



LSM1606

Managing Long Term Agreements

Course Introduction:

The long term agreement processes must be transparent, efficient and well managed. The right commercial agreement model needs to be selected. The client company must make sure it chooses an able and affordable contractor. The scope of work must be well defined. The risks must be appropriately apportioned between the parties, and the consequences of late or poor performance must be reflected in the agreement and managed appropriately. The agreement must be administered effectively to keep the job on track, and if changes are required, the agreement should facilitate the variations.

This Five-days training course will cover the different aspects of managing agreement; to help participants become deeply understand what has influenced the development of long term agreement.

Course Objectives:

Upon successful completion of this course, the delegates will be able to:

- ✓ Have a clear understanding of the strategic role of contracts and procurement
- ✓ Develop an understanding of how commercial agreements are created and administered
- ✓ Have a clear understanding of Long Term Agreements
- ✓ Reinforce good practices in creating specifications and statements of work
- ✓ Apply Procurement Planning & Strategy Development
- ✓ Learn how to choose the right type of Long Term Agreement
- ✓ Assess the cost & benefit analysis of LTA
- ✓ Learn the main elements of LTA
- ✓ Understand factors to be looked into while selecting Long Term Agreement
- ✓ Identify the reasons why your Business Needs long term service contracts
- ✓ Identify the Framework Arrangements recommended by the Chartered Institute of Purchasing & Supply
- ✓ Learn the practical considerations for introducing Framework arrangements
- ✓ Update delegates on ways to evaluate supplier proposals
- ✓ Build skills in how to manage contractor performance
- ✓ Define the contract pre-award and post award activities
- ✓ Prepare delegates to manage and resolve agreement disputes
- ✓ Use the appropriate negotiation technique and tactic

Who Should Attend?

This course is intended for all contract managers and administrators, procurement directors/managers, supply chain managers, contract analysts and engineers, buyers, purchasing professionals and procurement officers, supplier managers and anyone involved in the planning, evaluation, preparation and management of commercial long term agreements process.

Course Outline:

Day 1:

SESSION ONE: OVERVIEW OF LONG TERM AGREEMENTS

- Definition of Long Term Agreements
- What are the different terminology used for Long Term Agreements?
- What are the conditions under which LTA can be used?
- What are the advantage of using LTA?
- What are the disadvantage for using LTA?
- What are the guidelines of United Nations for using LTA for their own organizations?

SESSION TWO: PROCUREMENT PLANNING & STRATEGY DEVELOPMENT

- What are the steps involved in developing a Procurement Strategy?
- What is the significance of Spend Analysis?
- What are the Risk Analysis and Management factors?

Day 2:

SESSION THREE: HOW DO YOU CHOOSE THE RIGHT TYPE OF LONG TERM AGREEMENT?

- What are the different types of LTA?
- When to evolve Global, Regional or Local LTA?
- When to establish Single and Multiple LTA?
- What are the advantages of Single LTA /Multiple LTA in cascade/Multiple LTA with Secondary Bidding
- What are the disadvantages of the following:
 - Single LTA /Multiple LTA in cascade
 - Multiple LTA with Secondary Bidding

SESSION FOUR: HOW DO YOU ASSESS THE COST & BENEFIT ANALYSIS OF LTA?

- What are the areas where cost and benefit analysis should be carried out?
- What are the relevance of Spend Analysis, Procurement Planning, Strategic Development Process?
- What are the methods in which savings can be assessed in LTA?
- What is structural and derivative cost savings in LTA?
- What are the inherent costs in LTA?

Day 3:

SESSION FIVE: WHAT ARE THE MAIN ELEMENTS OF LTA?

- What are the factors influencing the decision of LTA contract duration?
- What is the role of accurate estimates in solicitation documentation for
- Suppliers Vs the actual utilization against LTA?
- What is the significance of Not-to-Exceed (NTE) amounts in the LTA?
- What is the function and importance of Contract Review Committee?
- When and where to use LTA?

SESSION SIX: WHAT ARE THE FACTORS TO BE LOOKED INTO WHILE SELECTING LONG TERM AGREEMENT?

- Is the LTA beneficial to both the provider and the customer?
- Does the customer have a written agreement of standards that the provider must meet?
- Do you expect your provider to be accessible by phone or email?
- Will the Service Provider reward the customer signing a long term agreement with discounted services or waived discounted setup fees
- What are the special services available only for long term contracts?
- What are the factors built-in in LTA such as locking in period, pre closure of the contract automatic renewal clauses, etc;?

Day 4:

SESSION SEVEN: WHAT ARE THE REASONS WHY YOUR BUSINESS NEEDS LONG TERM SERVICE CONTRACTS?

- Why Specialists are better than Generalists?
- What are the advantages of having Managed Service Providers?
- Why a Standard Set of Services on Contract Basis can offer better services to customers?
- How short turnaround time can be facilitated by the Service Provider?
- How economies of scale can be used advantageously?
- How an ongoing relationship with the service provider enable in fixing problems before they start?

SESSION EIGHT: WHAT ARE FRAMEWORK ARRANGEMENTS RECOMMENDED BY THE CHARTERED INSTITUTE OF PURCHASING & SUPPLY:

- What is the distinction between Framework Agreements & Framework
- Contracts.
- What are Trading Agreements & Standing Offers in Framework
- arrangements
- What are the distinctive features of the Framework Arrangements?
- What are the Procurement Rules European Union members should comply with?
- How the Framework arrangements are carried out in Public Sector?

- How are framework arrangements are carried out in Utility Sector?
- What are the variations in framework arrangements and their use?
- What are the advantages of Framework arrangements?

Day 5:

SESSION NINE: WHAT ARE THE PRACTICAL CONSIDERATIONS FOR INTRODUCING FRAMEWORK ARRANGEMENTS?

- What are the responsibilities of Purchasing Professionals while putting
- Framework arrangements into best use of the organization's needs?
- How can you implement policies , procedures and standing orders within the overall framework arrangements?
- What are the mechanism for monitoring the Framework arrangements?
- What are the Performance criteria that can be incorporated?
- What are the conclusions which can drawn in the implementation and in the practical use.

AN OVERVIEW OF:

- Procurement and Tendering Essentials
- Procurement Techniques and Tools of Analysis
- Supplier Management and Performance
- Contract Award and Contract Management
- Effective Negotiation to Contract

Course Requirement:

"Hand's on practical sessions, equipment and software will be applied during the course if required and as per the client's request".

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test

- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Fees:

To be advised as per the course location. This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee/Tea
08:20 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:30	Recess (Prayer & Lunch)
13:30 - 15:00	Last Session

المركز العالمي للتدريب والتطوير
International Centre For Training & Development