



استراتژی مدیریت قرارداد

برای مدیران قرارداد

پیکره دانش مدیریت قرارداد (Contract Management Body of Knowledge)

بخش اول: چارجوب اصلی مدیریت قرارداد

ارائه دهنده:

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What we will learn?

- ☐ Introduction to contract management body of knowledge (CMBOK)
- ☐ Contract management framework
- ☐ Contract life cycle
- ☐ Contract stakeholders
- ☐ Environmental trends
- ☐ Performance metrics
- ☐ Contract management as a profession
- ☐ Specialized knowledge areas

How the CMS developed?

PERFORMANCE METRICS

2001 Survey

❑ In **2001**, NCMA sponsored study to provide a better understanding of the performance metrics and performance evaluation systems by which **organizations** measure

1. Performance of contract managers and purchasing professionals,
2. What performance standards might be appropriate to use in the **future**

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Top 10 skills – Currently

❑ The **top 10 skills respondents** believe currently impact the performance of contract managers are:

1. Responsiveness,
2. Integrity and adherence to ethical standards,
3. Timeliness,
4. Written communication,
5. Verbal communication,
6. Human relations/interpersonal skills,
7. Problem-solving ability,
8. Education,
9. Internal customer service, and
10. Business judgment.

Top 10 skills – Future

❑ The **top 10 skills** respondents believe will affect the performance of contract managers in the future are:

1. Integrity and adherence to ethical standards,
2. Human relations/interpersonal skills,
3. Business judgment,
4. Decision-making,
5. External customer service,
6. Written communication,
7. Negotiation skills,
8. Customer focus,
9. Problem-solving ability, and
10. Responsiveness

CONTRACT MANAGEMENT AS A PROFESSION

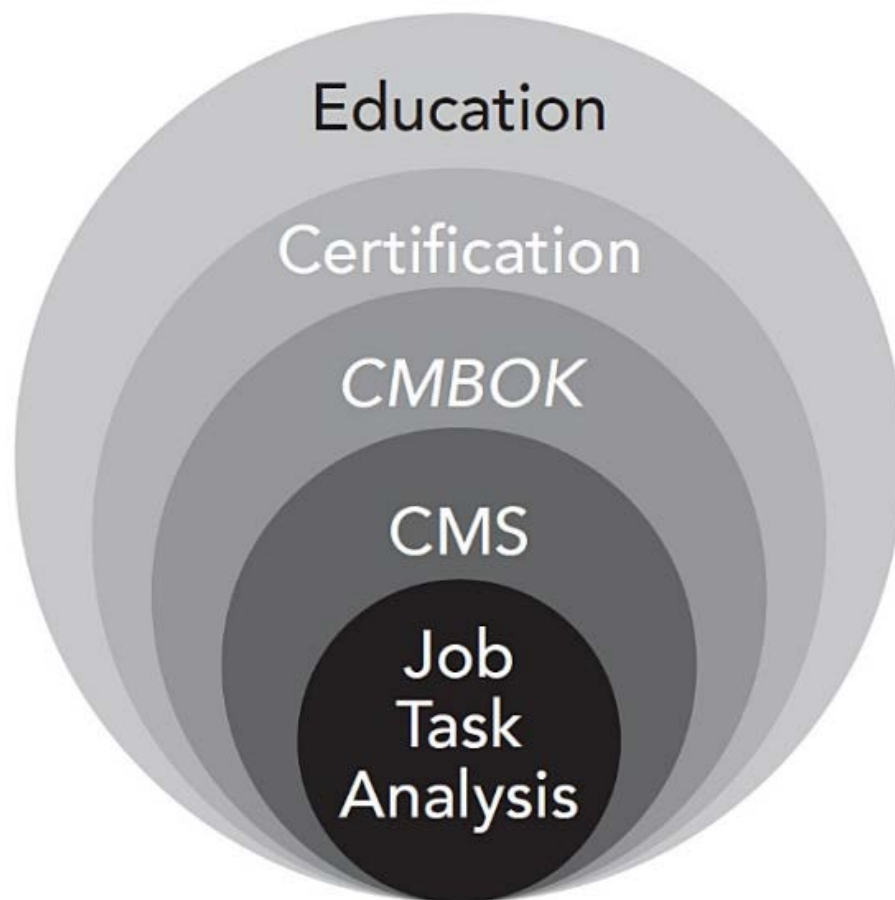
Five characteristics

❑ The **U.S. Department of Labor** has held that a profession has at least **five distinct characteristics**:

1. A professional organization
2. A code of ethics
- 3. A body of knowledge**
4. Research activities
- 5. A credentialing body**

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Body of knowledge – CMBOK foundation and immersion



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Credentialing body

- ❑ The NCMA professional certification program is designed to elevate professional standards, enhance individual performance, and distinguish those who demonstrate knowledge essential to the practice of contract management. NCMA administers and maintains the following certifications: Certified Professional Contract Manager (CPCM), Certified Federal Contract Manager (CFCM), Certified Commercial Contract Manager (CCCM), and Certified Contract Management Associate (CCMA).

<https://ncmahq.org/Web/Web/Certification/Certification.aspx>



Credentialing body

پیکره دانش مدیریت قرارداد (Contract Management Body of Knowledge)

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Certification	CPCM™	CFCM™	CCCM™	CCMA
	Certified Professional Contract Manager® For both government and commercial contract managers. View the CPCM Handbook at www.ncmahq.org/CPCMhandbook	Certified Federal Contract Manager™ For professionals supporting federal government initiatives, based on the Federal Acquisition Regulation.	Certified Commercial Contract Manager™ For commercial contract managers, based on the Uniform Commercial Code.	Certified Contract Management Associate For entry-level contract management professionals with demonstrated proficiency in the knowledge of the Contract Management Standard™.
Requirements				
Bachelor's Degree	Yes	Yes	Yes	Yes OR
Work Experience	> 5 years	> 2 years	> 2 years	1 year
Hours of continuing professional education	> 120 hours	> 80 hours	> 80 hours	> 40 hours
Application Fee	\$225 (members) \$425 (non-members)	\$165 (members) \$365 (non-members)	\$165 (members) \$365 (non-members)	\$90 (members) \$295 (non-members)
Exam Fee	\$135 \$160 for non-U.S. applicants	\$135 \$160 for non-U.S. applicants	\$135 \$160 for non-U.S. applicants	\$135 \$160 for non-U.S. applicants
Exam Type	In-Person Online Proctored Exam (OLP)	In-Person Online Proctored Exam (OLP)	In-Person Online Proctored Exam (OLP)	In-Person Online Proctored Exam (OLP)



Credentialing body

Certified Professional Contract Manager™

CPCM™ holders are professionals who have mastered the competencies in the Contract Management Body of Knowledge (CMBOK).

[Learn more](#)

Certified Commercial Contract Manager™

CCCM™ holders exhibit knowledge as a contract manager as it relates to the training & knowledge of the Uniform Commercial Code (UCC).

[Learn more](#)

Certified Federal Contract Manager™

CFCM™ holders exhibit knowledge from the perspective of the federal environment, which is heavily focused on the Federal Acquisition Regulation (FAR).

[Learn more](#)

Certified Contract Management Associate

CCMA certificate holders have demonstrated proficiency in the knowledge of the Contract Management Standard™.

[Learn more](#)

Credentialing body



The image shows a presentation slide for NCMA. On the left, the NCMA logo is displayed with the text "NATIONAL CONTRACT MANAGEMENT ASSOCIATION" and "CONNECTING TO CREATE WHAT'S NEXT". Below the logo is a group photo of several people. On the right, the text "OVERVIEW OF NCMA CERTIFICATIONS" is written in large, bold, blue letters, followed by "MARCH 8, 2023". A small video thumbnail in the top right corner shows a woman speaking, with the text "Jody Leoni - NCMA" below it.

<https://youtu.be/g-KbhuVAAxo>

SPECIALIZED KNOWLEDGE AREAS

Introduction

- ❑ Certain types of contract management actions require **highly specialized experience and knowledge** to perform effectively.
- ❑ This section presents a **brief overview** of specialty areas in contract management.
 1. Some of the areas relate exclusively to government contract management,
 2. Others relate exclusively to commercial contract management, and
 3. Some have a degree of application to both the government and commercial sectors.

Some terms

shall

The imperative.

should

An expected course of action or policy that is to be followed unless inappropriate for a particular circumstance.

may

Denotes the permissive. However, the words "no person may" mean that no person is required, authorized, or permitted to do the act described.

"in writing," "writing," or "written"

Any worded or numbered expression that can be read, reproduced, and later communicated, and includes electronically transmitted and stored information.

