

# Contract Management for Ship Construction, Repair and Design

## 3-Day Training Program

### Your Instructor

Dr. Kenneth Fisher is recognized world-wide as the leading authority on the development and management of complex contracts and specifications for ship construction, conversion, repair and design. He is author of the 2004 RINA publication, *Shipbuilding Specifications: Best Practice Guidelines*, and of the 2003 SNAME publication, *Shipbuilding Contracts and Specifications*. As an arbitrator, expert witness, consultant and instructor for nearly 30 years, he brings clarity and organization to an otherwise-complex set of management requirements unique to the maritime industry.

*“The course will furnish the tools to allow you to manage your contracts with significant savings to your firm.”—L.U., Fleet Manager, Service Vessel Fleet*

### WHO SHOULD ATTEND?

- Project Managers (Yards and Owners)
- Contract Managers and Specialists
- Newbuilding Shipyards, Repair Yards
- Fleet Managers
- General Managers of Shipyards
- Financial Managers (Yards & Owners)
- Ship Conversion Specialists
- Naval Architects, Marine Surveyors
- Federal, State and Provincial Agencies
- Ferry Operators (Public and Private)
- Naval Shipyards
- Owner’s Representatives
- On-Site Representatives
- Major Equipment Vendors
- Marine Superintendents
- Consultants, Attorneys

### LESSONS LEARNED— NOT THEORETICAL!

This program is a lessons-learned one, not some theoretical course on contract management. It bears a lot of “scar tissue” from marine contractual disasters. It is designed for: (a) project managers who handle day-to-day relations with the other party, (b) persons who form contracts, and (c) senior managers who monitor contract-related resources/cash flow.

“A must for anyone involved (even remotely) with contract management. Dr. Fisher explains the complex elements of contract management very eloquently by using real life examples.”—  
Z.H., Canadian Navy

“Send your key production people also. It helps to get them on the team so more people outside of management understand the consequences of what they tell our customers.”—  
Production Manager, Major US Shipyard

“Open discussion and examples reinforce prior knowledge and lend motivation to use it. I have used these insights to great benefit in the few weeks since taking the course.” —  
Contract Manager, Gulf Coast Shipyard

“Excellent information and lots of good examples of how things can go wrong. All new estimators should have this course.”—  
Superintendent,  
Canadian Shipyard

#### Team Training

Team discounts available.  
Seven or more participants in your organization? Ask about scheduling the program in your facility.  
Inquire by e-mail.

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## Project Formation Utilizing Principles of Contract Management

- Unique contracting characteristics of the marine industry
- Principles of contract management applied to the marine industry
- Nine case studies on mis-management of ship repair, construction and design
- Analysis of the causes of mis-management
- Chronology of contracts from formation to close-out after the warranty ends
- Meetings and other pre-contract communications which affect contract workscope
- Defining all of the contract deliverables
- Pre-signing contract management, bid package formation, contract development
- Identification of owner's rep's functional responsibilities throughout performance
- Development of spread sheets to track all contract communications
- Shipyard's development of estimate and bid
- Identification of engineering, regulatory and classification-related responsibilities
- Contract signing, pricing review and schedule review
- Project kick-off meeting agenda items
- Advance development of mechanisms to avoid prolonged disputes

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## Negotiating, Pricing and Scheduling

- Examples of successful and other changes
- How timing affects the cost of changes
- Identification of real change in workscope
- Change work as a substitute for basic work
- Risk assessment and risk syndication
- Engineering and procurement for changes
- Identification of all involved crafts
- Support services for change work
- Obtaining advance pricing commitments
- Limiting negotiation authority for changes
- Hazardous waste removal change orders
- Identifying the non-obvious scope of work
- Credits for canceled or replaced basic work
- Shipyard's vs. ship owner's estimates
- Choosing a negotiator or negotiating team
- Lead times and durations for change work
- Identifying schedule impacts of changes
- Determining delay entitlement for changes
- Competition for change work
- The shipyard's view on indirect costs
- Identifying overlooked billable personnel
- Estimating change's non-productive effects
- Reliance on OFE/GFE commitments
- Dealing with mandatory changes
- Time and material changes
- Identifying/neutralizing negotiating tactics
- Twelve negotiating techniques
- Use of THE CHECK LIST before making commitments

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## Project Control Through Application of Principles and Proven Techniques

- Translating the contract into routine procedures and communications
- Identifying standards for inspection or rejection of workmanship
- Drawings and bills of material
- Classification and Coast Guard approvals
- Schedule development, monitoring and updating—selecting CPN or Gantt
- Delays—excusable, compensable, non-excused and concurrent
- Responding to failures by the other party to fulfill its obligations
- Owner's review of contractor's drawings
- Review of contractor equipment selections
- Owner-furnished information, equipment
- Management of owner's secondary contracts and yard's sub-contracts
- Early identification of potential disputes and their quick resolution
- Inspection deficiency reports—origination and follow-up
- Distributed change order authority
- Warranty and incomplete items
- Vessel delivery and re-delivery procedures
- Financial and insurance matters
- Monitoring contract deliverables lists
- Closing out the contract