
Overview

This standard is about the work required to develop and negotiate a formal proposal for contract work. It covers the evaluation of specification documents (e.g. invitations to tender), the development of proposals and the negotiation and agreement of terms with the other party.

This standard is for managers who will be developing and preparing proposals for contract work.

Performance criteria

You must be able to:

- P1 check the specification documents and identify your organisation's capacity and capability to carry out the work
- P2 cross-check information provided in the specifications with any other relevant information
- P3 assess the opportunities and constraints of bidding for the work
- P4 plan the preparation of a suitable proposal to meet the required submission date
- P5 inform the customer of your intention to submit/not submit a proposal for the work
- P6 analyse the resources required to achieve the contract based on the information you have obtained
- P7 produce costings that will provide adequate returns, taking into account market conditions
- P8 produce proposals which meet the customer's requirements and your organisation's needs
- P9 submit proposals on time and in the form required by the customer
- P10 conduct post-proposal negotiations which prepare the way for good working relations with the customer
- P11 clarify responsibilities, procedures and flexibility within the contract
- P12 ensure decisions and suggestions made during the negotiations are consistent with your organisation's requirements
- P13 agree and confirm contracts prior to the start of work

Knowledge and understanding

You need to know and understand:

- K1 the importance of thoroughly inspecting specification documents, cross-referencing them and identifying any issues
- K2 how to use decision-making tools to determine whether a contract should be sought
- K3 the organisational, legal, resource and ethical issues which might be involved in taking on particular types of work
- K4 the interrelationship between work which the organisation may be interested in doing and its capacity to achieve it
- K5 the reasons why organisations may choose not to apply for contracts even though they are able to achieve them
- K6 the types of risks which might be involved in contracts and the methods of assessing such risks
- K7 the sources of information and advice: technical, legal and financial
- K8 the need for permits, licences and escorts to carry out certain types of contract work within your industry
- K9 the external factors which have a bearing on the delivery of the contract, such as weather conditions, time of year and production stages
- K10 the importance of the cash flow forecast and how to break the overall contract work into key milestones
- K11 how to evaluate the resources required and the relationship of this to the proposed budgets e.g. financial, material, capital and human
- K12 how to arrive at a costing which takes into consideration the prevailing market conditions and the actual cost of providing the products and services
- K13 the opportunities which may be available to discuss the work with the customer and how this can contribute to good relationships
- K14 the principles of contract law
- K15 why post-proposal negotiations may be necessary and how to conduct them in an effective manner
- K16 the varying degrees of flexibility and tightness which contracts may have depending on the nature of the work and the customer involved
- K17 the limits to which the organisation will go to in securing the contract
- K18 how to conclude negotiations which are effective and mean the contract is able to proceed
- K19 when it may be advisable to draw others into the negotiations to help achieve a successful outcome

LANCS47- SQA Unit Code HC1X 04

Develop, negotiate and agree proposals to offer land-based services and products



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