

New Zealand Procurement Academy

Course Outline: Managing risk in Procurement and Contract Management

(1 day)

Objectives

This course is designed to enhance the contracting professional's understanding of the techniques and activities of risk management within a procurement and contract management environment. It provides participants with an insight into the differences between project risks, evaluation risk and ongoing operational risks embedded within third party contracts.

Participants will gain the skills and techniques to build on this understanding to optimise various procurement project and contracting outcomes.

Who should attend

Procurement professionals who are responsible for:

- undertaking contract acquisition projects
- establishing organisational priorities regarding the resourcing of either procurement projects or management of contracts and suppliers/service providers
- ongoing contract and supplier relationship management.

Level

This course is at the level of Intermediate – Advanced.

Program Content

This program will apply facilitated sessions, group discussion and case studies to address the following:

- recognising differences between project and operational risks
- distinguishing between commercial, financial and operational risks
- identifying risks, with a particular focus on the daisy chain of consequences
- the implications of risk event likelihood on risk assessments
- preferring financial risk assessments to financial viability in tender evaluation

- applying the Relative Risk Assessment protocol to inform business cases and procurement strategies
- using a risk-based approach to inform resourcing decisions
- developing practical mitigation strategies

Duration

This is a one day course

Benefits to participants

The attendees will:

- expand their understanding of the formal protocols and tools of risk management
- increase awareness and understanding of the essential framework that underpins risk management
- learn the techniques of financial risk assessment and relative risk assessment
- understand the implications the law has for risk obligations
- improve their ability to draw distinctions between project and operational risks
- learn to recognise commercial, financial and operational risks
- value the means of building and maintaining risk monitoring techniques
- make better decisions about allocation of personal effort

Benefits to the Employer/Organisation

The sponsoring organisations will benefit through procurement and contracting staff being provided with an excellent basis for mitigating organisational exposure to risk by making better decisions in relation to:

- options in business cases, procurement strategies and procurement plans
- financial aspects of tender evaluations
- allocating effort to contract and supplier relationship management
- collaborating to harness ongoing continuous contract improvement
- stakeholder/service taker engagement and management