

# [Typical scope, nature of work and project](https://assignbuster.com/typical-scope-nature-of-work-and-project/)

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TypicalSub-Contractor ArrangementsThe sub-contractor arrangementsinclude the following:·        Execution Partner WorkPackages’ Management Cost Reimbursable or fixed price contract with variations. The contracts are normally used for small scope of work and well-known environmentsand possible repetitive type of work. An example might be fencing for asub-station.·        Technical Services – FixedPrice or Cost Reimbursable. An example might be a consultant performing an EIAstudy.·        Technology Supply – Lump sumTurn Key.

An example might be supply of a water treatment plant.·        Constructor (Installer) – Billof Quantity, re-measured contracts. Examples might be erecting powerdistribution between two points, or civil works for site preparation.·        Supply Agreements – FixedPrice. Examples might be the supply of pumps, or 20 miles of electrical cable.·        Bill of Quantity Re-MeasurableContracts for Construction or Installation work.

Ideally suitable where work iseasily measured by a quantity as measure and cost by a rate per quantity, likecivil works with ft3(cubic feet) of excavation at a certain rate per ft3 (cubic feet) or structural steel with ton of steel at a rate perton. 4. 1. 5          Sourcing for Project Controls Based onEVMThe success of project controlsusing earned value management requires appropriate sourcing. The owner shouldrequest from the contractors; Project Controls using Earned Value Management, as per appropriate specifications. The different contract strategies requiredifferent specifications which need to be tailored for the specific scope, nature of work and project controls capability of contractor. The importantsourcing mechanisms include the following:·        The Owner is to evaluate andgrade contractors according to their project controls capability or maturitylevel.

·        The Owner is to appropriatelytrain, and contract with contractors as and when needed.·        Sourcing Approach for EPC andFixed Price, including Supply Agreements Contracting Environment. o    Owner to perform Compliance Inspection to establish the ProjectControls confirmation of contractors to specification during a tender period. o    Contractors to submit Project Controls methods and project controldeliverables for evaluation by the Owner during tender submission to haveproposed deliverables and method statements.

o    Agree Baseline project deliverables for Project Controls usingEarned Value Management during contract negotiations. o    Project Controls according to Baseline supported by changemanagement, when needed.·        EPCM, Cost Reimbursable, andBOQ Contracting Environment. o    Contractors to submit preliminary Project Control methods andproject control deliverables for evaluation by the Owner, with tendersubmission. o    Owner to Contract for Project Controls using Earned Value Managementby means of specifications, as well as auditing rights to conduct ComplianceInspections. o    Agree preliminary project deliverables for Project Controls usingEarned Value Management during contract negotiations.

o    Control project against preliminary project deliverables for ProjectControls using Earned Value Management in first period (60 days). o    Agree baseline project deliverables for Project Controls usingEarned Value Management during first period (60 days). o    Project Controls according to Baseline supported, by changemanagement when needed, earliest or after preliminary contract period of 60days.·        The Owner is to performCompliance Inspection to establish the Project Control confirmation ofcontractors to specification during contract period. 4. 1.

6          Specifications– When EVM is specifiedThe specifications for Project Controlsusing Earned Value Management Principles are structured for the contractstrategy. 4. 1. 7          EPC and Sales Agreement on Fixed PriceContractsThese contracting arrangementswill require a good scope definition and contractors with well-developed andmature project controls systems. The EVM guidelines provided to contractors fortender and contracting purposes will be the 10-point guideline. The contractorwill be expected to submit proposed project control statements and proposed projectcontrol deliverables in tender phase. The project control deliverables will befinalized in baseline project control deliverables during contractnegotiations. The project controls will be based on the baseline projectcontrol deliverables from the start of the project, with change control for anychanges required in the baseline.

4. 1. 8          EPCM Cost Reimbursable and BOQContractsThese contracting arrangementswill not have a good scope definition and contractors might not havewell-developed and mature project control systems.

The EVM guidelines providedto contractors for tender and contracting purposes will be the 32-point forEPCM contractors, and 10-point guideline for sub-contractors. The contractorwill be expected to submit preliminary project control statements andpreliminary project control deliverables in tender phase for definition periodof contract. The preliminary project control deliverables will be finalizedduring contract negotiations and used during the contract definition period, until the baseline project control deliverables are developed and agreed withthe Owner. The project controls will be based on the baseline project controldeliverables from this point onwards, with change control for any changesrequired in the baseline. 4.

1. 9          Service Level AgreementsThe Functions executing projects are also expected toimplement project controls using EVM. The sourcing standard specifies the rolesand responsibilities, and Service Level Agreements (SLA) specification onproject controls specifies the methods and expected project controls. 4. 2  Managing Contractor Maturity LevelsThe Owner is reliant oncontractors, each with their own project controls tools and methods, which canvary in maturity.

Owners will have to consider this mentioned fact whencontracting, and managing the contractors (as indicated in the image below). The contractors’ maturity will vary from Fundamental, to Intermediate, up toExpert level. Successful project controls for the different levels of maturitywill require appropriate governance and support from the owner, includingcontract strategy, specification, and training. The Owner’s team is involved, asindicated in the image below.