9 specialized knowledge areas for contract management

❑ The following specialized knowledge areas are presented in more detail:

1. Architect-Engineering Services and Construction,
2. Category Management,
3. Earned Value Management,
4. Information Technology,
5. International Contract Management,
6. Major Systems,
7. Research and Development,
8. Sustainable Procurement, and
9. Other Specialized Knowledge Areas

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Architect-Engineer services and construction

- ❑ Contracts for architectural, engineering, and construction services are **unique** and are often **awarded** by **contract managers** with specialized knowledge, skills, and experience in **engineering and construction contracts**.

How to acquire A-E services?

Architect-Engineer services and construction – Architect-Engineer services

❑ When acquiring A-E services,

1. Government normally **publicizes** the requirements for such services and
2. **Negotiates contracts** based on demonstrated competence and qualifications to perform the services at fair and reasonable prices.

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Architect-Engineer services and construction – Architect-Engineer services

❑ Qualification-Based Selection.

- ❖ Federal government A-E services are procured using qualification-based selection pursuant to the **Brooks Act**.

**Remember we taught Qualification-Based Selection in
Construction Management Course?**

But you probably don't know Brooks Act!

Architect-Engineer services and construction – Architect-Engineer services

□ According to the American Council of Engineering Companies (ACEC), and based upon the requirements of the Brooks Act (Pub. L. 92-582), there are **seven basic steps** involved in pursuing **federal design work under qualification-based selection** (ACEC, “The Brooks Act”):

1. Public solicitation for A-E services,
2. Submission of an annual statement of qualifications and supplemental statements of ability to design specific projects for which public announcements were made,
3. Evaluation of both the annual and project-specific statements,
4. Development of a **short list** of at least **three submitting firms** in order to conduct an interview with them,
5. Interviews with the firms,
6. Ranking of at least three of the most-qualified firms, and
7. Negotiation with the top-ranked firm.

How to evaluate?

Architect-Engineer services and construction – Architect-Engineer services

❑ Evaluation and Selection.

❖ **Normal evaluation and selection criteria** for A-E services usually include having:

1. The professional qualifications necessary for satisfactory performance of the required services;
2. The specialized experience and technical competence in the type of work required;
3. The capacity to accomplish the work in the required time;
4. The past performance in both the government and commercial sectors in terms of cost control, quality of work, and compliance with performance schedules; and
5. The proximity to the general geographical area of the project and knowledge of the local conditions.

Architect-Engineer services and construction – Construction services

- ❑ In commercial construction contract management,
there are both formal and informal policies and procedures used in acquiring construction services.

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Architect-Engineer services and construction – Construction services

- ❑ In government construction contract management,

sealed-bid procedures may be used for construction contracts.

sealed bid

A document enclosed in a glued (sealed) envelope and submitted in response to an invitation for bids. Sealed bids received up to the deadline date are generally opened at a stated time and place (usually in the presence of anyone who may wish to be present) and evaluated for award of a contract.

- ❑ The **following steps** are commonly used by the government as part of a construction contract management process:

sealed-bid procedure

1. Pre-solicitation notice
2. Invitation for bids
3. Pre-bid conferences
4. Notice of award
5. Pre-construction orientation

- A method of contracting that employs competitive bids, public bid opening, and awards. The award is made to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the buyer considering only price and price-related factors included in the invitation.

Architect-Engineer services and construction – Construction services

❑ Pre-solicitation notice—

- ❖ A pre-solicitation notice is issued containing **sufficient detail** to identify nature, volume, location, and schedule for the requirement.
- ❖ These notices are usually issued well in advance of the invitation for bids to stimulate interest in the greatest number of prospective bidders.

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Architect-Engineer services and construction – Construction services

❑ Invitation for bids—

- ❖ A solicitation instrument used in the **sealed-bidding method** of procurement.
- ❖ It should allow **sufficient time** for bidders to perform the many tasks and issues associated with the **bid process**, including:
 - ✓ Site inspection,
 - ✓ Obtaining required subcontract management bids,
 - ✓ Examining plans and specifications, and
 - ✓ Preparing the required estimates.

sealed bidding

Procurement by obtaining sealed bids and awarding the contract to the lowest-priced responsible bidder whose bid is responsive.

Architect-Engineer services and construction – Construction services

❑ Pre-bid conferences—

- ❖ These conferences are often held to ensure that **all prospective bidders** have a clear and complete understanding of **all aspects of the requirement**.

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Architect-Engineer services and construction – Construction services

❑ Notice of award—

❖ This is done in **writing or electronically** and contains the following information:

- ✓ Identifies the invitation for bids,
- ✓ Identifies the contractor's bid,
- ✓ States the award price,
- ✓ Advises the contractor that

any **required payment and performance bonds**

must be promptly executed and returned to the **contracting officer**, and

- ✓ Specifies the date of commencement of work or advises that a notice to proceed will be issued.

Architect-Engineer services and construction – Construction services

❑ Pre-construction orientation—

- ❖ A pre-construction conference is often held with the **successful offeror**

before the construction effort begins to ensure

that there is a complete understanding of all issues related to the effort.

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9 specialized knowledge areas for contract management

❑ The following specialized knowledge areas are presented in more detail:

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Category management

- ❑ **Contract managers** need to understand the **role of contract management** within category management and adopt category management tools.
- ❑ The **following sections** explore **how category management** is performed in industry and the federal government.

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Category management – Category management basics

- ❑ Category management is a **market-facing strategic approach** to managing an organization's **goods and services** spending with third-party providers.
- ❑ It began in the **1980s**,
 1. First as a method of **organizing retail goods** by the ways consumers used them, and
 2. Later in **manufacturing and other procurement organizations** to segment third-party spending into categories for more effective and efficient purchasing.

Category management – Category management basics

❑ Based on analysis of spend, market, and supplier intelligence, **category and subcategory teams** apply

1. Strategic sourcing
2. Demand management
3. Contract management
4. Supplier management

Tools include:

Category management – Category management basics

❑ Strategic Sourcing.

- ❖ **Knowing and being able to deliver the full volume of enterprise demand** enables commitment to
 1. Buy in larger lots and
 2. Consequently to negotiate lower prices
- ❖ **Knowing the **character of demand** across an **organization** permits standardization.**
- ❖ **Buying fewer versions of a product or service**
 1. Reduces unit cost
 2. Enables interchangeability
 3. Simplifies deployment
 4. Makes repairs and maintenance less expensive

Category management – Category management basics

❑ Strategic Sourcing.

- ❖ Aggregating demand within a category can **win price** from suppliers.
- ❖ **Market and supplier insights** enable procurement **efficiencies** such as
 - ✓ Buying at the end of model years or when sales cycles are ending,
 - ✓ Linking payment to desired outcomes,
 - ✓ Targeting best-in-class suppliers,
 - ✓ Developing performance-based requirements, and
 - ✓ Choosing contract types commonly used within a market.

Category management – Category management basics

❑ Demand Management.

❖ Category teams help **organizational units**

1. Redirect
2. Reshape
3. Reduce

their demand for **goods and services** and refine and consolidate their requirements.

❖ This requires discovering

1. What is being bought now,
2. What will be needed in the future, and
3. Asking “why” in both cases based on the true objectives

Category management – Category management basics

❑ Contract Management.

- ❖ Category teams must craft contracts using **performance incentives** appropriate to **category markets**.
- ❖ **Strategic sourcing** should **result in contracts** with only best-in-market suppliers that have the capacity and capability to **meet organizational requirements**.
- ❖ Where there is greater value to be captured, **contract management** can produce savings or elicit service above expectation at **little added cost** via
 1. Negotiated cost reductions over time,
 2. Price benchmarking or
 3. Process improvement bythe supplier, the buyer, or both.

*Price benchmarking is a systematic and strategic method used by businesses to **compare** their product or service prices with those offered by **competitors** in the **niche**.*

Category management – Category management basics

❑ Supplier Management.

- ❖ Supplier performance should be **monitored and measured** against category metrics and across categories.
- ❖ Centrally managed categories should collect **feedback** on suppliers from all agencies that **buy from them**.
- ❖ Those of **strategic importance** should
 1. Receive the **most attention** to maintain and **improve performance** and
 2. Be considered for larger and potentially **longer-term contracts**.

Category management – Category management basics

❑ Supplier Management.

❖ Segmenting suppliers by

1. Strategic importance,
2. Size of spend, and
3. Their view of the buyer's importance as a customer

allows **commercial category teams** to identify some for **further development.**

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Earned value management (NDIA, 2022)

- ❑ The use of an **EVMS strategically augments** good project management to facilitate the planning and control of cost and schedule performance.
- ❑ The **key practices** within an EVMS include **establishing** a Performance Measurement Baseline (PMB) and **measuring and analyzing** performance against the baseline.

