COURSE DESCRIPTION

Intense competition is forcing the development of high performance cultures which expect excellence and continuous improvement as a way of life. How well supply chain management professionals structure contracts and manage risks will continue to be an important part of how organizations improve, reduce costs, maximize opportunities and manage risks. The stakes are high. The success of critical commercial transactions depends on flawless execution which in turn requires expert contract and risk management skills. Billions of dollars are spent every year by corporations in procuring goods and services from their suppliers. Therefore, even small changes and improvements in how supplier contracts are structured and managed can have substantial positive impacts to the bottom line. This course will focus on crucial real world contract management considerations including:

- How sound contracting practices is an important part of being successful in an increasingly competitive global environment.
- How to assess, minimize and manage risks in supplier contracts by early identification of contractual “red flags”.
- Practical steps for improving and standardizing contracts and contract management techniques in organizations.

Supply chain management professionals need to be well versed in the subtleties of how to optimally structure and manage supplier contracts and their associated risks. This course provides supply chain management professionals with skills, strategies and techniques to avoid the pitfalls associated with poor contract management. Teaching style will include lecture with strong emphasis on engaging students in discussion, soliciting and asking questions, student interaction and participation as well as practical and real world examples applicable to the theories and strategies discussed.

COURSE MATERIALS

Textbook(s): Contract and Risk Management for Supply Chain Management Professionals, First Edition by X. Paul Humbert, Esq. and Robert C. Mastice, MSME, ISBN #13:9780615956718 and Model Contract Terms and Conditions with Annotations and Case Summaries, First Edition by X. Paul Humbert, Esq. and Robert C. Mastice, MSME, ISBN #13:9780692272084. The final exam document will be available on Blackboard on or before the first day of class. Assignments may likewise be posted on Blackboard. Please note that we only meet as a class on five occasions. Each Saturday is essentially three (3) one hour classes. The last day of class is the exam. That means that we have four sessions or 12 hours to cover the entire course. This is very doable if students keep up with the assignments. Essentially, we will be covering a quarter of the text of each book each class. Ideally, come to class on the first day having read the first.
quarter of each book. These are small 6 x 9 books and this is very manageable. Check Blackboard (blackboard.rutgers.edu) and your official Rutgers email account regularly.

CLASS ORGANIZATION & ADMINISTRATION

LEARNING GOALS AND OBJECTIVES

See the Course Description. This course is designed to help students develop practical skills and knowledge including:

How to manage contracts from “cradle to grave” with special emphasis on post-execution contract management strategy and techniques for insuring that both parties adhere to their respective responsibilities.

How to assert or respond to warranty, delay, requests for scope modification, additional compensation requests and other claims in the course of managing transactions.

How to handle special challenges associated with complex transactions such as outsourcing and strategic alliances from a contract management standpoint.

How to craft, structure, negotiate and manage contracts involving commercial transactions for goods and/or services blending the practical with general legal principles and highlighting the importance of change management.

How to avoid pitfalls and apply lessons learned thereby avoiding potential commercial dysfunction and confusion which can be expensive in today’s competitive environment.

Students who complete this course will demonstrate a higher degree of commercial sophistication and comfort regarding contracts and contract management. In addition, students will understand how the relationship of the parties affects commercial transactions and the importance of upholding the integrity of the process as well as understanding key considerations and risk management tools and techniques.

Students will also understand how to use a set of contract terms and conditions as illustrated with annotations and case summaries. The sample contract language, together with accompanying annotations explaining same as well as recommended practices for managing contracts will increase the student’s commercial “literacy.” Real reported cases will be used to illustrate key points.

An important part of the course will be the final day of class when each student will make a presentation to the rest of the class highlighting his or her Contract Management Plan, applying the principles and practices covered in class to a hypothetical contract.

Students will develop these skills and knowledge by attending class, participating in discussions, and preparing a Contract Management Plan (CMP) as well as presenting that plan to the class.

PREREQUISITES

I do not require any formal prerequisite to this course. Experience with supply/ demand chain, contracts and the contracting process is helpful but not required. The most important prerequisite for students to bring
to class is an interest in improving their contracting knowledge and skills together with a willingness to participate in class and share what they know with the rest of the class. As noted earlier, we only meet on five occasions so each class will be important. Especially important is interest in the course as demonstrated in part by arriving on time. This is only a matter of respect for your fellow students since arriving to class late is disruptive to the group and the learning process.

