



CONTRACTS MANAGEMENT | CON-013

Contract Pricing and Payment Mechanisms

Contact

+31 85 7444446
info@aractech.com
https://aractech.com

Address

Waarderweg 50, 2031PB Haarlem - Netherlands.

Course content

Why Attend

How a contract is priced and paid shapes behaviour, risk and value. Choosing the right pricing model and payment terms is a key commercial decision.

This Aractech course covers pricing models including fixed price, cost reimbursable, target cost and unit rates, incentives, escalation and indexation, milestone and progress payments, retentions and advance payments, and payment administration. Participants compare pricing options for case contracts.

Course Methodology

- Model comparisons
- Calculation exercises
- Case studies
- Group discussions
- Workshops

Course Objectives

- Compare contract pricing models
- Select pricing models for different situations
- Design incentives and target cost mechanisms
- Apply escalation and indexation
- Structure payment terms and securities
- Administer payments correctly

Target Audience

- Contract and commercial managers
- Procurement professionals

Course content

- Quantity surveyors
- Finance managers

Course outline

Detailed course outline

Day-by-day outline for Contract Pricing and Payment Mechanisms.

Day 1 - Pricing Models

- 09:00-09:45 | Fixed price
- 09:45-10:30 | Cost reimbursable
- 10:30-11:00 | Unit rates
- 11:00-11:30 | Coffee break
- 11:30-11:45 | Unit rates (continued)
- 11:45-12:30 | Hybrid models
- 12:30-14:00 | Exercise: Model selection

Day 2 - Incentives and Target Cost

- 09:00-09:39 | Target cost contracts
- 09:39-10:18 | Pain-share and gain-share
- 10:18-11:00 | Incentive design
- 11:00-11:30 | Coffee break
- 11:30-12:05 | Incentive design (continued)
- 12:05-12:43 | Behaviour
- 12:43-14:00 | Workshop: Incentive design

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Day 3 - Escalation and Risk

- 09:00-09:45 | Price adjustment
- 09:45-10:30 | Indexation
- 10:30-11:00 | Currency
- 11:00-11:30 | Coffee break
- 11:30-11:45 | Currency (continued)
- 11:45-12:30 | Contingencies
- 12:30-14:00 | Exercise: Escalation calculation

Day 4 - Payment Terms

- 09:00-09:45 | Milestones
- 09:45-10:30 | Progress payments
- 10:30-11:00 | Advance payments
- 11:00-11:30 | Coffee break
- 11:30-11:45 | Advance payments (continued)
- 11:45-12:30 | Retentions and bonds
- 12:30-14:00 | Case study: Cash flow dispute

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Day 5 - Payment Administration

- 09:00-09:54 | Valuations
- 09:54-10:48 | Certification
- 10:48-11:00 | Invoicing
- 11:00-11:30 | Coffee break
- 11:30-12:12 | Invoicing (continued)
- 12:12-13:06 | Audits
- 13:06-14:00 | Capstone: Pricing and payment strategy

Seminar dates

Available seminar dates

Live dates and pricing for Contract Pricing and Payment Mechanisms generated from the course details page.

Date	Location	Format	Fee
9 - 13 November 2026	Kuala lumpur	Classroom	€1,925
14 - 18 December 2026	Barcelona	Classroom	€2,815
18 - 22 January 2027	Paris	Classroom	€3,825
15 - 19 February 2027	Frankfurt	Classroom	€1,875
15 - 19 March 2027	Barcelona	Classroom	€2,815
19 - 23 April 2027	Frankfurt	Classroom	€1,875
17 - 21 May 2027	Rome	Classroom	€3,460
21 - 25 June 2027	Kuala lumpur	Classroom	€1,925
19 - 23 July 2027	Barcelona	Classroom	€2,815
16 - 20 August 2027	Paris	Classroom	€3,825

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9 - 13 November 2026	Online / Live	Online / Live	€1,815
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