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Information technology

- ❑ IT requirements often present a unique set of challenges for contract managers.
- ❑ Contract managers **must** be cognizant of the life cycle stage in which procurement takes place:

Information life cycle.

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Information technology

❑ The **stages** through which information passes, typically characterized as

- ❖ Creation or collection,
- ❖ Processing,
- ❖ Dissemination,
- ❖ Use,
- ❖ Storage, and
- ❖ Disposition.

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Information technology

❑ Information systems life cycle.

❖ The phases through which an information system passes, typically characterized as

1. Initiation,
2. Development,
3. Operation, and
4. Termination.

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Information technology

❑ **Typical techniques** to manage and **mitigate risks** associated with IT acquisitions

include:

- ❖ Prudent project management,
- ❖ Thorough acquisition planning related to budget planning,
- ❖ Continuous collection and evaluation of risk-based assessment data,
- ❖ Prototyping systems prior to implementation,
- ❖ Post-implementation reviews to determine actual costs and benefits,
- ❖ Quantifiable measures to assess risks and returns, and
- ❖ Modular contract management.

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International contract management

❑ There are many **significant differences** between operating in the domestic market and the international market. Some of **those differences** include:

❖ **Currency differences.**

- ✓ Currency differences and constantly changing exchange rates can affect business relationships and the **feasibility of doing business** in certain countries.

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International contract management

- ❑ There are many **significant differences** between operating in the domestic market and the international market. Some of **those differences** include:
 - ❖ **Different meanings of common business terms.**
 - ✓ Common business terms, such as bimonthly or relationship, often have **different meanings** in **different countries** and can be the source of unintended problems.

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International contract management

- ❑ There are many **significant differences** between operating in the domestic market and the international market. Some of **those differences** include:

- ❖ **Different processes.**

- ✓ Companies in less-developed countries may be less sophisticated and knowledgeable in various production, quality control, or management processes and may be **unable or reluctant** to modify their systems and procedures to conform to typical expectations.

International contract management

- ❑ There are many **significant differences** between operating in the domestic market and the international market. Some of **those differences** include:
 - ❖ Entry into a foreign country by expatriates.
 - ✓ Many countries have restrictions on the number of **expatriates** that can be in that country for a **particular purpose**.
 - ✓ Entry into a foreign country is generally controlled by a **visa process**.

International contract management

❑ There are many **significant differences** between operating in the domestic market and the international market. Some of **those differences** include:

- ❖ Export issues.
- ❖ Import issues.
- ❖ Language.
- ❖ Legal processes.
- ❖ Location.
- ❖ Political and social climates.
- ❖ Social customs.
- ❖ Tax implications.
- ❖ Third-party involvement.

International contract management

- ❑ **Contract managers** conducting international contract management transactions must be aware of **relevant agreements and restrictions** associated with this **discipline**.

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International contract management

❑ Following are some agreements and restrictions with which **contract managers** should be **familiar**:

❖ **Free trade agreement.**

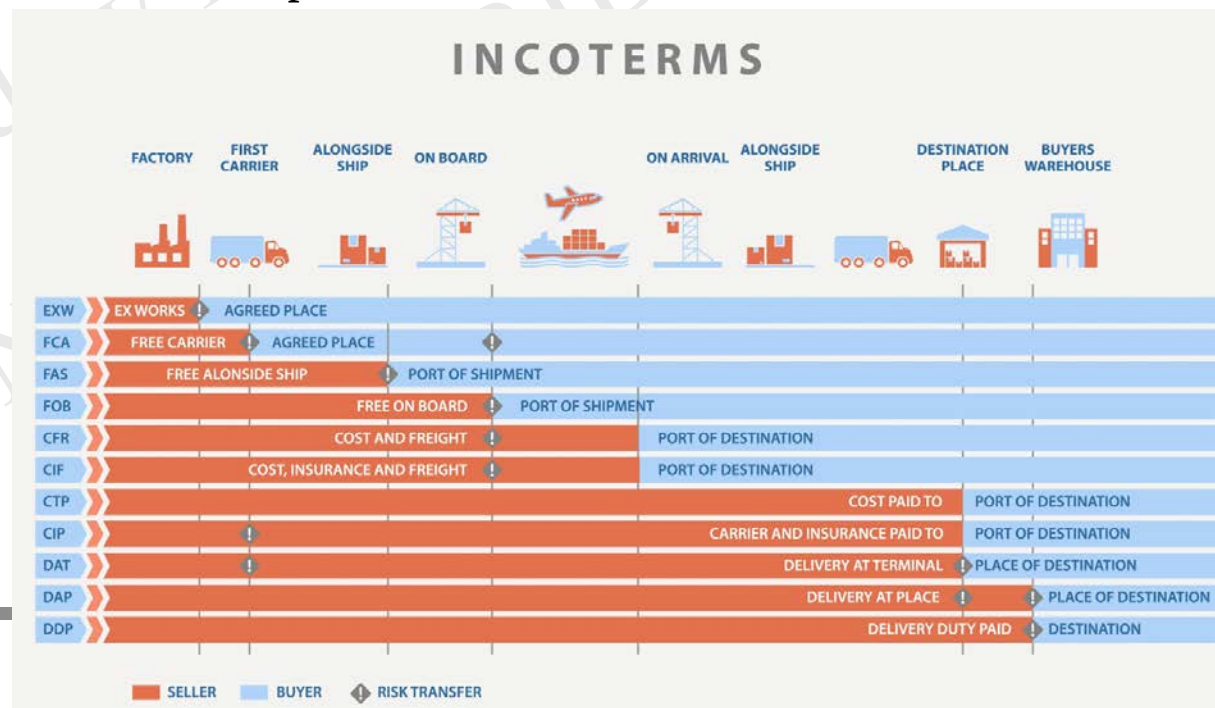
- ✓ A treaty between two or more countries that **do not impose** tariffs for commerce conducted across their borders.
- ✓ This does **not mean** capital and labor moves **freely** between them.
- ✓ The **intent** is to **open markets** and to provide opportunities for businesses to compete globally.

International contract management

❑ Following are some agreements and restrictions with which **contract managers** should be **familiar**:

❖ International Commercial Terms (Incoterms).

- ❖ The Incoterms rules are an **internationally recognized** standard used worldwide in international and domestic contracts for the sale of goods.
- ❖ First **published in 1936**, Incoterms rules provide internationally accepted definitions and rules of interpretation for most **common commercial terms**.



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9. **Other Specialized Knowledge Areas**

Major systems

- ❑ The term “**major systems**” refers to a combination of elements that will **function** together to produce the capabilities required to **fulfill a mission need**.
- ❑ The elements may include, for example,
hardware/equipment, software, construction or other improvements, or
real property.

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Major systems

❑ Contract managers in major systems acquisition must be aware of conditions and processes such as:

design-to-cost (DTC)

- ❖ Design to cost;
 - ❖ Effective competition;
 - ❖ Acquisition life cycles;
 - ❖ Exploration, demonstration, full production, and full-scale development contracts;
 - ❖ Program management;
 - ❖ Quality assurance;
 - ❖ Reliability;
 - ❖ Scheduling;
 - ❖ Validation; and
 - ❖ Work breakdown structures
- A concept that establishes cost elements as management goals to achieve the best balance between life cycle cost, acceptable performance, and schedule. Under this concept, cost is a design constraint during the design and development phases and a management discipline throughout the acquisition and operation of the system or equipment.

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Research and development (R&D)

- ❑ When an organization buys **Research and Development (R&D) services**, it is **difficult to define** the requirement other than to **describe the problem**.
- ❑ This situation creates a **departure from the general guidelines** used when contracting for other types of products or services because the **contract specialist cannot** clearly define the requirement, specific acceptance criteria, or negotiate a price based on the market.
- ❑ R&D contract management necessitates a **different philosophy** than is used for **other types of procurement**.

Research and development (R&D)

- ❑ When **used by contractors** that **must comply** with cost principles, this term does **not include** efforts whose principal aim is the design, development, or testing of specific items or services to be considered for sale; **these efforts** are within the definition of “**development.**”

What does this mean?

Research and development (R&D)

- ❑ Development is the **systematic use** of scientific and technical knowledge in the *design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service)* to **meet specific** performance requirements or objectives.

What does it include?

Research and development (R&D)

❑ It **includes** the functions of

design engineering, prototyping, and engineering testing and

excludes

subcontracted technical effort that is for the sole purpose of developing an additional source for an **existing product**.

How to manage these contracts?

