

SCM Contract Management: Post Secondary Curriculum vs. Industry Requirements

COAA Best Practices Workshop
Panel Discussion

Panel

Jim Freiburger, Manager of Contracts, Nexen

Finlay McLay, President, Rider Hunt

Krista Lapointe, SCM Contracts Lead(MSAs), MEG Energy

David Milia, Academic Chair, Construction Project Management,
SAIT

Major Jay Winklemans, Suncor Maintenance Team, Keyano
Instructor

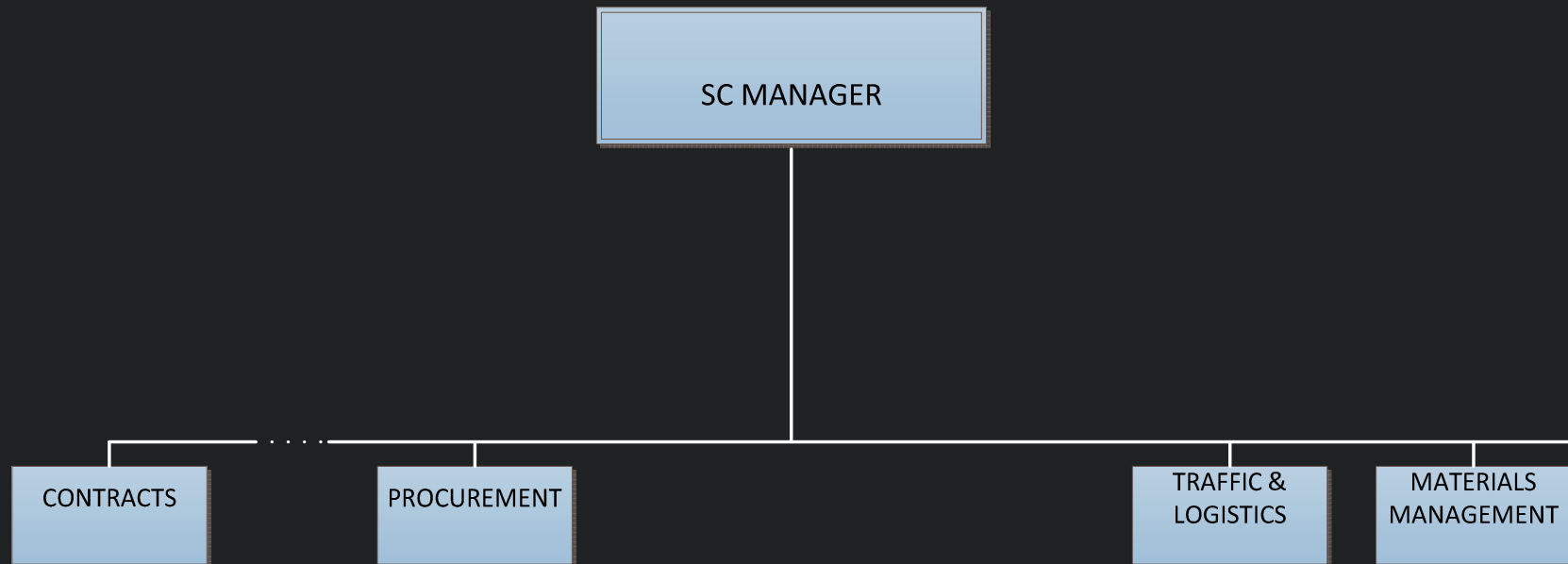
Lloyd Ash, Associate Professor, Supply Chain Management,
Mount Royal

Colleen MacDonald, SCM Manager, MEG Energy - Moderator

CONTRACT ADMINISTRATOR VENUES

- GOVERNMENTS
- AEROSPACE INDUSTRY
- OWNERS
 - Chemical
 - Oil & Gas
 - Oilsands
 - Mining
 - Forestry
 - IT/IP
- CONTRACTORS
 - E & P
 - EP & C
 - C
 - E Consulting
- LOCATIONS WORLD WIDE

