

Commercial Management – Fundamentals

Managing risk and enhancing commercial outcomes in construction

TRAINING



This new program, comprising 13 one-day training modules for client, contractor and consultant commercial managers in Australia, is designed to address the key challenges faced by commercial teams responsible for procurement, contracts, risk and commercial outcomes on construction projects.

The education, role definition and skillset of commercial management teams are not common or consistent across Australia. This lack of consistency is reflected in the continued delivery of major projects significantly over time and budget, and in the commercial pressures faced by contractors and subcontractors across the industry.

At the same time, the pipeline of work across health, energy, transport and major capital works remains strong. Macro-economic uncertainty and geo-political pressures mean that the delivery of construction projects continues to present material commercial and contractual risk for all parties.

Professional, structured management of procurement, contracts and risk is therefore critical to achieving successful project outcomes.



Why choose RICS?

RICS is a global, impartial, not-for-profit professional body acting in the public interest. As a leading professional body in Australia's construction sector, RICS is well placed to deliver this training. Its members undertake extensive education, training and continuing professional development and are subject to a robust regulatory regime. The global reach of RICS ensures that the training reflects international best practice while being locally developed and delivered for the Australian market.

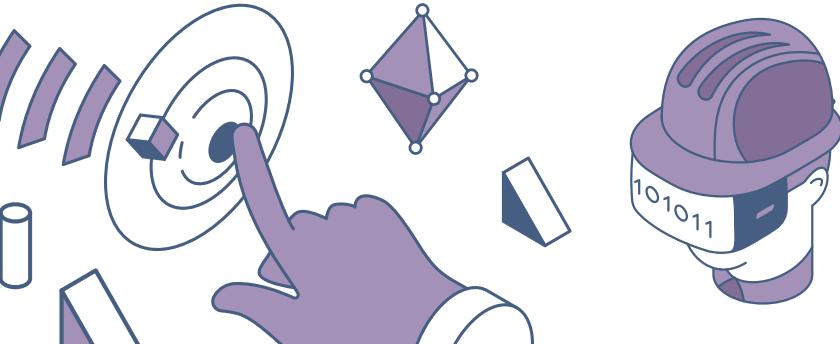
The training programme aligns with RICS Global Construction Standards, ensuring relevance across multiple jurisdictions and strengthening the global transferability of commercial management skills. This is particularly valuable in Australia and the wider APAC region, where clients and contractors seek assurance that international recruits and local staff are working to the same globally recognised baseline.



Training program modules

One day workshops in the Commercial Management of Construction Fundamentals program are as follows:

1. Scope, Measurement, Pricing and Innovation
2. Procurement and Tendering
3. Contract Administration – Essentials and Best Practice (Part 1)
4. Contract Administration – Essentials and Best Practice (Part 2)
5. Construction Law – Key Principles and Case Law
6. Change Management – Variations
7. Claims Management – Principles and Best Practice
8. Delay and Disruption – Including Programming/Scheduling Best Practice
9. Dispute Avoidance and Resolution
10. Project Financial Control and Reporting
11. Risk Management in Construction Projects
12. Negotiation for Construction Professionals – Including Emotional Intelligence
13. Ethical and Professional Standards for Commercial Managers



Scope, measurement, pricing and innovation

This module examines the impact of design development and construction methodology on cost throughout the life of an asset. It focuses on the quantification and pricing of cost at the pre-contract stage and how design decisions influence construction cost, risk allocation and whole-of-life outcomes.

Completion of this module contributes to attaining the Cost Planning and Quantification and Costing of Construction competences as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Scope definition, development and control
- ✓ Design stages and their commercial implications
- ✓ Measurement and quantification methods for pricing and risk
- ✓ Pricing strategies and allowances for uncertainty
- ✓ Innovative approaches to delivering value, including modern value engineering principles
- ✓ Consideration of whole-life cost and operational impacts

Procurement and Tendering

How a project is structured and delivered, including risk allocation and contractual relationships, is critical to its success. This module provides a clear understanding of the procurement and tendering approaches commonly used in Australia, and the advantages and disadvantages of each from the perspective of clients, contractors and subcontractors.

Completion of this module contributes to attaining the Procurement and Tendering and Contract Practice competences as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Procurement models: traditional, design & construct, alliances, PPPs
- ✓ Risk allocation and commercial incentives under different procurement routes
- ✓ Collaborative procurement approaches and frameworks
- ✓ Tendering strategies and bid/no-bid decisions
- ✓ Tender documentation, compliance and evaluation
- ✓ Contract award and transition to delivery

Contract Administration

Essentials and Best Practice (Parts 1 and 2)
(two subjects)

These modules deal with contract administration for a generic construction project rather than focusing on a specific form of contract or procurement model. The emphasis is on effective administration during the construction phase.

The course is presented primarily from the perspective of a contractor-side contract administrator, but is equally relevant to contract administrators, project managers and quantity surveyors acting for principals, consultants or subcontractors.

Completion of these modules contributes to attaining the Contract Administration competence as part of the RICS Quantity Surveying Assessment of Professional Competence.

Topic areas covered include:

- ✓ What constitutes a legally binding contract
- ✓ Roles, responsibilities and authority under construction contracts
- ✓ Notices, correspondence and contractual time bars
- ✓ Record keeping and document management
- ✓ Payment processes, including Security of Payment requirements
- ✓ Managing interim and final accounts
- ✓ Internal governance and commercial approvals
- ✓ Subcontractor management, including effective kick-off meetings
- ✓ Avoiding common pitfalls and maintaining contractual compliance

Construction Law – Key Principles and Case Law

This module provides an overview of the Australian legal framework underpinning construction projects, focusing on the principles that enable effective contract management, risk mitigation and enforcement throughout the project lifecycle.