Research and development (R&D)

1. Contract Method and Type.
2. Publicizing Requirements.
3. Statement of Work.
4. Solicitations.
5. Evaluation.

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Research and development (R&D)

❑ Contract Method and Type.

- ❖ The fundamental nature of R&D contract management usually precludes using the **sealed-bid acquisition** method and typically makes fixed-price contracts inappropriate.
- ❖ Due to the absence of precise specifications and the difficulties in estimating costs,
R&D contracts are often **cost-reimbursement**,
sometimes with **appropriate incentives**.
- ❖ Contract managers should consult extensively with internal technical experts regarding the appropriate contract type.

Research and development (R&D)

❑ Publicizing Requirements.

- ❖ R&D requirements should be publicized as **widely as possible**.
- ❖ Since a **primary issue** in R&D contract management is obtaining the best scientific and industrial sources,
contract managers involved in R&D requirements should **conduct market research** for potential sources that are **capable of competent performance**.
- ❖ In addition, contract managers should **encourage potential sources** to **exchange information** with internal technical experts.

Research and development (R&D)

❑ Statement of Work.

❖ A statement of work (SOW) **detailing**

1. Area of exploration for basic research or
2. End objectives for development and applied research,
is essential.

❖ The **SOW** should provide contractors with the freedom required to exercise innovation and creativity,

while **adhering to the overall objectives** of the R&D effort.

❖ SOWs for R&D contracts will be **different** from many SOWs you may find for services and products.

❖ The **emphasis** will be on obtaining broader objectives **rather than** strict adherence to specifications and performance standards.

Research and development (R&D)

❑ R&D SOWs often include some or all the **following elements**:

1. R&D objectives, including a statement of the area of exploration and tasks to be performed;
2. Background information necessary to help the contractor understand the requirement;
3. Factors that might constrain the results of the effort, including personnel, environment, or interface issues;
4. Items that the contractor will be required to furnish as the work progresses;
5. Type of contract anticipated and an estimate of the professional and technical effort required for level-of-effort requirements; and
6. Other considerations that relate to the work to be performed.

Research and development (R&D)

❑ Solicitations.

- ❖ R&D solicitations should **generally be distributed** only to sources that have been identified as **“technically qualified.”**
- ❖ Responses to publicized requirements, internal evaluations, or other means can be used to **determine competence.**
- ❖ Such evaluations of technical competence usually include factors such as
 - ✓ Present and past performance of similar work,
 - ✓ Professional reputation,
 - ✓ Relative position in a particular field of endeavor,
 - ✓ Ability to acquire and retain the technical capability required to perform the work, and
 - ✓ Other relevant factors

Research and development (R&D)

❑ Evaluation.

- ❖ Generally speaking, R&D contracts are awarded to the **offeror that proposes** the best ideas or concepts and has the highest competence in the specified field.
- ❖ However, the **buyer** should use caution and not obtain technical capabilities that clearly exceed those required by the solicitation.
- ❖ It is also customary to evaluate
 - ❖ Offeror's proposed cost or price as a means to verify that the **offeror has a clear understanding** of the scope of the project,
 - ❖ Perception of risks involved, and
 - ❖ Ability to organize and perform the work.

Research and development (R&D)

❑ Evaluation factors used to determine the most technically competent source usually include the **offeror's**:

- ❖ Understanding of the **scope of the work**;
- ❖ Likelihood of **accomplishing** the scientific and technical objectives of the contract or the merit of the ideas and concepts proposed;
- ❖ Proposing experienced and competent technical personnel who are available to work on the contract;
- ❖ Proposing novel ideas in the specific branch of science and technology involved;
- ❖ Having access to

necessary research, test, laboratory, or shop facilities from any source.

9 specialized knowledge areas for contract management

❑ The following specialized knowledge areas are presented in more detail:

1. **Architect-Engineering Services and Construction,**

2. **Category Management,**

3. **Earned Value Management,**

4. **Information Technology,**

5. **International Contract Management,**

6. **Major Systems,**

7. **Research and Development,**

8. **Sustainable Procurement, and**

9. **Other Specialized Knowledge Areas**

Sustainable procurement (ISO, 2022)

- ❑ **Sustainability considerations** should be integrated at the highest and most strategic level of the **procurement** function in order to clearly set intentions, directions, and priorities for the whole organization in terms of sustainable procurement.

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Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Circular economy.**

- ❖ An economy that is restorative and regenerative by design, and which aims to **keep** products, components and materials at their highest utility and value at all times,
distinguishing between technical and biological cycles.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Environmental label.**

A **claim** which indicates the environmental aspects of goods or services.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Social responsibility.**

❖ The **responsibility of an organization** for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- ✓ Contributes to **sustainable development**, including health and the welfare of society;
- ✓ Considers the **expectations of stakeholders**;
- ✓ Follows applicable law and consistent with **international norms of behavior**; and
- ✓ Is **integrated** throughout the organization and practiced in its relationships

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Sustainability.**

- ✓ The state of the **global system**, including environmental, social and economic aspects, in which the needs of the present are met without compromising the ability of **future generations** to meet their own needs.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Sustainability aspect.**

- ✓ The aspect of an activity or goods or services that, **during the life cycle** of the activity, or goods or services,
is related to sustainability,
positively or negatively.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Sustainability claim.**

- ✓ A claim which **indicates the sustainability aspects** of goods or services.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Sustainable development.**

- ✓ A **development** that meets the needs of the present **without compromising** the ability of future generations to meet their own needs.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Sustainable procurement.**

- ✓ A **procurement** that has the most positive environmental, social and economic impacts possible over the entire life cycle.

Read it yourself.

Sustainable procurement (ISO, 2022)

❑ The following **terms and definitions** apply to sustainable procurement:

❖ **Universal design.**

- ✓ The design of goods, environments, programs, and services to be **usable by all people**, to the greatest extent possible, **without the need** for adaptation or specialized design.

Read it yourself.

9 specialized knowledge areas for contract management

❑ The following specialized knowledge areas are presented in more detail:

1. Architect-Engineering Services and Construction,

2. Category Management,

3. Earned Value Management,

4. Information Technology,

5. International Contract Management,

6. Major Systems,

7. Research and Development,

8. Sustainable Procurement, and

9. Other Specialized Knowledge Areas

Other specialized skill areas

- ❑ As **contract management** becomes more complex, there are many **more skills** with which the contract manager needs to become familiar.

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Other specialized skill areas

❑ Contract managers require a working knowledge of the following basic concepts:

- ❖ **Agile Contracting** – being flexible, fostering collaboration, and decomposing projects into smaller and easier tasks;
- ❖ **Contractor system reviews** – the efficiency and effectiveness with which a contractor spends government funds;
- ❖ **Emergency contract management** – contracting for urgent and unexpected situations;
- ❖ **Foreign military sales** – U.S. Government's program for transferring defense articles, services, and training to our international partners;
- ❖ **Interagency contract management** – procurement relationships between agencies;

interagency contracting

Commonly conducted through indefinite-delivery contracts, such as task and delivery-order contracts. The indefinite-delivery contracts used most frequently to support inter-agency acquisitions are Federal Supply Schedules, governmentwide acquisition contracts, and multi-agency contracts.

Other specialized skill areas

- ❑ Contract managers require a working knowledge of the following basic concepts:
 - ❑ **Purchase cards** – streamlining payment procedures and reducing administrative burden;
 - ❑ **Security** – in the form of industrial, physical, personal, and cybersecurity;
 - ❑ **Spend analysis** – the process of identifying, gathering, cleansing, grouping, categorizing, and analyzing an organization's spend data; and
 - ❑ **Undefinitized contract actions** – those for which the contract terms, specifications, or price are not agreed upon before performance is begun.

purchase card

A charge card issued to authorized organizational personnel to acquire and to pay for supplies and services on behalf of the organization.

undefinitized contract action

Any contract action for which the terms, specifications, or price are not agreed upon before performance is begun under the action. Examples are letter contracts, orders under basic ordering agreements, and provisioned item orders, for which the price has not been agreed upon before performance has begun. Letter contracts precede negotiation to definitize prices.



استراتژی مدیریت قرارداد

برای مدیران قرارداد

پیکره دانش مدیریت قرارداد (Contract Management Body of Knowledge)

بخش دوم: بررسی پیکره اصلی CMBOK

ارائه دهنده:

سید محمدرضا علوی پور

(PhD, PMP, CMIT)

دانشگاه Illinois Tech آمریکا

What we will learn?

□ CMBOK

- ❖ Purpose
- ❖ Structure
- ❖ Competency system

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CMBOK
PURPOSE
STRUCTURE
COMPETENCY SYSTEM

Purpose

- ❑ **Contract management** is an established profession that continues to **expand** in depth and breadth.
- ❑ The **purpose** of the Contract Management Body of Knowledge (CMBOK) is to provide a **common understanding** of
 - ❖ Terminology
 - ❖ Practices
 - ❖ Policies
 - ❖ Processesused in contract management.

