

Commercial Contracting [L4M3]

Target Audience: If you have over 2+ years of relevant experience in a business environment, our Level 4 Diploma will be for you. You'll develop the technical skills, knowledge and competencies employers are looking for.

Hours: 60 Hours

Pre-requisite: Basic understanding of how supply chain works. This is the third entry level qualification, there are no formal entry requirements.

1.0 Understand the legal issues that relate to the formation of contracts

1.1 Analyse the documentation that can comprise a commercial agreement for the supply of goods or services

- Invitation to tender or request for quotation
- Specification
- Key performance indicators (KPIs)
- Contractual terms
- Pricing and other schedules (such as for health and safety records, details of suppliers staff, use of sub-contractors, non-disclosure/confidentiality agreements)

1.2 Analyse the legal issues that relate to the creation of commercial agreements with customers or suppliers

- Invitations to treat or invitations to negotiate
- Rules relating to offer and acceptance, consideration, intention to create legal relations and capacity to contract
- The battle of the forms and precedence of contract terms
- Risks presented by contracting on suppliers terms or through oral contracts
- The Vienna Convention on the International Sales of

Goods

- Misrepresentations made pre-contract award

1.3 Compare types of contractual agreements made between customers and suppliers

- One off purchases
- Framework arrangements and agreements
- The use of mini-competitions
- Call offs
- Services contracts
- Contracts for the hire and leasing of assets

2.0 Understand the fundamentals of specifications and key performance indicators that are included in contractual arrangements made with suppliers

2.1 Analyse the content of specifications for procurements

- Drafting specifications and developing market dialogue with suppliers
- The use of standards in specifications
- Typical sections of a specification
- Standardisation of requirements versus increasing the range of products
- Including social and environmental criteria in specifications
- The role of Information Assurance in developing specifications

2.2 Appraise examples of key performance indicators (KPIs) in contractual agreements

- Defining contractual performance measures or key performance indicators (KPI)
- The use of service level agreements

- Typical KPI measures to assess quality performance, timeliness, cost management, resources and delivery

3.0 Understand the key clauses that are included in

formal contracts

3.1 Analyse contractual terms for contracts that are created with external organisations

- The use of express terms
- The use of standard terms of business by both purchasers and suppliers
- The use of model form contracts such as NEC, FIDIC, IMechIEE

3.2 Recognise examples of contractual terms typically incorporated into contracts that are created with external organisations

- Key terms in contracts for indemnities and liabilities, sub-contracting, insurances, guarantees and liquidated damages
- Terms that apply to labour standards and ethical sourcing

3.3 Recognise types of pricing arrangements in commercial agreements

- The use of pricing schedules
- The use of fixed pricing arrangements
- Cost plus and cost reimbursable pricing arrangements
- The use of indexation and price adjustment formulae
- The use of incentivised contracts
- Payment terms