

Engineering Contracts & Contract Management

Course general description:

Engineering projects are governed by complex contracts that define the rights, responsibilities, and obligations of all parties involved. This course delves into advanced contract management principles and legal aspects critical to engineering bids. Participants will gain a deep understanding of various contract types, key legal clauses, negotiation strategies, and post-bid management practices. By exploring international standards like FIDIC and local regulations such as NEC (UK) and AIA (US), participants will learn how to protect organizational interests, manage variations and claims, and ensure smooth project handover.

Audience:

This course is designed for:

- Contract managers and administrators responsible for managing engineering contracts.
- Project managers and engineers involved in bid preparation and execution.
- Legal professionals specializing in construction and engineering law.
- Procurement and supply chain specialists working on contractual matters.
- Consultants and contractors seeking to enhance their contract management skills.

Course objectives:

Upon completion of the course, participants will acquire:

- Understand the characteristics and applications of different contract types: Lump-sum, cost-plus, and EPC.
- Master the interpretation of key legal clauses such as penalties, force majeure, and dispute resolution mechanisms.
- Develop effective negotiation strategies to balance client demands with profitability.
- Learn to handle post-bid challenges, including variations, claims, and project handover.
- Gain familiarity with international standards like FIDIC and local regulations such as NEC and AIA.
- Be equipped to protect organizational interests and mitigate risks throughout the contract lifecycle.

Course duration:

5 days

Course location:

Dubai

Course contents:

Day-1: Understanding Contract Types and Their Applications

1. **Overview of Contract Types** – Lump-sum, cost-plus, EPC contracts, their advantages/disadvantages, and selection criteria.
2. **Aligning Contracts with Project Objectives** – Matching contract types to project scope, risk, and complexity; risk allocation.
3. **Case Study & Discussion** – Challenges in selecting the wrong contract type; analyzing contract selection for an infrastructure project.
4. **Quiz** – Identifying the appropriate contract type for given scenarios.

Day-2: Key Legal Clauses in Engineering Contracts

1. **Penalties & Liquidated Damages** – Definition, purpose, calculation, enforceability, and avoiding disputes.

2. **Force Majeure & Unforeseen Circumstances** – Understanding force majeure, drafting robust clauses, real-world examples.
3. **Workshops & Tutorials** – Drafting penalty and force majeure clauses, resolving disputes, evaluating force majeure claims.

Day-3: Negotiation Strategies for Engineering Contracts

1. **Principles of Effective Negotiation** – Preparing for negotiations, understanding priorities, collaborative approaches.
2. **Handling Complex Negotiations** – Addressing contentious issues (payment terms, risk allocation, timelines), overcoming impasses.
3. **Interactive Exercises** – Simulating negotiation scenarios, resolving payment disputes, applying negotiation strategies in quizzes.

Day-4: Post-Bid Management and Claims Handling

1. **Managing Variations & Change Orders** – Causes, approval processes, impacts on timelines/budgets.
2. **Claims Management & Dispute Resolution** – Types of claims, steps for submission, dispute resolution methods (mediation, arbitration, litigation).
3. **Case Studies & Discussions** – Lessons from poorly managed variations, resolving delay claims using FIDIC guidelines, claims identification quiz.

Day-5: Standards, Compliance, and Final Assessment

1. **International & Local Contract Standards** – Overview of FIDIC, NEC (UK), and AIA (US) frameworks; ensuring regulatory compliance.
2. **Course Recap & Best Practices** – Reviewing contract management essentials, avoiding common pitfalls, continuous improvement strategies.
3. **Final Assessment & Wrap-Up** – Written test, course feedback session, certificate distribution.

Methodology:

- 50% Lectures & concepts
- 20% Case studies
- 30% Workshop & discussion

Course code: (CONT003)