Purpose

- ❑ Highly effective and efficient **contract management** is a **competitive advantage**.
- ❑ When an **organization** has **control** of its contracts,
it has **control** of its business.
- ❑ As a foundational source document,
the **CMBOK** can
 1. Increase individual competence
 2. Increase organizational capability

How the CMBOK is structured?

The CMBOK structure

- ❑ The **CMBOK** is organized into two major components that are detailed below.
 1. Primary competencies are the competencies **required for success** regardless of **job or role**.
 2. Process competencies involve the **blending** of job tasks to **achieve** specific milestones and behavior.

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The CMBOK structure

- ❑ This structure applies to **all contract managers** and is **used** for specific contract management roles and applications.
- ❑ FIGURE 2-1 illustrates the **relationship of these competencies** in a work breakdown structure.

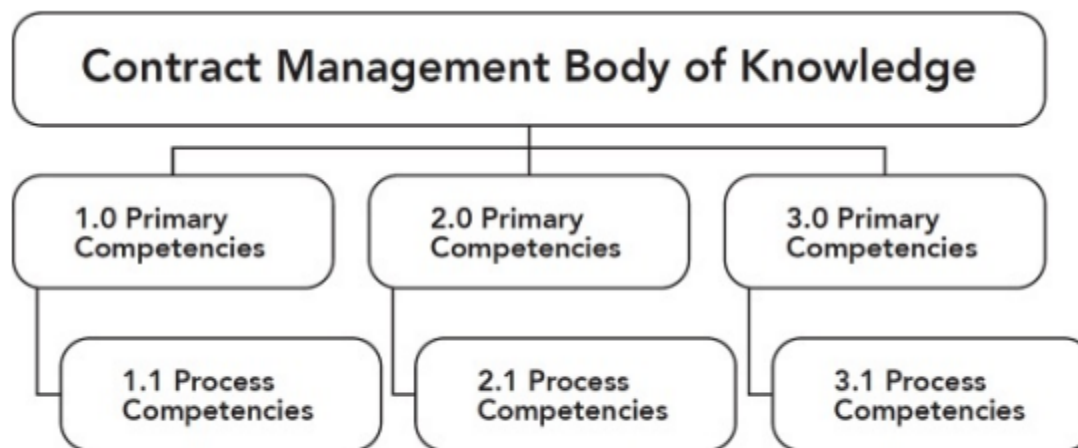


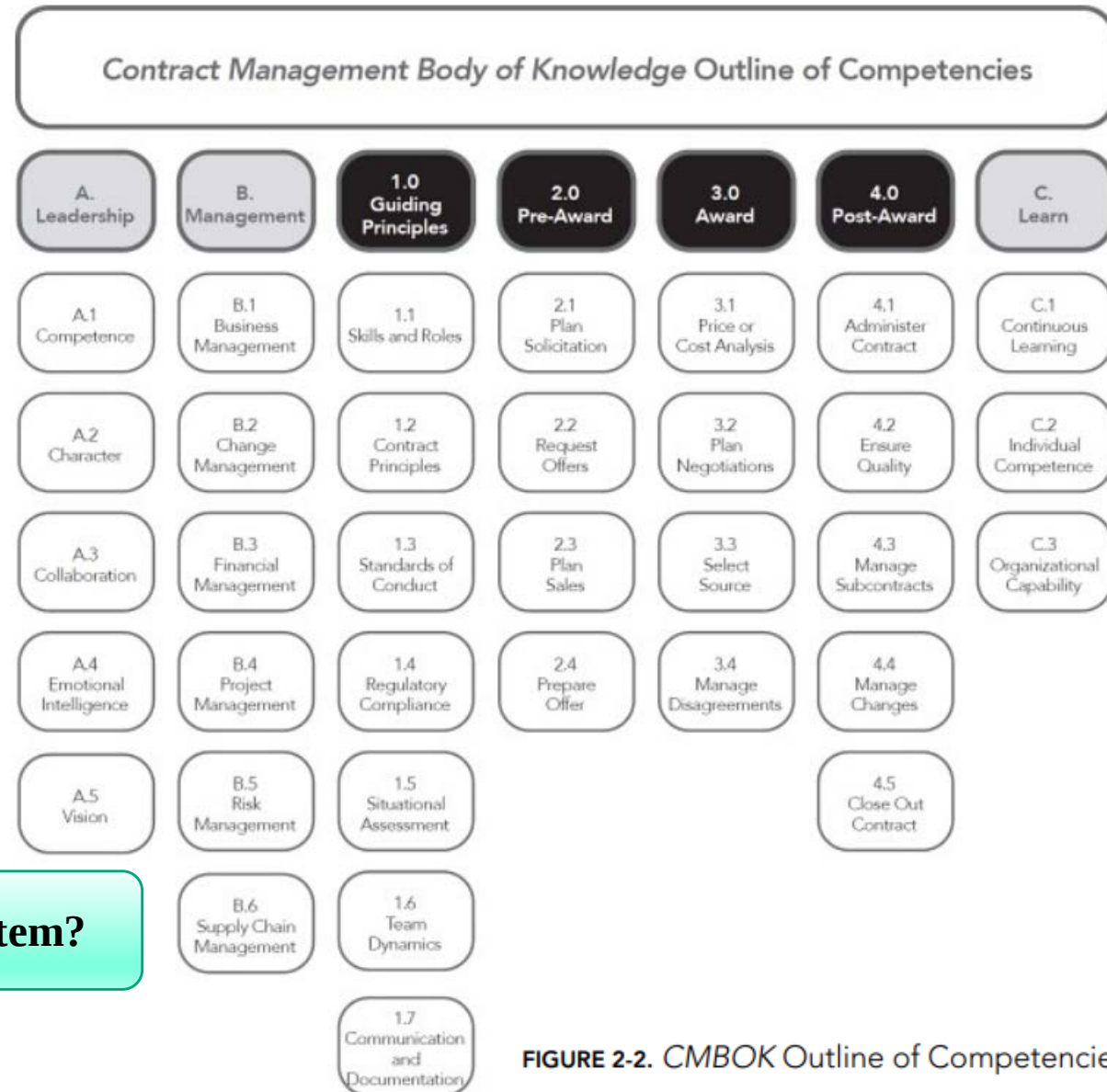
FIGURE 2-1. CMBOK Competencies in a Work Breakdown Structure

What are these competencies?

The CMBOK structure

- ❑ There are
 - ❖ Seven primary competencies and
 - ❖ 31 process competencies.

- ❑ FIGURE 2-2 presents an outline of the primary and process competencies.



What is the competency system?

FIGURE 2-2. CMBOK Outline of Competencies

CMBOK competency system

❑ The **CMBOK Competency System** in FIGURE 2-3 displays the system of interactive relationships between

1. Primary
2. Subject matter competencies

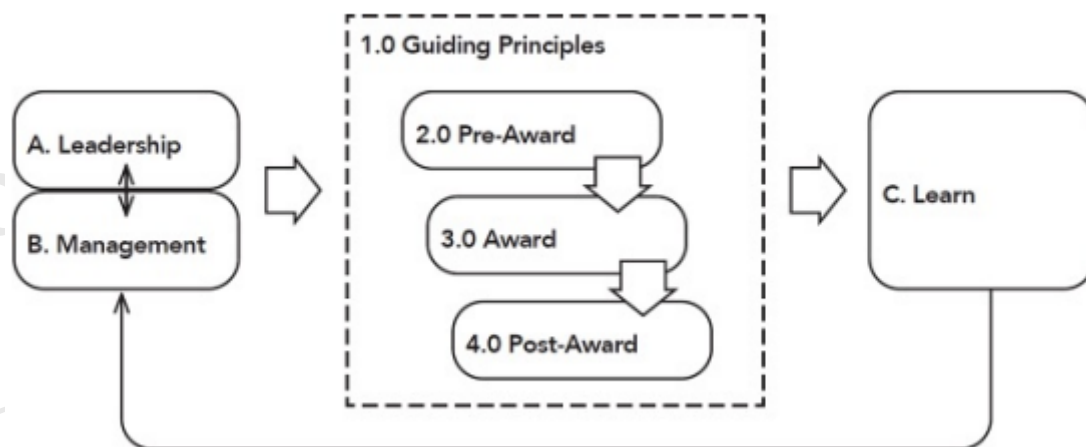


FIGURE 2-3. The CMBOK Competency System

❑ Additionally, the CMBOK Competency System serves as a **roadmap** for the presentation of the CMBOK.