SUPPLY CHAIN ORGANIZATION



CA-PROCUREMENT KNOWLEDGE

Knowledge/skills	Contracts	Procurement
Contract Law	X	X
Business Law	X	X
Lien Acts	X - Builders	X - Mechanics
Trade/Union Agreements	X	
Traffic/Logistics		X
Materials Mngt/Warehousing		X
Ability to read engineering Dwgs	X	X
Knowledge of Contractor community	X	
Knowledge of Supplier Community		X
Knowledge of Accounting/Finance	X	X
Knowledge of cost control	X	X
Knowledge of Construction Work Sequencing	X	
Knowledge of Construction Methods	X	
Knowledge of Fabrication methods & Sequencing		X
Excellent command of the English language	X	X
Construction Claims knowledge	X	
Product knowledge		X
Technical Education	X	
Negotiation Skills	X	X
Ability to match Construction Scope to A Payment model	X	
Ability to Negotiate equipment Fabrication Compensation		X
Construction Site Experience	X	
Post Award in proactive involved Administration	X	
SCMP (aka PMAC) designation		X
Detailed understanding of the Component Elements & makeup of labour rates & fixed rates	X	
Ability to co-ordinate activities of the various disciplines involved in the Management of a Contract	X	

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
Contract Plan & Contract Management Plan (Project Contract Planning)					R, A, I	A, I	
Contract Formation							
Contractor Database and Bidder Pre-qualification:							
• Perform preliminary Market Assessments	R, A, I				S, A, I		
• Develop List of Preliminary Bidders	R, S, C				A, S, C, I	A, I	A, S, C, I
• Issue Expression of interest letter and Contractor Questionnaire	R, A				R, A, I	A, I	
• Evaluate Responses / Commercial Technical	R, A, S, C	S, C	S, C		R, A, I	A, S, I	
• Develop Bidders List	R, S, C				A, S, C, I	A	
Contract Requisition	S, C	A, S, C, I			A, S, C, I	R, A, I	S, C
Request For Proposal Document:							
• Terms & Conditions	R, A, I	S, C	S, C	S, C	S, C	S, C	
• Payment	R, A, I	S, C			A, I	A, I	
• Scope of Services / Work / Drawings/Specifications	S, C		S, C		S, C	R, A, S, C, I	S, C
• Prepare Proposal Forms	R, A					R	S, C
• Squad Check RFP	A	A, I	A, I	A, I	A, I	A, I	A, I
• Issues RFP	R, A						

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
Pre-Bid Clarification and Addenda:							
• Pre-Bid Meeting (Mandatory) (Chairs & Minutes)	R, A	S, C	S, C		A, S, C, I	A	S, C
• Prepare and Issue Addenda	R				S, C	A, S, C, I	S, C
• Receives Proposals	A						
Bid Evaluation:							
• Commercial Evaluation (Commercial Summary of Bids) approval as per DOA	R, A, I	A, I			A, I	A, I	
• Technical Evaluation (Technical Summary of Bids) approval as per DOA	S, C				S, C	R, A, I	A, I
• Bid Clarification Mtg. (Chairs & Minutes)	R, A, S, C	S, C	S, C	S, C	S, C	S, C	S, C
• Provide Sensitivity Analysis	R, A	S, C			S, C	A, I	
• Milestone Schedule	S, C	R, A			S, C	A, S, C, I	S, C
• Credit and Rate Reviews	S, C		R, A, I			S, C	
• Recommendation to Award as per DOA	R, A	S, C	S, C	A, I	A, I	A, I	
Contract Document:							
• Terms & Conditions	R, A, I	S, C		A, I	A, I	A, I	S, C
• Payment	R, A, I	S, C			A, I	A, I	
• Conform Scope of Services / Work / Drawings/Specifications	S, C	S, C			S, C	A, S, C, I	S, C

