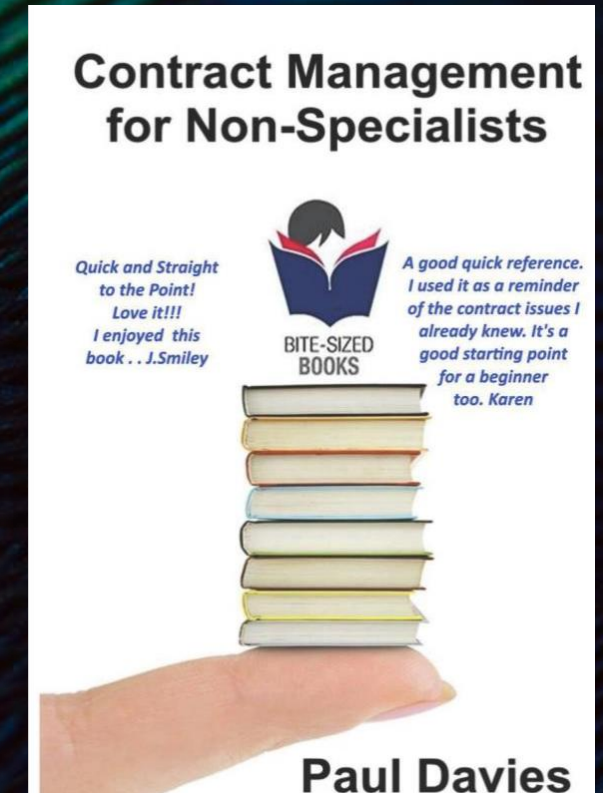


PMISOMD Book Club Review: Contract Management for Non-Specialists

BY PAUL DAVIES

REVIEW BY JEFF YELLETS – 8/28/2019



A group of people in a meeting room, looking at documents. The scene is dimly lit with a red wall in the background. A red square is visible in the top right corner.

Kick-off Discussion:
Where do we see
Contracts in our
everyday lives?



What did
you think
about the
book?

My Thoughts Overall

Things I liked:

- ▶ Short Book – only 30 Pages. Despite 30 Pages, I took my time and spent 3 hours reading it.
- ▶ If you are unfamiliar with contracting, a good starting point.
- ▶ Very high level, general. Noticed a British viewpoint.
- ▶ I liked the advice on reading a contract.



Poll: Rate the book
overall

Discussion Question

WHAT DID YOU WISH WAS IN THE BOOK?

Things I wished were in the book

Things I wished were there:

- ▶ I felt like some contract basics were missing – things like types of contracts; the risks of various contract types, and contracts in our everyday lives.
- ▶ Having a DoD Contractor role, I wished the book was more specific, but understand why it was not.

Contents

Chapter 1:
Introduction (3
Pages)

Chapter 2:
Objectives (1
Page)

Chapter 3:
Conventions (1
Page)

Chapter 4:
Reading a
Contract (4 Pages)

Chapter 5:
Contract Elements:
(11 Pages)

Chapter 6:
Managing the
Contract (5 Pages)

Chapter 7: Active
Reading Summary
(1 Page)

Chapter 8: The
Successful
Contract Manager
(1 Page)

Chapter 9:
Reassurance (1
Page)

Chapter 10: Next
Steps (1 Page)

Chapter 11:
Conclusion (1
Page)

Take-Aways: Introduction



Book is aimed at Business and Project Managers.



The role of the contract manager is about dispute prevention or dispute mitigation.



A contract defines what will be delivered.



A contract is a promise to provide something and binds parties to do something.



If you don't have to mention the contract, that is a good thing.

Take-Aways: Objectives for a Contract Manager



UNDERSTAND WHERE POTENTIAL PROBLEMS CAN OCCUR.



UNDERSTAND WHEN THINGS GET DEMANDING



FIND OUT AND FOCUS ON WHAT THE CONTRACT TREATS AS VITAL.



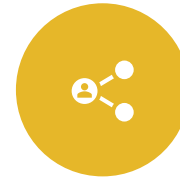
LOOK AT CLAUSES THAT REQUIRE SOMETHING OF YOU.



MONITOR THE CONTRACT



ANTICIPATE AND MITIGATE RISKS



COMMUNICATE WITH THE CONTRACT MANAGER ON THE "OTHER SIDE"

Takeaways: Conventions

Understand

Understand the contract numbering system

Look

Look for problems caused by previous revisions

Find

Find words in bold or italics that might be previously defined

Take-aways: Reading a Contract

Make sure you are reading the right version of the contract (like a signed one)

Lots of Boilerplate – read it carefully in case something was changed.

It's a boring but necessary thing...

Check the basics... company name, subject of the contract

Look for termination clauses – they expose you to risk

Better understand the requirements.

Don't disengage your mind – read actively

Look for trigger words

Takeaways: “Contracts” (Structure)

- ▶ Lots of Sections
- ▶ The chapter has definitions of each section and tries to cover the general areas.



Takeaways: How to manage a contract



COMMUNICATE A LOT



NINE STEPS OUTLINED –
PAGES 22-25

Takeaways: What to pay attention to... (p. 26)

Delivery Schedules

Acceptance Criteria

Payment Terms/
How to Pay

Trigger Points

Potential Problems

Time Crunches

How to solve a dispute

Concerns/Things you Don't Understand

Termination Clauses

Takeaways – Last Four Chapters



Chapter 8 - What a Contract Manager Should Do



Chapter 9 – YOU CAN DO IT. And both sides have a vested interest in seeing the contract succeed.



Chapter 10: Get a Contract and Read it.



Chapter 11: The book doesn't have all the answers but is a good starting point. Get help for sticky problems.

NOT IN THE BOOK (but in the PMBOK): Types of Contracts – and When are They Used?

- Firm Fixed Price
- Fixed Price Incentive Fee
- Fixed Price Economic Price Adjustments
- Cost Plus Incentive Fee
- Cost Plus Award Fee
- Cost Plus Fixed Fee
- Time and Materials

Some extra slides for
those with Federal
or DOD Contracts

Example: Federal/DOD Contract Structure (not in the book)

Section A:
Solicitation/Contract
Form (with signatures)

Section B: CLIN
Structure

Section C: Statement of
Work

Section D: Packaging
and Marking

Section E: Inspection
and Acceptance

Section F: Deliveries or
Performance

Section G:
Contract/Administrative
Clauses

Section H: Special
Requirements

Section I: FAR and
DFARS Clauses

Section J: List of
Attachments

Sections L and M – only
in RFPs – (How to
respond to the RFP,
How the government
will evaluate the RFP)

Not in the
Book:
Where to find
clauses for
Federal and
DOD
contracts.

Get familiar with the Federal
Acquisition Regulation (or FAR)

- <https://www.acquisition.gov/browse/index/far>

For DOD contracting – also need the
Defense FAR Supplement (or DFARS)

- <http://farsite.hill.af.mil/vmdfara.htm>