Difference between CMS and CMBOK

What is the difference between the CMS and the CMBOK?

- ❑ The **CMS** is designed to present **contract management** as a linear system in terms of
a product life cycle where there is a beginning, middle, and end
to a contract (i.e., “Pre-award,” “award,” and “postaward”).
- ❑ The **CMBOK** is designed to present the **contract management profession** as a
circular system in terms of
a competence development model.

What is the value of the CMS?

FIGURE 2-5. CMS and CMBOK Comparison

	CMS	CMBOK
Purpose	Describes contract management in terms of the processes created through the integration and interaction of job tasks and competencies, and the purposes they serve.	Provides a common understanding of the terminology, practices, policies, and processes used in contract management.
Approach	Provides explanations of consensus-based domains, competencies, and job tasks in the contract life cycle.	Provides broader and deeper explanations of CMS competencies, and adds leadership, management, and learn competencies.
Design	Presents the contract as a linear system in terms of a product life cycle.	Presents the contract management practice as a circular, interactive system in terms of a competence development model.
Development	Job Task Analysis, SME review and drafting, peer review, and formal comment validation.	Uses the CMS as its foundation, SME input and review, and literature review.
Pages	18	>400



استراتژی مدیریت قرارداد

برای مدیران قرارداد

پیکره دانش مدیریت قرارداد (Contract Management Body of Knowledge)

بخش سوم: شایستگی‌های رهبری در مدیریت قرارداد

ارائه دهنده:

سید محمدرضا علوی پور

(PhD, PMP, CMIT)

دانشگاه Illinois Tech آمریکا

What we will learn?

- ❑ Leadership competency
- ❑ Leadership
 - ❖ Competence
 - ❖ Character
 - ✓ Integrity
 - ✓ Decisiveness
 - ✓ Optimism
 - ❖ Collaboration
 - ❖ Emotional intelligence
 - ❖ Vision

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LEADERSHIP COMPETENCY

Purpose

Per ANSI/NCMA ASD 1-2019 (R2022) (see [Annex](#)):

Successful contract management demands:

- Leadership proficiency through the cumulative effect of competence, character, collaboration, emotional intelligence, and vision;
- Specialized management skill, acumen, and judgment in such areas as business management, change management, financial management, project management, risk management, and supply chain management; and
- Continuous, lifelong learning to advance individual competence and organizational capability.

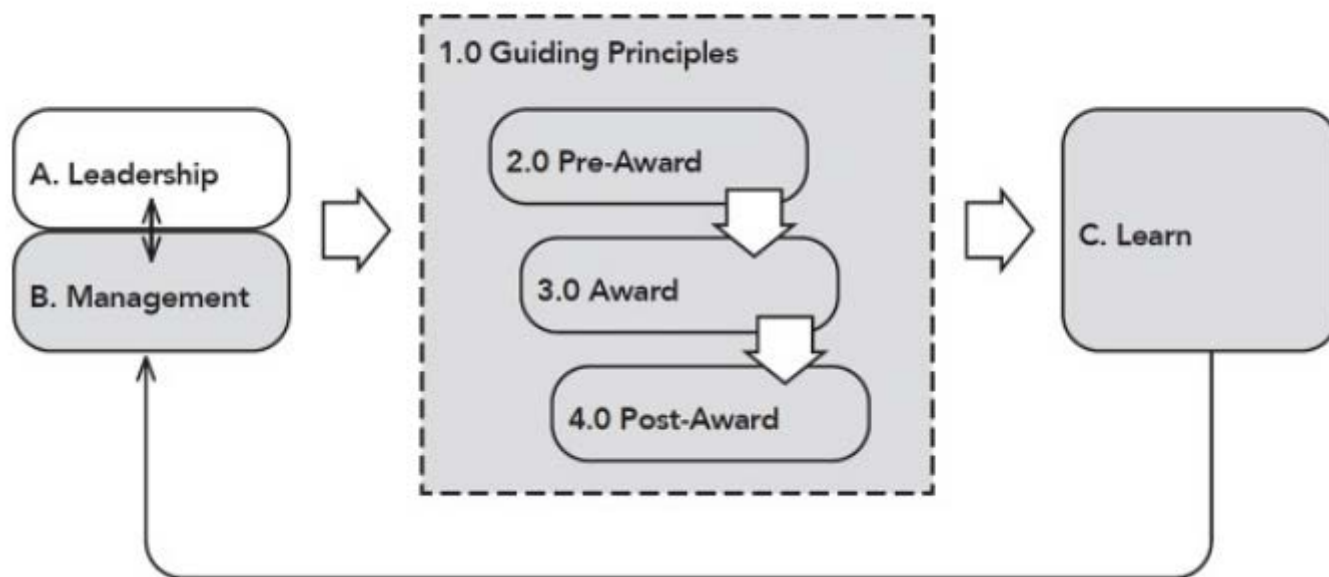
LEADERSHIP

Introduction

- ❑ **Organizational success** largely depends on the degree to which **employees are motivated** to accomplish the organization's vision, mission, and goals.
 - ❖ **Contract management** that relies solely on drafting contract language in a **vacuum** tends to get **mediocre results**.
- ❑ The **finished products** contract managers develop are a result of **integrating the work of other stakeholders** (e.g., engineers, program managers, logisticians, financial managers).

CMBOK competency system

FIGURE 3-1. The CMBOK Competency System



But, which comes first?

Individual competence or organizational capability?

Leadership development

❑ A common variation of this question is,

“Do the people or the mission come first?”

❖ Leaders don't build the organization.

❖ Leaders build people, and people build the organization.

❖ In trying to answer the question of people or mission first, why not mission first, people always?

How people define leadership differently?

What is leadership?

- ❑ “Leadership” competency is based on the cumulative effect of competence, character, collaboration, emotional intelligence, and vision. (See FIGURE 3-2.)

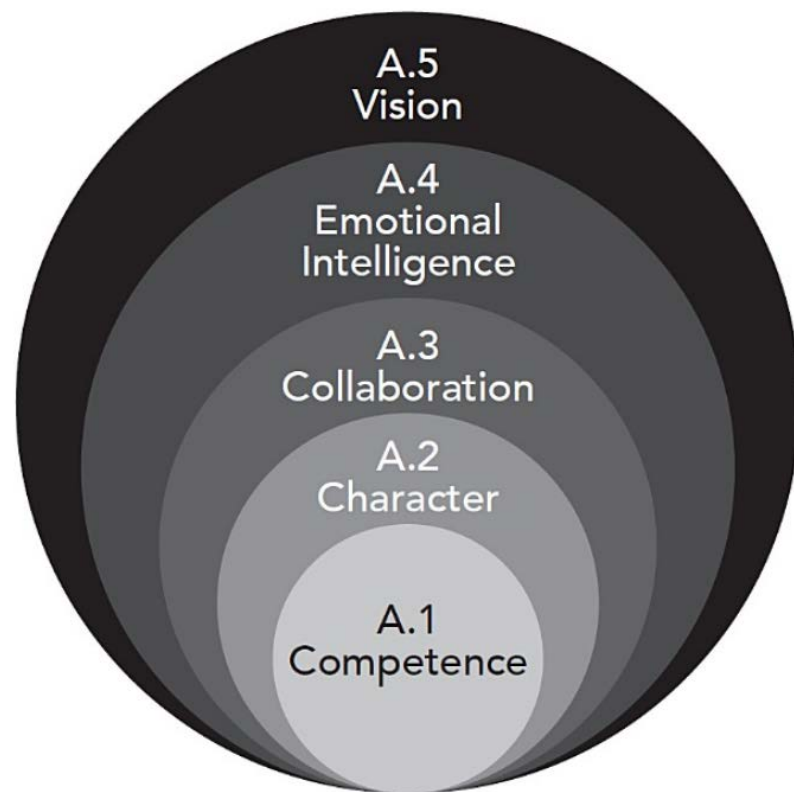


FIGURE 3-2. Leadership Competencies

What is leadership?

❑ Following are two common scenarios:

1. Leader to Follower.

- ❖ Described as the **ability to influence people and situations** to **achieve organizational goals.**

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What is leadership?

❑ Following are two common scenarios:

2. Follower to Leader.

❖ **Leadership is a gift** a follower bestows on a person who:

- ✓ Advocates for our competence (i.e., professional development),
- ✓ Validates our character (i.e., beliefs and values),
- ✓ Encourages collaboration (i.e., high-trust relationships),
- ✓ Applies emotional intelligence (i.e., behavior awareness), and
- ✓ Inspires vision (i.e., a clear pathway to success).

What is leadership?