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
• Perform Squad Check as per DOA	R, A	A, I	A, I	A, I	A, I	A, I	A, I
• Issues Contract Document to Contractor	R, A						
• Receives, executes & distributes	R, A				A, I		
• Requests & receives all Documentation required by Contract (Insurance, WCB Clearance, Q/A Manuals, Schedules etc.)	R, A						
Contract Administration:							
• Notice to Proceed with the Work	R, A					A, I	
• Internal Contract Kick-off Meeting (Chairs & Minutes)	R, A, S, C	S, C			S, C	S, C	S, C
• Kick-off Meeting with Contractor (Chairs & Minutes)	R, S, C	S, C	S, C		S, C	A, S, C	S, C
• Equipment Mobilization Approval (minimum requirements to mobilize)	R, S, C				A, I	R, A, S, C, I	
• Contract Interpretation	R, A			S, C			
• Receive & Action RFI's, CCN's, FI's, and FCN's	S, C					A, I	R, A
• RFI, CCN, FI and FCN – PCM Generate/Storage and Document Storage						R, A	
Change Management:							
• Review, negotiate and respond to Cost and Schedule Estimate (CSE)	R, A, S, C, I	A, S, C, I				R, A, S, C, I	
• CSE						A, R	

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity		Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partner
• Investigate	As Required	A, R	S,C				A, R	
• Authenticate		A, R	S,C				A, I	S,C
• Document		R					A, I	S,C
• Record & Issue		A, R					A, I	A, S, C
• Negotiate		A, R		A, S, C, I	A, S, C, I	A, S, C, I	A, R	A, S, C, I
• Secure Approvals		A, R			A, R	A, I	A, I	A, I
• Preparation of Change Orders/ SRD Revisions		A, R	A, S, C, I	S,C			A, I	S,C
• Preparation of Change Order / SRD Revisions		A, R						
• Ensuring that proper and adequate notices are provided by Contractor		A, R				S,C	S,C	S,C
• Providing Contractor with notice of suspension of Work.		A, R	S,C		S,C	A, I	A, I	S,C
• Providing Contractor with notice of termination of Work.		R, A	S,C		S,C	A, S, C, I	A, S, C, I	S,C
• Preparation of Contract Correspondence:		R, A					A, S, C, I	S, C
• Progress Review Meetings								
• Organize		R, A					A, S, C, I	A, S, C, I
• Participate		S,C	R, A	S,C	S,C		R, S, C	R, S, C

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
• Evaluate & Advise Contractual / Schedule Irregularities	R, S, C	S,C				R, A, S, C, I	R, A, S, C, I
• Review & Obtain Agreement to Minutes	R, A					A, I	
Contractual Documentation:							
• Ensuring that Warranty Statements are received.	R, A						S,C
• Ensuring that Contractor has provided evidence of WCB and other insurance.	R, A						
• Maintenance of Contract correspondence registers and files.	R, A					S,C	S,C
• Maintain complete Contract files.	R, A					S,C	S,C
• Publicity Approvals.	R, A			A, I	A, S, C, I	A, I	
• Ensuring that Contractor executes the Work in conformance with Safety Standards.	S, C					R, A	R, A
• Ensuring that Contractor clean-up Work areas and lay-down areas.	S, C					R, A	R, A
• Collection of Daily Force Reports.	R, A					S, C	S, C
LEMS:							
• Review and Approve LEMS						R, A, I	
• LEMS - Document Storage	S, C					R, A	

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
Payment Certificate:							
• Review and Approve Payment Cert	R, A, I	A, I				A, I	
• Payment Cert. - PCM Generate and Document Storage	R, A						
Invoices:							
• Receives Invoices							
• Secure Approvals	R, A		A, I		A, I	A, I	A, I
• Verify Invoices	R, A, I		A, I			A, I	
• Record	R, A						
• Monitor Payments (on-time)	R						
• Resolve Problems / Disputes	R, A				A, I		
• Provide monthly Contract Status Report(s)	R						
• Invoice - Document Storage	R, A						
• Invoice - SAP Entry			R, A				
Legal:							
• Advise (Problems Actual & Potential)	R, A, S, C			A, S, C, I	A, I	S, C	S, C
• RFP and Contract Document Exceptions	R, A, S, C			A, S, C, I		S, C	S, C
• Resolve	R, A, S, C			A, S, C, I	A, S, C, I	S, C	S, C

