

PURCHASING CONTRACTS – A PRACTICAL GUIDE

By GRAHAM FULLER

General

The book is written in a legal, but easy-to-read style and lends itself to quick reference by way of a well-detailed list of contents. The chapters are short and to the point and the content of each chapter is indicated clearly in the list of contents.

The topics covered are obviously of direct interest to those involved in the purchasing process but are also of huge importance to Project Controllers, who must at all times be aware of and respond to many aspects of purchasing cycles, in terms of equipment, materials and services.

Key areas

Although it will not be necessary for Project Controllers to be expert in the content of the book, there are many topics which bear a direct relationship to those contained in the National Occupational Standards for Project Control, Estimating, Planning and Cost Engineering, which now form the basis for formal qualifications in these disciplines.

Specifically, the Project Controller will have an interest in the following, *with an over-riding objective to analyse and evaluate potential risk to a successful project outcome*:

- the availability and reliability of vendors to supply in accordance with scheduled deliveries
- the accuracy of the Specification and its relevance to the project outcome
- the agreed purchase price, in order to monitor and forecast final costs
- the vendor performance in terms of quality and delivery
- the process of manufacture and delivery and reporting status
- the arrangements to manage changes
- the payment conditions, in order to manage cash flow
- the agreements for assignment and sub-contracting, and any of the above concerns which are relevant to sub-contractors
- the impact of amendment and novation
- the consequences to the project of deficient delivery and damage
- the impact on the project of the arrangements for dealing with disputes
- the logistical and financial implications of geographical factors such as purchasing from differing economies and distant locations
- a full appreciation of any ethical factors.

Summary

This book is to be recommended as key reading matter and library reference for all those interested and involved in Project Controls.

Tony Reid

[20 May 2011]