Completion of this module contributes to the Contract Practice competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Construction law fundamentals
- ✓ Key principles of contract law and statutory rights
- ✓ Security of Payment legislation across Australia
- ✓ Liquidated damages, termination and remedies
- ✓ Recent case law and practical implications for commercial managers



Change Management – Variations

Change is inevitable in construction projects, but must be controlled rigorously. This module focuses on best practice approaches to identifying, valuing and managing changes to scope, cost and time in a proactive and commercially effective manner.

Completion of this module contributes to attaining the Contract Administration and Quantification and Costing of Construction competences as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Identifying and managing changes in scope
- ✓ Contractual mechanisms for variations
- ✓ Valuation methodologies and pricing principles
- ✓ Time impacts arising from change
- ✓ Negotiating and finalising variations effectively
- ✓ Processes to minimise disputes arising from change

Claims Management – Principles and Best Practice

Effective claims preparation and management is critical to protecting commercial positions and avoiding disputes. Poor claims management frequently results in lost entitlement, increased cost and strained relationships.

Completion of this module contributes to attaining the Conflict Avoidance, Management and Dispute Resolution Procedures and Contract Administration competences as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Principles of entitlement for time and cost claims
- ✓ Preparing, assessing and defending claims
- ✓ Substantiation and evidentiary requirements
- ✓ Programming and cost information in support of claims
- ✓ Managing claims processes proactively
- ✓ Strengthening commercial positions while preserving relationships

Delay and Disruption – Including Programming/Scheduling Best Practice

Delay and disruption are endemic in construction projects and are a primary driver of disputes. This module focuses on understanding, assessing and managing delay and disruption events.

Completion of this module contributes to attaining the Programming and Planning, Contract Administration and Quantification and Costing of Construction competences as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Common causes of delay and disruption
- ✓ Critical Path Method (CPM) fundamentals
- ✓ Baseline and updated programmes
- ✓ Assessing extensions of time
- ✓ Disruption and productivity loss claims
- ✓ Practical approaches to mitigation

Dispute Avoidance, Management and Resolution

Disputes arise on a significant proportion of construction projects and are costly, time-consuming and damaging to relationships. This module focuses on understanding why disputes occur and how they can be avoided or managed effectively.

The session is aimed at early career construction professionals or as a refresher to more experienced attendees.

Completion of this module contributes to attaining the Conflict Avoidance, Management and Dispute Resolution Procedures competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Causes and impacts of construction disputes
- ✓ Dispute resolution methods: negotiation, adjudication, mediation, arbitration and litigation
- ✓ Adjudication under Security of Payment legislation
- ✓ Roles and responsibilities of commercial managers in dispute avoidance
- ✓ Early intervention and escalation strategies

Project Financial Control and Reporting

This module focuses on effective cost control and financial reporting during the construction phase, including both internal and external reporting requirements, providing an understanding of the control and reporting processes commonly used on construction projects

Completion of this module contributes to attaining the Project Finance (Control and Reporting) competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Commercial strategy and cost control principles
- ✓ Budget development and forecasting
- ✓ Cost reporting and cash flow management
- ✓ Managing financial risk and contingencies
- ✓ Using financial information to support decision-making

Risk Management in Construction Projects

Effective risk management is fundamental to achieving successful project outcomes. The inherent complexities, uncertainties, and high stakes involved in the construction industry make proactive risk identification, assessment, and mitigation essential for delivering projects safely, on time, within budget, and to the required quality standards.

This module explores practical approaches to identifying, assessing and managing risk across the project lifecycle.

Completion of the module contributes to attaining the Risk Management competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Risk identification and assessment techniques
- ✓ Risk allocation through procurement and contracts
- ✓ Developing and maintaining risk registers
- ✓ Mitigation strategies and contingency planning
- ✓ Monitoring and reporting risk throughout delivery

Negotiation for Construction Professionals – Including Emotional Intelligence

Strong negotiation skills are essential for achieving commercial outcomes in construction projects. This interactive module is delivered with the construction sector in mind and uses practical examples and group discussion.

Completion of the module contributes to attaining the Communication and Negotiation competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Negotiation strategies and tactics for construction contexts
- ✓ Understanding interests, positions and leverage
- ✓ Developing emotional intelligence and self-awareness
- ✓ Managing conflict and difficult conversations
- ✓ Negotiating under time and commercial pressure

Ethical and Professional Standards for Commercial Managers

Ethical behaviour and professional standards underpin effective commercial management and public confidence in the construction industry. This module explores how ethical principles influence commercial decision-making throughout the project lifecycle.

Completion of this module contributes to attaining the Ethics, Rules of Competence and Professionalism competence as part of the RICS Quantity Surveying and Construction Assessment of Professional Competence.

Topic areas covered include:

- ✓ Ethical decision-making in commercial roles
- ✓ Governance and accountability
- ✓ Managing conflicts of interest
- ✓ Professional conduct and integrity
- ✓ Alignment with RICS standards and industry codes



Other topics and bespoke training available

In Australia RICS also offers one day or half day training sessions on particular contract types, e.g. (AS4000, GC21, FIDIC and NEC4) and can also create bespoke training on topics not listed (previous examples include: Cost Escalation, Should Cost Modelling, Insolvency and Cost Reimbursable Contracts)

Our Trainers

The trainers for the program are typically RICS Chartered professionals (MRICS or FRICS), qualified in Quantity Surveying/Commercial Management of Construction or Construction Project Management. They have extensive practical experience, globally and in Australia, across client side, contractor and consultant organisations – in building and infrastructure projects.

For more details of the program, including pricing and scheduling options, please contact: Nick Hudson, Market Development Manager – Australia, RICS at:

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Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

Enquiries
contactrics@rics.org