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
Claims:							
• Anticipate / Advise (Potential)	R	S, C	S, C			R, A	S, C
• Investigate	R, A	S, C	S, C		S, C	S, C	S, C
• Analyze	R, A	S, C	S, C	A, S, C, I	S, C	S, C	S, C
• Recommend	R, A		S, C	S, C	A, I	A, S, C, I	
• Negotiate	R, A		S, C		A, I	R	
• Resolve – Final Approval	R, A	A, I		A, I	A, I	R, A, I	
• Claims	R, A						
Backcharge:							
• Preparation / Resolve Backcharge	R, A, I	A, S, C, I	S, C			A, I	S, C
• Backcharge – Document Storage	R, A						
Administrative:							
• Ensure that the Contractor has established proper procedures and systems for the project	R	S, C	R		A, S, C, I	A	R
Other:							
• Expedite engineering input / documentation decisions in-house and Consultants.	S, C					A, S, C, I	
• Monitor progress against intermediate milestones and assist in preparing and executing action plans to keep Contract on schedule.	S, C	R, A	R, S, C		R	A, S, C, I	S, C

CONTRACT DEPARTMENT ROLES AND RESPONSIBILITY MATRIX

Activity	Contract Admin.	Project Controls	Finance	Legal	Contracts Supervisor	Contract Owner	Project Partners
<ul style="list-style-type: none"> Assist with schedule action plans 	S, C	S, C				A, S, C, I	R, S, C
Closeout:							
<ul style="list-style-type: none"> Prepares Closeout documentation 	R, A						
<ul style="list-style-type: none"> Reviews and Approves 	S, C	A, I	A, I			A, I	
<ul style="list-style-type: none"> Closeout – PCM Generate and Document Storage 	R, A						

PROJECT PARTNERS MAY INCLUDE THE FOLLOWING:

PROJECT MANAGEMENT
 CONSTRUCTION
 ENGINEERING
 DOCUMENT CONTROL

QUALITY
 HSE & SR
 INFORMATION TECHNOLOGY

R RESPONSIBLE
 A ACCOUNTABLE
 S SUPPORT
 C CONSULT
 I INFORM

May 15, 2013



SAIT

Industry Alignment to Contract Management & Contract Administration



SAIT Strategic Plan & Vision

Vision Statement:

SAIT's vision is sharply focused - to be recognized as Canada's premier polytechnic, one of the world's finest, setting the standard in education, training and innovation.





Contract Administration/Management at SAIT

Certificate Level Examples (Under 1 Year)

- **Petroleum Land Administration**
 - LAND-213 – Contract Documentation
- **Supply Management**
 - PMAC-122 Introduction to Contract Law & Administration

Diploma Level Examples (Two Year Program)

- **Architectural Technology Program**
 - ARCH-364 – Construction Contract Administration
- **Civil Engineering Technology Program**
 - CIVL-312 – Contracts & Regulations

Degree Level Examples (4 Year Degree Program)

- **BSc. Construction Project Management**
 - CPMT-Construction Contracts & Procurement Management



SCM Contract Management: Post Secondary Curriculum & Industry Requirements

BBA General Management Program with a
Minor in Supply Chain Management

At Mount Royal University

*By Lloyd L. Ash, P. Eng., P. Log., M.A.Sc, B.Sc.
Associate Professor of Business*



Bissett School
of Business



Program is currently a 4 Year Bachelor of Business Administration

- Started as a 3 Year Applied Degree with 2 Semesters (8 months) Mandatory Work Experience)
- Now Configured as a 9 Course “Minor” in a 40 Course BBA (with “optional” co-op work exp)
 - 12 General Education Courses
 - 17 Core BBA Courses: finance, *operations*, management, accounting, statistics, communications, marketing, etc.
 - 2 “Elective courses”
 - **9 Supply Chain Courses**



MOUNT ROYAL
UNIVERSITY
1910

Bissett School
of Business

Supply Chain Competencies Taught

- LSCM 2201- Introduction / Overview of SCM
- LSCM 3202 – Quality Management
- LSCM 3301/3305 – Physical Distribution and Logistics
- LSCM 3303 – Purchasing
- LSCM 4402 – Inventory and Warehouse
- LSCM 4407 – Project Management & Bus. Negotiations
- LSCM 4409 – Supply Chain Decision Making
- LSCM 4411 – Integrated Business Solutions

Scope of Program Within Alberta Industrial Context

Our SCM Program

- Approximately 100 Students Enrolled Per Year
- Approximately 20 Graduates Annually
- Almost 200 Graduates To Date
- Retained Experiential (Applied) Focus
- Strong Industry Partnership Council
- 4 of 8 SCMP credits if B standing or greater in BBA

