



# The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Leading global excellence in procurement and supply

# Segment 5.6 Contracting for Major Programs and Projects

**Level:** Professional

**Theme:** Contracting

<b>Knowledge: Will know and understand</b>	<b>Capabilities: Will be able to</b>
The development and implementation of contracts	Advise and lead on the development and implementation of contracts
The use and application of a range of contracting options for major programmes, projects and complex procurement activity	Evaluate the range of contracting options for major programmes, projects or complex procurement activity, including the situations when each should be used, taking account the full scope of the project and the project outcomes
The use of standard model form contracts for procurement activity	Evaluate the range of standard model form contracts that are available for major programmes and projects. Select the most appropriate for the programme or project
The development of business cases, specifications, contract terms and lotting strategies	Create contracting plans with stakeholders that develop effective business cases, specifications, contract terms and lotting strategies
Key clauses included in contract forms for major programmes and projects	Interpret the key clauses included in contract forms for major programmes and projects to provide advice to colleagues and other stakeholders

## Knowledge: Will know and understand

## Capabilities: Will be able to

The use of optional clauses and schedules

Evaluate and make any necessary revisions to optional clauses and schedules included in contract forms for major programmes and projects

The use of pricing mechanisms for major programmes and projects, such as:

- Fixed lump sum
- Activity schedule
- Bills of quantity
- Target costing methods
- Risk and reward pricing mechanism
- Cost reimbursable

Evaluate the range of pricing arrangements available for major programmes or projects and recommend the most appropriate mechanism for the specified project, ensuring that the flows of money in the performance of contracts are equitable

The use of partnering relationships in procurement and supply

Encourage stakeholders to form effective on-going relationships with their supply chains

The use of early warning notices and risk reduction meetings in projects and programme management

Work to ensure suppliers perform contractual duties, and encourage good practice in the management of projects and programmes to avoid escalating costs and delays

Mechanisms for managing risks with suppliers in programmes and projects

Create risk registers and other mechanisms for managing risks in programmes and projects, and recommend arrangements for the sharing of risk with the organisation's supply chain to minimise disruption and costs

Knowledge: Will know and understand	Capabilities: Will be able to
Timescales and approvals for contracts	Streamline contracting processes that maximise efficiency and effectiveness

## Related CIPS Knowledge Links

[Project / Programme Management - http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Project--Programme-Management/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Project--Programme-Management/)

[Terms and Conditions and the Developing of Contracts - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/)

[Specification Development - https://www.cips.org/intelligence-hub/procurement/kpis](https://www.cips.org/intelligence-hub/procurement/kpis)