- ❑ This Section presents how the leadership competency fortifies the contract management profession.
- ❖ The relationship of the following leadership competencies is presented:
 - ✓ A.1 Competence
 - ✓ A.2 Character
 - ✓ A.3 Collaboration
 - ✓ A.4 Emotional Intelligence
 - ✓ A.5 Vision

LEADERSHIP

(COMPETENCE)

Competence

- ❑ To effectively lead others and to interact with stakeholders,
the **contract leader** must be technically proficient in contract management.
- ❖ This means the leader should have a deep and broad understanding of the practices, policies, and processes inherent to contract management.
 - ✓ This means understanding
 1. “Letter of the law” in which practices, policies, and processes were written
 2. “Spirit of the law” in which they were intended to be executed

How Competence Impacts Risk Management?

Competence

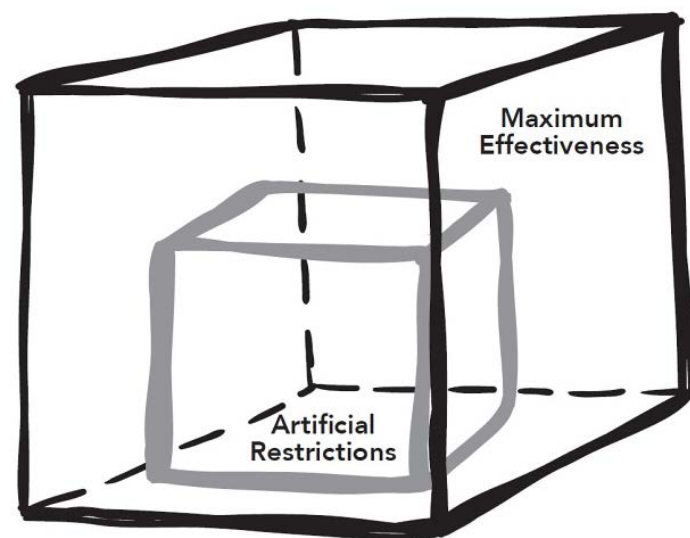
- ❑ If you are involved in government contract management or any other regulated environment, the laws and regulations **form a “box”**

from which you are **expected to perform**.

1. Many of the **rules are clear cut** (i.e., “you must do this” or “you must not do that”).
2. However, there is a vast gray area where the **rule-maker expects the rule-follower** to conduct due diligence, critical thinking, and risk management to get things done in support of organizational goals.

What if the people are not competent?

- ❑ The problem is when **people are not competent**, risk management gives way to **risk avoidance**, and due diligence and critical thinking are less important.
- ❑ Thus, they create a **smaller**, artificial box of restrictions that **limits performance** (see FIGURE 3-3).
- ❑ Those who **perform within the artificial box**, and **cause others to perform** within the box, are likely to be **poor or average performers**.



Leaders should focus on tasks they enjoy or no one can do?

FIGURE 3-3. Know Your Job for Maximum Effectiveness

Competence – Forces that oppose competence

- ❑ **Leaders** should focus on tasks no one else can do **rather than** tasks they enjoy (Maxwell 1995).

**Two forces that oppose
competence**

Competence – Forces that oppose competence

1. Unproductive Habits.

- ❖ Just because **someone masters a task** does not mean they **should continue doing it**.
- ❖ When a task **becomes a simple and straightforward habit**, leaders should **delegate it and move on** to something more **complex** (Maxwell 1995).

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Competence – Forces that oppose competence

2. Poor Time Management.

- ❖ Even good contract leaders can lose track of time and allow other priorities to interfere with their life-long learning.
- ❖ If you are **too busy for learning**, you're **too busy**.
- ❖ As Tom Northrup once said,

*“All organizations are perfectly designed to get the results they are now getting. If we want different results, we must **change the way** we do things.”*

CHARACTER

Character

- ❑ Character fortifies leadership competence, and competence fortifies leadership character.
- ❖ Though it is possible for each to stand on its own, **when they are blended, strong performance** will grow and thrive.

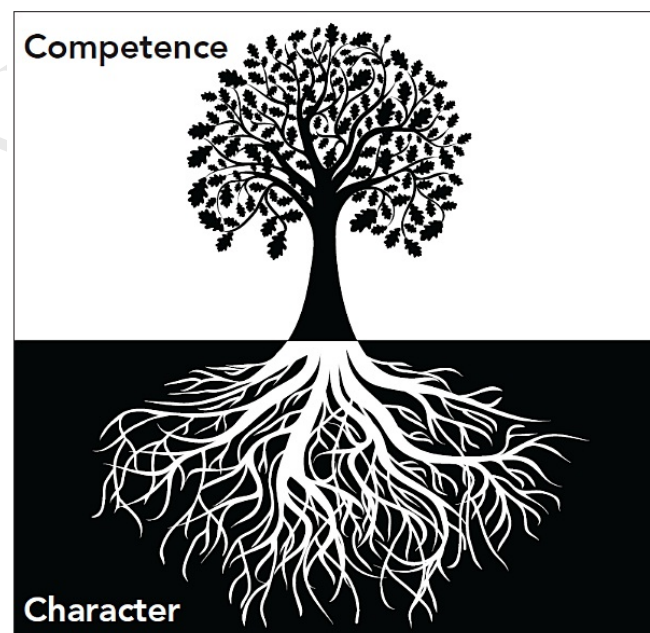


FIGURE 3-4. Leadership Ecosystem

Character

- ☐ For the **individual contract manager** to meet high ethical standards,
the **culture of the organization** must focus on character.
- ☐ To create such a culture, the **leadership of an organization** must follow three important principles (London 2014):

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Character

❑ Principle #1: Leaders lead by example.

- ❖ **Ethical conduct** is not solely the responsibility of contract managers, but of the **entire organization**.
- ❖ Integrity, honesty, and accountability must be **integral parts** of every organization's corporate culture.

*However, due to the **nature of the contract manager's responsibilities**, the other professionals in the organization will frequently **look to the contract manager** to define or set the standard of acceptable ethical behavior.*

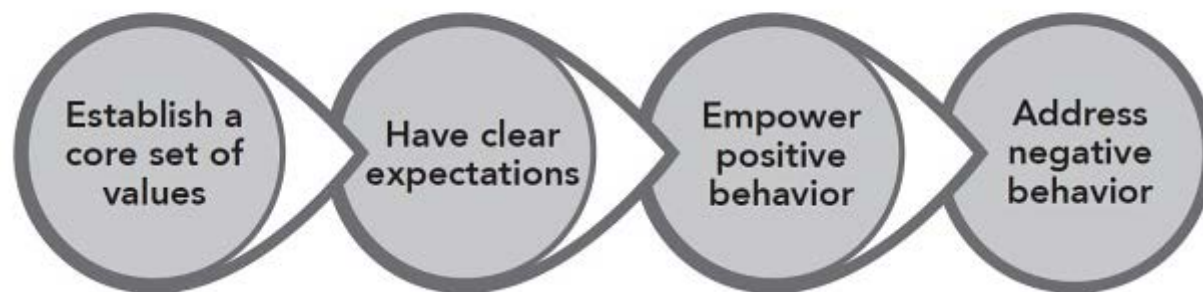
- ❖ **Corporate culture starts at the top.**

Character

❑ Principle #2: Character building is a process.

- ❖ To support the **character-driven standards** set by leadership, the corporate culture should be established around:

FIGURE 3-5. Character Building Process



Character

❑ Principle #3: The real test is when the stakes are high.

- ❖ Though contract managers should always strive to perform at a **high level of ethical behavior**,

perfection is **not always possible**.

- ❖ **Contract managers build character** when they learn from **mistakes** by

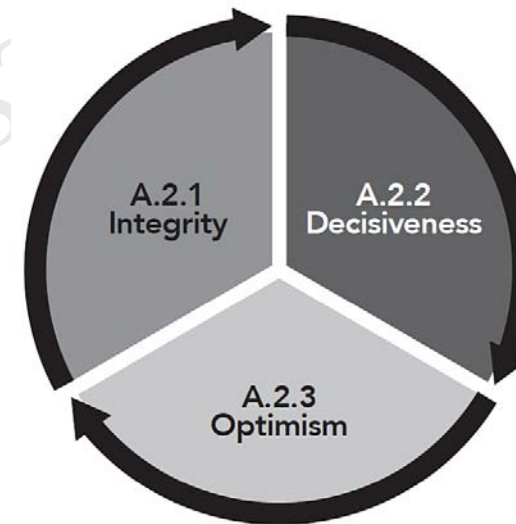
1. Acknowledging them
2. Accepting responsibility
3. Accepting accountability
4. Adjusting behavior
5. Moving forward

How about individual culture?