Major Customers Corporate Sectors

- Oil & Gas
- Service (Forwarders, EPC Community)
- Transportation
- Warehousing & Distribution



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Questions and Issues

- Student perceptions of success
- What works? What needs to change?
- How can industry help?
- Enrollment concerns
- Career path continuance in SCM/CA
- Attributes for success



Bissett School
of Business

Keyano College, Contract Development and Administration Program

- ▶ It is –
 - A Continuing Education Diploma
- ▶ It is designed –
 - As a Business Degree Specialization
- ▶ We want it to be –
 - A Component or Accreditation to a Construction Management Designation

Contract Curriculum Course Elements Construction Focused

1. Contract Procurement & Design
 - Introductory Procurement Course
 - Focus is on “Corporate Purchaser”
2. Contract Law
3. Estimating & Competitive Bidding
 - Principles of Estimating to achieve the Correct Contract.
 - Focus on Contractor “Bidding”
4. Contract Negotiation and Administration
 - Negotiating a Contract
 - Ongoing Administration of a Contract

Challenges

- ▶ Courses (x4) are 39 hours each designed to meet Academic Standards.
 - Needs to meet standards to be a viable program
 - Demand is Functional Field related – Non Academic
 - Instructor Availability
- ▶ Regional Demand – Industrial Based
 - Construction & Services Companies – Looking for Knowledgeable Procurement Specialists, Will support but not provide time off for training.
 - Oil Companies – Looking for Educated Procurement Professionals will provide time off for student training.
- ▶ Students –
 - Typically Experienced from Trades or Small business
 - Working and/or want to Improve themselves for a better position
 - Want Accreditation or Certification

KEY TRAITS OF A CONTRACT ADMINISTRATOR

WHAT ARE THE KEY TRAITS REQUIRED ?

- Personal Integrity
 - Trustworthy
 - Open and Transparent
 - Respecting confidentiality
 - Not allowing bias or undue influence of others affect judgment
- Strong Communication Skills
 - Verbal and Written
 - Good Listener
 - Articulate in the English Language
 - Ability to influence others

KEY TRAITS OF A CONTRACT ADMINISTRATOR

WHAT KEY TRAITS ARE REQUIRED ?

- Good Analytical Skills
 - Ability to quickly process information regarding complex situations and influence decision making appropriately
- Commercial Acumen
 - Ability to understand commercial implications of engineering, construction or execution plan changes and impact on cost and/or contractor performance
- Highly Level of Organization
 - High volume of project documents and data. Contract Administrator role to ensure proper documentation of project and timely processing of Letters, Change Orders, RFI's, MOM, Insurance Certificates etc
- Quick Thinking
 - Rapidly evolving situations often require “on the spot” thinking – proactive/reactive

KEY TRAITS OF A CONTRACT ADMINISTRATOR

WHAT KEY TRAITS ARE REQUIRED ?

- High Ethical Standards
 - Doing the right thing all the time and being a role model for others
 - Code of Business Conduct compliance
 - Compliance with Laws
- Strong Work Ethic
 - Role is often demanding, dealing with multiple internal/external clients on a high number of projects/contracts
 - Working to deadlines
- Self Starter/InitiativeTaker
 - Must be able to work independently
 - Required to initiate contractual documentation sometimes with little guidance

KEY TRAITS OF A CONTRACT ADMINISTRATOR

WHAT KEY TRAITS ARE REQUIRED ?

- Professional Demeanor
 - Good personal presentation
 - Inspire confidence
 - Respect from peers and able to facilitate others
- Team Player
 - An effective Contract Administrator (CA) must build solid relationships with key stakeholders on projects
 - CA required to work closely with engineering, construction, legal, project controls, quality, safety etc to effectively perform role

KEY TRAITS OF A CONTRACT ADMINISTRATOR

WHY ARE THESE KEY TRAITS REQUIRED ?

- To meet or exceed Industry and Employers expectations
- Ensure compliance with the contract and related policies and procedures
- Position of commercial responsibility
- Potential legal implications of actions/decisions