

Contracting Strategies for Major Projects

Learn Key Practices and Processes to Drive Improved Capital Project Performance

COURSE SUMMARY

IPA data show that problems with contracting strategies are often the root cause of project failure. Quite often, owners are tasked with selecting appropriate and effective contracting. However, owner teams do not have access to enough data to identify the most suitable contracting strategies and assess the associated risks. This course provides data and a process to enhance participants' capabilities in evaluating, selecting, and developing appropriate and effective contracting strategies for capital projects.

Contracting strategy is an important element of any project execution plan. It is often a contentious area with strongly held beliefs about how contract plans can influence project outcomes. However, no one contracting strategy is right for all projects or project systems. As owners outsource more work to contractors, contracting arrangements have become increasingly important elements of the capital project process.

KEY BENEFITS

- **Learn** the strategies to manage the risks and difficult challenges of today's contractor market
- **Understand** various methods to avoid common contracting mistakes and problems in execution
- **Build** a productive owner-contractor relationship
- **Implement** the best contracting strategy based on project-specific characteristics
- **Learn** how risk analysis exercises affect contracting strategy
- **Apply** learnings from IPA's research to improve your ongoing and future projects

WHO SHOULD ATTEND?

All who consider contracting an important element of success in capital effectiveness will benefit from this program, including owner and contractor project managers, team members, supply chain executives, and other business leaders involved in major projects. The program provides insight into contracting approaches for those who manage whole project systems and seek to establish system-wide approaches to contracting.

INSTRUCTORS



Edward Merrow
IPA Founder &
Executive Chairman



Daoud Kiomjian
IPA Middle East
Team Leader

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London, UK

Daily Schedule

8 a.m. to 5 p.m.

US\$2,000

Discounts available. View
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COURSE BACKGROUND

This seminar is based on IPA Founder and Executive Chairman Ed Merrow's book, *Contract Strategies for Major Projects* (all participants receive a free copy), and IPA's extensive understanding of contracting as it relates to capital effectiveness. IPA began its research into contracting issues over 30 years ago when we first recognized the trend toward outsourcing engineering activities. Our research has continued to identify the circumstances under which various contracting approaches are effective.

COURSE TOPICS

Contracting and Project Outcomes	Data on how the most common contracting strategies affect project outcomes.
Exploring Why They Work the Way They Do	Why different contract forms behave the way they do. Why owners so often choose contracting strategies that contribute materially to poor results.
The Unusual EPC Lump-Sum Strategies	Functional (duty) specification contracting, design competitions, convert-to-EPC-LS, and Guaranteed Maximum Price (GMP).
Collaborative and Relational Contracting Strategies	Three more unusual strategies for industrial projects: integrated project delivery, partnering alliance, and repeat supply chain contractings.
Prequalification	Contractor selection and contractor prequalification. How failures in prequal often start contracting headaches for a project.
Use of Supplemental Incentives	Dealing with the core problem in contracting: the principal-agent conundrum and the use of various incentive schemes.
It's All About Risk	Risk allocation and risk pricing.
Who Should Control Contracting Strategy?	Who should control project contracting within owner organizations?
The Effects of Scale	How the effectiveness of various contracting strategies changes with the scale of the project. The role of packaging the scopes of work and the complications that multiple scope packages create.
Toward Fair, Balanced, and Smart	IPA's recommendations to owners on the development and articulation of their contracting strategies.

Why the IPA Institute? The IPA Institute is the training and education division of Independent Project Analysis (IPA), the world's leading advisory firm on capital projects. Our courses equip industry leaders and capital project practitioners with Best Practices for projects, portfolio, and project system management/delivery. All course instruction, presentations, and supplementary course materials are rooted in IPA's unparalleled capital project knowledge.