



PROJECT MANAGEMENT  
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING  
Civil & Environmental Engineering Department



# CONTRACTING IN AN AGILE WORLD

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*2020 Project Management Symposium*

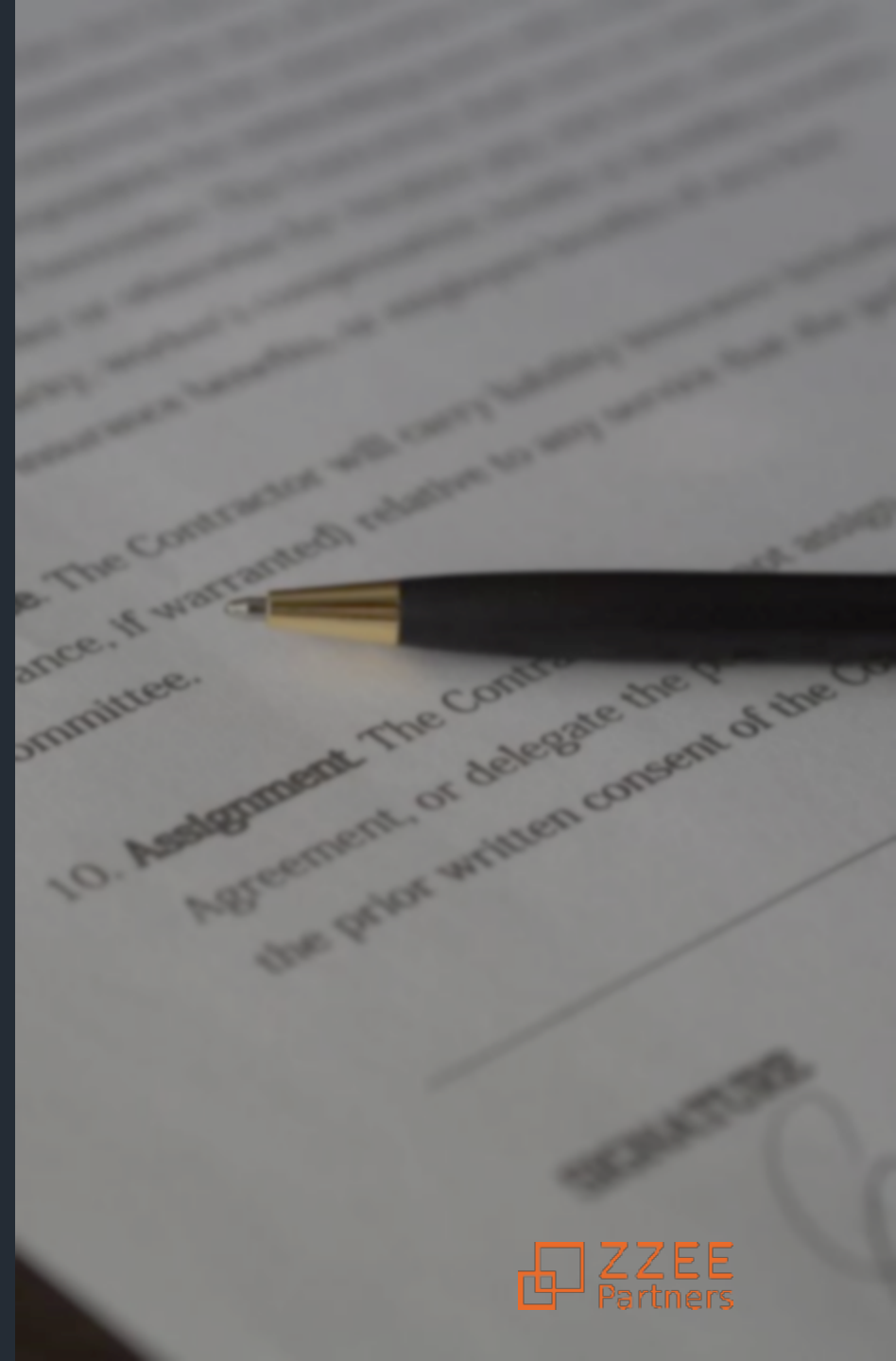
# Agenda

- Why are you contracting work
- Bid / negotiation phase
- Project execution
- How to recognize and address challenges
- Wrap up
- Q&A

Do not have the skillset /  
capability / experience

Additional capacity

Not allowed to do yourself





**Customer**

Requirements / user stories

Non functional requirements /  
deliverables

Acceptance criteria

## Customer

Requirements / user stories

Non functional requirements / deliverables

Acceptance criteria

## Vendor

Requirements vague and open to interpretation

Little or no context of Business process / IT landscape

Challenged to estimate the work

Fixed  
Price



Time  
and  
Material



Bonus / Penalty



Agile  
Embrace change

Contract  
Defined scope, price,  
date





Agile  
Embrace change

Contract  
Defined scope, price,  
date



Can lead to mismatched expectations



# Project execution

Payment

Bonus / penalty

Customer satisfaction

Future work



Payment

Bonus / penalty

Customer satisfaction

Future work

Vendor profitability goals

Vendor performance goals

Vendor sales goals



Maximum  
value

Minimum  
acceptable amount  
of work





Maximum  
value

Minimum  
acceptable amount  
of work



Can lead to short term thinking

# Profitability at risk

Reduce  
cost profile

Challenge  
Scope

Referencing the contract

Cherry picking scope

Challenging sizing / complexity

Limiting access to the team

Unexpected people changes





Focus on clarity during the bid  
Clarify what constitutes a change  
Spot “*Get out of jail free*” cards  
Understand vendor organization





Start from a place of trust  
Put yourself in their shoes  
Focus on long term success



You cannot be successful  
without the vendor, and  
they cannot be successful  
without you





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