **Final Term Exam** | 30% |
|  |  |
| **Quiz (3)** | 15% |
|  |  |
| **Final Presentation** | 20% |
|  |  |
|  |  |
| **Class Participation** | 10% |
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**CALENDAR OF ACTIVITIES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Session** | **Sub-Topic** | **Readings** | **Activities** |  |  | **Readings** | **Activities** |
| 1 | **Course introduction**   * One-to-one introduction. * Recap of different aspects of Supply Chain Management. * Difference between Procurement and Sourcing. * Describing Procurement Management * Classifying Centralized VS Decentralized Procurement organization Structure |  |  |
| 2 | **Procurement Generic Categories**   * The need to categorize procurement. * Identify different Procurement categories and their difference * Special procurements including interdivisional and teaming agreements. |  |  |
| 3 | **Planning for Procurement**   * Procurement Scope * Make or Buy Decision * Determine Requirements and Market Availability. * Develop Procurement Matrix |  |  |
| 4 | **Corporate Teaming Agreements and Alliances.**   * Teaming Agreements, alliances and Arrangements. * Different Models for Teaming Agreements. * Anti Trust Law Implications on Teaming Agreements |  | Quiz No.1 |
| 5 | **Procurement Risks**   * What is Procurement Risk * Identification & Assessment. * Responding Actions. |  |  |
| 6 | **Contract Types**   * Fixed Price and Cost Reimbursement Contracts. * Incentive Fee and award fee contracts. * Time and Material Contracts. |  |  |
| 7 | **Supply Chain Contracts**   * Buy Back Contracts * Revenue Sharing Contracts * Quantity Flexibility Contracts * Design Collaboration * Logistics Contract * Information Technology Contracts * Warehousing Contracts. |  |  |
| 8 | **Assessment Due: Mid Term Exam** |  | Quiz no.2 |
| 9 | **Planning for Solicitation**   * Supplier Selection Process and issues. * Soliciting, Negotiating and Competing through Buying Approach. * Construct a Request for Proposal (RFP). * Evaluate Received Proposals. |  |  |
| 10 | **Legal Aspects of Procurement Management.**   * Contract Law and Agency Law. * Compare obligations of a Guarantor and a Surety * Classify Special Contractual terms. |  |  |
| 11 | **Contract Administration**   * Apply Earned Value Management of Contracts. * How to deal with 2nd and 3rd Tier Suppliers. * Managing changes |  |  |
| 12 | **Close Out of Contracts**   * Termination of Contractual Relationships. * Appraise Contracts Closure. * Compile a Summary of Procurement Management. |  | Quiz No.3 |
| 13 | **PPRA Rules**   * Pakistan Procurement Regulatory Authority has developed standardized rules to procure for public sector organization. |  |  |
| 14 | **Pakistan Engineering Congress Guidelines**   * Six guidelines issued by PEC specifically for large scale projects. |  |  |
| 15 | **Final Presentations**   * The students will be divided in groups and will be asked to present different topics assigned to them regarding the subject. |  |  |