Character

- ❑ In addition to corporate culture,
contract managers build character through integrity, decisiveness, and optimism.
- ❑ The following sections describe these elements of character.

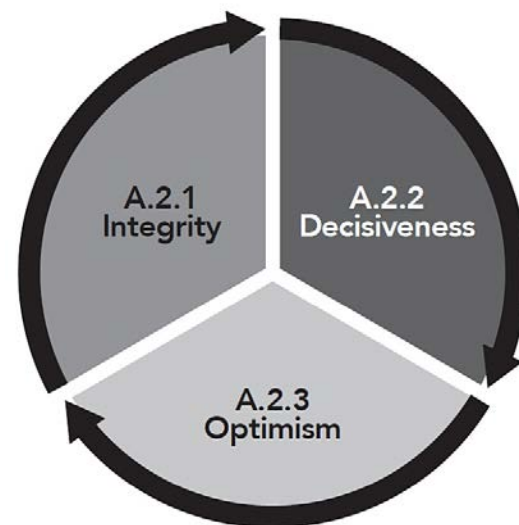
FIGURE 3-6. Elements of Character



CHARACTER

(INTEGRITY)

- ❑ Having integrity means having the courage to do what you say you're going to, and then **following** through on your **promises** in a manner that promotes trustworthiness.
- ❑ Integrity is the **most essential attribute** for success in business.
- ❑ When times get tough, it becomes harder to act with integrity, not easier.

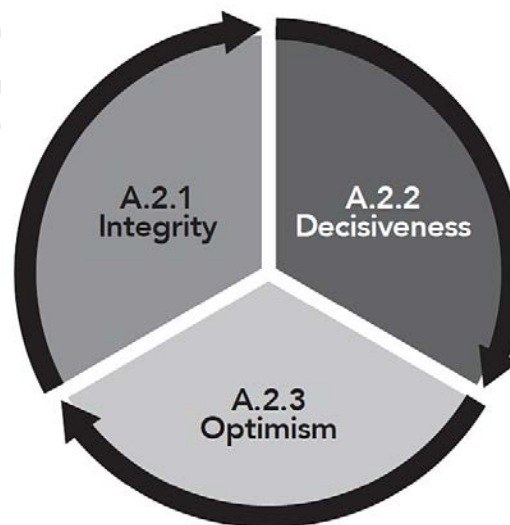


CHARACTER

(DECISIVENESS)

Decisiveness

- ❑ Decisiveness is the capacity to **make decisions**
even when the decision **may not be popular or may pose risk.**
- ❑ Once decision has been made, the **contract manager** must be able to **implement it.**
- ❑ This **not only means** being personally invested in the decision,
but also being **able to influence others** to follow the decision.
- ❑ It also may mean **making a decision** without complete information.



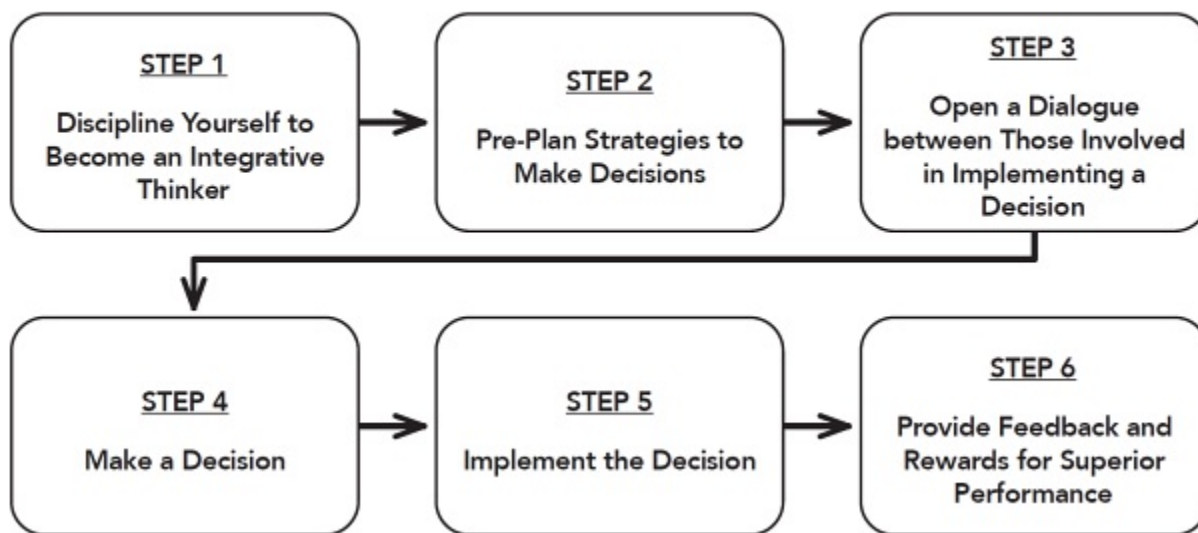
Benchmark Knowledge for Decisive Decision-Making

- ☐ (From the article, “Decisive Management: Improving Effectiveness and Success in the Decision-Making Process,” by Ken Fracaro)
- ☐ A decisive leader is **confident** and **effective**.
- ☐ To build competence in decision-making and become a more decisive leader,
make a concerted and continuous effort to learn and
put into practice the **following six-step process** (see FIGURE 3-7)

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Benchmark Knowledge for Decisive Decision-Making

FIGURE 3-7. Six-Step Process to Decisive Decision-Making



Benchmark Knowledge for Decisive Decision-Making

❑ Step #1: Discipline Yourself to Become an Integrative Thinker

- ❖ Integrative thinking is the **ability to face** constructively the **tension of opposing ideas** and **instead of choosing** one at the expense of the other, to create a resolution in the form of a **new idea** that contains **elements** from each of the ideas but is superior to each individual idea.

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Decisiveness: Benchmark Knowledge for Decisive Decision-Making

❑ Step #2: Pre-Plan Strategies to Make Decisions

- ❖ Leaders must “**decide how to decide**,” meaning that a leader must invest time and creating a high-quality decision.
- ❖ Leaders must **decide**
 - ✓ Who will participate in deliberations,
 - ✓ The type of interpersonal climate required,
 - ✓ How individuals will communicate with one another, and
 - ✓ The type and level of control that should be used by the leader.

Benchmark Knowledge for Decisive Decision-Making

❑ Step #3: Open a Dialogue between Those Involved in Implementing a Decision

- ❖ The **primary tool** used by leaders to promote decisiveness is dialogue (i.e., **human interactions**).
- ❖ The **quality of dialogue** can directly affect the productivity and knowledge growth of an individual.
- ❖ In short, it can directly determine the **outcome of decisions**.

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Benchmark Knowledge for Decisive Decision-Making

☐ Step #4: Make a Decision

1. **Determine** whether the **final decision** will be made by you or the entire team.
2. **Create a plan** detailing the problem in **writing**,
3. **Determine** the root cause of the problem, and
4. **List** criteria to help choose the **best solution**.

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Benchmark Knowledge for Decisive Decision-Making

❑ Step #5: Implement the Decision

- ❖ **Present** relevant facts and reasons behind a decision to those that will be **affected by it**.
- ❖ Next, **develop** an action plan with **those who will** implement the decision.
- ❖ Include a **list of tasks** in a logical sequence (to include training) and be sure to also include
 1. **Target** start and finish **dates**
 2. The **person or persons** responsible for completing each task
 3. **Space** to input relevant information that will enhance the execution of a task

Benchmark Knowledge for Decisive Decision-Making

❑ Step #6: Provide Feedback and Rewards for Superior Performance

❖ Feedback should be

1. Candid
2. Constructive
3. Focused on **behavioral** performance, accountability, and execution.

*In everyday life, optimal behavioral performance results from a **balance** between **adaptive flexible behavioral** choices and **more rigid**, repetitive choices, which are supported respectively by brain networks known as goal-directed and habitual brain systems.*

What should we do after receiving feedbacks?

Benchmark Knowledge for Decisive Decision-Making

❑ Step #6: Provide Feedback and Rewards for Superior Performance

❖ It should

1. Reward high achievers,
2. Coach others to increase their productivity
3. Revitalize aberrant behaviors of those blocking progress

❖ Provide action plan updates and other important information that

encourages others to be forthcoming, suggest new ideas, and be enthusiastic.

CHARACTER

(OPTIMISM)

موسسه مهندسی و مدیریت ساخت علوی پور (ACEMI)

دفتر آموزش



تهران، بلوار فردوس شرق، مجتمع آبگینه، طبقه سوم اداری، واحد C42



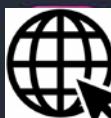
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