Procurement and Supply Chain
In a Work Face Planning Environment
Overview

• Scope of Discussion
• Owners and Contractors Expectations
• Key Themes / Focus Areas
• Questions
• Wrap-up

Survey: who is here? Owner, Construction contractor, EP contractor
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Scope of Discussion – An Owner’s perspective

• Procurement (Owner and Delegated)

• Materials Management

• Logistics and Transportation

• Contracting

NB: It should be noted and re-emphasized, all the required project disciplines have requirements to support Work Face Planning, especially Project Management, Construction Management, Project Controls (Cost estimating and Control, planning and scheduling), HSE, Quality Management, Document Management.

Successful set up for Workface planning in the Supply Chain areas of responsibilities WILL fail if the other requirements are not met.
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**Some examples of Other WFP requirements**

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### Some examples of Other WFP requirements

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<th>Category</th>
<th>Requirements</th>
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<td>Quality Management, HSE, Document Management</td>
<td>• clear requirements for all CWP’s</td>
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<td>Engineering Design</td>
<td>• ability to sub divide areas of plant into CWP’s</td>
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<tr>
<td>Quality Management, HSE, Document Management, Other project disciplines</td>
<td>• clear requirements for all CWP’s what is required to start work, what is required to claim completion</td>
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Owners and Contractors Expectations

• Clear unambiguous description of expectations – requirements, standards, procedures, responsibilities, roles and position descriptions
  • i.e. the requirements of any good contract!

• From this morning, ensuring the conversations which drives common understanding

• From this morning’s session, survey showed two highest valued areas to focus on are roles and responsibilities of all parties and clear expectations / minimum standards for WorkFace Planning
Key Themes / Focus Areas - Procurement

Owners

• Clear description of requirements regarding the identification, procurement of materials and equipment, esp. tagging to CWP’s

• Complete materials responsibility matrix – conveying responsibility for all phases of procurement: ID material requirements, specify, purchase, expedite, transport, receive, manage, issue, surplus management & asset recovery

• Requirement for procurement registers to support provision of materials at work location and/or for engineering design to support engineering schedule -> which is aligned to construction schedule / CWP’s

Contractors

• Clear understanding of procurement responsibilities

• IT application to be used, any interface requirements to Owner Systems, procedures, standards and organization to deliver delegated procurement responsibility
Key Themes / Focus Areas – Materials Management

- Owner must clearly define to contractor process for reserving and accessing material for work packages.
- Clear understanding and implementation across all contractors re: materials master codes to be used/ conversion tables if required
- Material status information and reports must be made available to contractors and construction management. The information must be current.
- Minimum of notice required for first allocation of material by work package (8 weeks at Nexen).
- 2 week notice required to hard reserve material for work package
- Bag & Tag completed and any deficiencies reported to all within 1 week of requirement.
- Module status and ROS dates must be defined and kept current
- Module received at site dates must be reported immediately
- Module punch list items must follow from mod yard to site.
Key Themes / Focus Areas – Materials Management

• Owner must clearly define material storage / warehouse/ lay down areas on site to contractor; location of various commodities / equipment

• Materials Management organization, procedures, processes, standards and IT application in place that support MM and packaging for FIWP’s (Owner or contractor managed).

• Early set up of Materials Management database structured to support CWP’s, FIWP’s

• Agreement between Construction and Materials Management vis. expectations on required on site storage / letdown for “back log”
Key Themes / Focus Areas - Contracts

Owners

- Clear description of requirements regarding **owner and contractor** responsibility re WFP, any owner standards in contracts – ALL project disciplines

- Effective contractor prequalification wrt capability to implement WFP, any gaps assessed, plans to close in place -> this will drive finalizing execution / contracting strategy

- Construction contractor front end involvement, but with specific tasks, requirements, deliverables for both owner and contractor

- Inclusion of specific WFP minimum requirements and focus on performance / functional specification approach, not descriptive – The On site general contractor should own the process / organization/ applications for Construction work face planning, whoever that is

- Inclusion of Materials responsibility matrix, owner minimum requirements for Work Face Planning

- Description of IT applications to be used, interfaces and data transfer requirements, esp. EP modeling, to Pipe Fab/Module assembly, to site construction planning
Key Themes / Focus Areas – Logistics and Transportation

- Transportation providers arranged to support material and equipment transfers (marshalling / warehouse facility to Pipe fabricator, or to Module Assembly, or to Site)

- Clear work processes and responsibilities for requesting, managing, reporting on transportation, especially owner, contractor responsibilities (responsibility should be described in MRM)
Survey Questions