ATTENDANCE AND PREPARATION POLICY

Expect me to attend all class sessions. I expect the same of you. If I am to be absent, my department chair or I will send you notice via email and Blackboard as far in advance as possible. If you are to be absent, report your absence in advance. If you must miss a class, please try to obtain the notes from another student. It is wise to “buddy up” with someone in advance in case you miss a class and in this way you can have the benefit of your friend’s notes.

For weather emergencies, consult the campus home page. If the campus is open, class will be held.

Expect me to prepare properly for each class session. I expect the same of you. Complete all background reading and assignments. You cannot learn if you are not prepared. The minimum expectation is that for each 3-hour class session, you have prepared by studying for at least twice as many hours. Typically, graduate students spend 2.15 hours of independent study for each 1 one of class.

Expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.

CLASSROOM CONDUCT

Please use name cards to facilitate class participation discussion. Again, please be on time. Arriving late for class is not only disruptive but disrespectful of your fellow students. Note taking is encouraged, but classes are not to be recorded or videotaped. Each student should feel comfortable participating and asking questions. Laptops are not permitted on the last day of class and should not be used as a distraction. Class is no place to “multi- task”.

EXAM DETAILS AND REQUIREMENTS

This is a “paper course”. Your grade is based on the preparation of a Contract Management Plan (“CMP”) based upon what was covered in the course and assuming that a set of hypothetical contract documents are in place and in force. The contract documents will be provided to you on Blackboard. A “plan” means a step-by-step process with well-defined timing and specified resources applied to the goal of implementing the contract. It would typically address various scenarios and how to address/resolve them. Your CMP should guide and inform the reader. The CMP should be written from either the Owner’s or Contractor’s perspective. The CMP should focus on how the contract can be changed in accordance with its terms and how changes will be managed throughout the life of the contract. The CMP should also address how requests for additional compensation, increases or decreases to scope of work and delay claims will be handled from a business perspective. In addition, the CMP should address how warranty claims can be made and the protocol for providing notices. It is your chance to demonstrate what you have learned and apply it to a real set of commercial documents. There is not set CMP form or format to follow which allows you flexibility and creativity.
The CMP should be approximately ten typed and numbered pages in length and should reflect the contract management principles taught in the course. Students should not repeat or rewrite the contract or suggest/discuss alternative or different language. The CMP is due and must be handed in at 9:00 a.m. on the last day of class. Students must present their paper orally to the class on the last day of class. Presentations should last five to ten minutes including time for Q & A from the audience. Computers are not permitted in the classroom on the last day of class. Please ensure your name and course number are on the cover of the CMP. Please note that students should not copy the contract and submit it as a CMP, but instead craft a CMP as an internal document to help either the Owner or the Contractor manage the transaction. Students should work independently and present their original work product tailored to and applicable to the contract provided. Students should not impose additional burdens in the CMP that are not required under the contract but instead provide a detailed plan for administering and managing the contract as it is written. In particular, specific contract management actions and responsibilities should be tied to specific articles of the contract to ensure that the parties’ rights, responsibilities and remedies are fulfilled in accordance with the contract. Show me you understand the concepts (e.g. privity, apparent authority, waiver, integration etc..) but apply them to the specific language of the contract in the form of a plan; a management plan to manage the contract.

Your CMP is your opportunity to show me and apply what you have learned. The advantage of a “paper” exam is that it is a “thinking” test not a “memory” test.

FINAL GRADE ASSIGNMENT

Your final exam paper will be graded based upon how well you apply the principles and practices covered in the course as required in this syllabus. See above “Exam Details and Requirements.” I do not per se “grade” class participation or the presentation you make on the last day of class, but I do take attendance and participation into consideration.

MACCY in Governmental Accounting (22:799:655)

COURSE SCHEDULE

The first day of class will be Saturday, February 28, 2015. The last day of class will be Saturday, April 11, 2015. Spring break begins Saturday March 14, 2015 and ends Sunday March 22, 2015. My office hours are one hour before and after class in the classroom. Please schedule in advance.

Please note that by signing up for the course, you are acknowledging that you understand and agree to this syllabus.

ACADEMIC INTEGRITY

_Rutgers does NOT tolerate cheating._ Students are responsible for understanding the RU Academic Integrity Policy (http://academicintegrity.rutgers.edu/files/documents/AI_Policy_2013.pdf). I will strongly enforce this Policy and pursue _all_ violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” Please include this statement in your CMP. I may screen your work through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past documents. Don’t let cheating destroy your hard-earned opportunity
to learn. See business.rutgers.edu/ai for more details. In preparing your work, you must work independently and avoid plagiarism.