



Budapest 2006



PROJECT IMPLEMENTATION

FIDIC 2006

International Consulting Engineering Conference

25 September 2006

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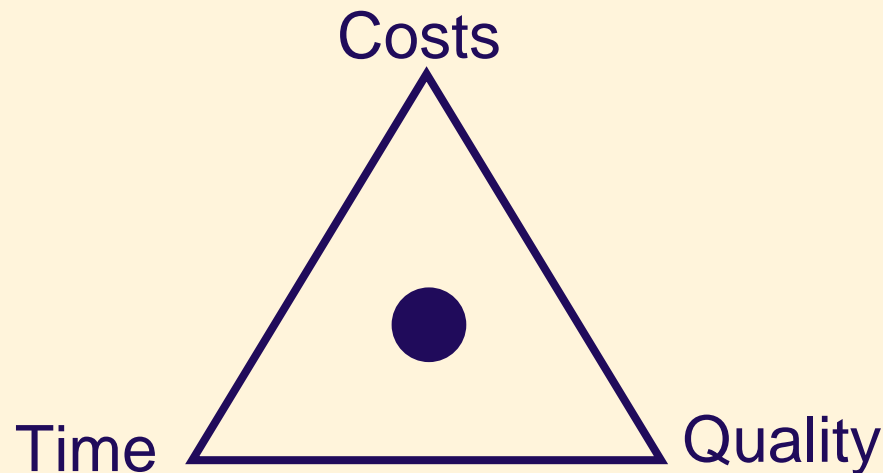
Tractebel Engineers and Constructors Pvt. Ltd.

INDIA



What are the Challenges

- » Timely completion
- » No cost over run
- » Plant to operate as per design parameters
- » Maintenance costs as per original estimate



It is easy to list above challenges but rather difficult to implement and achieve.



Type of Projects

- » Infrastructure – Buildings, Roads, Highways, Ports & Harbors, Water Supply, Sewerage, Water & Waste Water Treatment
- » Process Plant – Chemical and Petrochemicals, Fertilizers, Refinery, Steel, Aluminium etc.
- » Power Projects – Thermal, Hydro & Nuclear
- » Transmission & Distribution – Electricity, Gas & Water

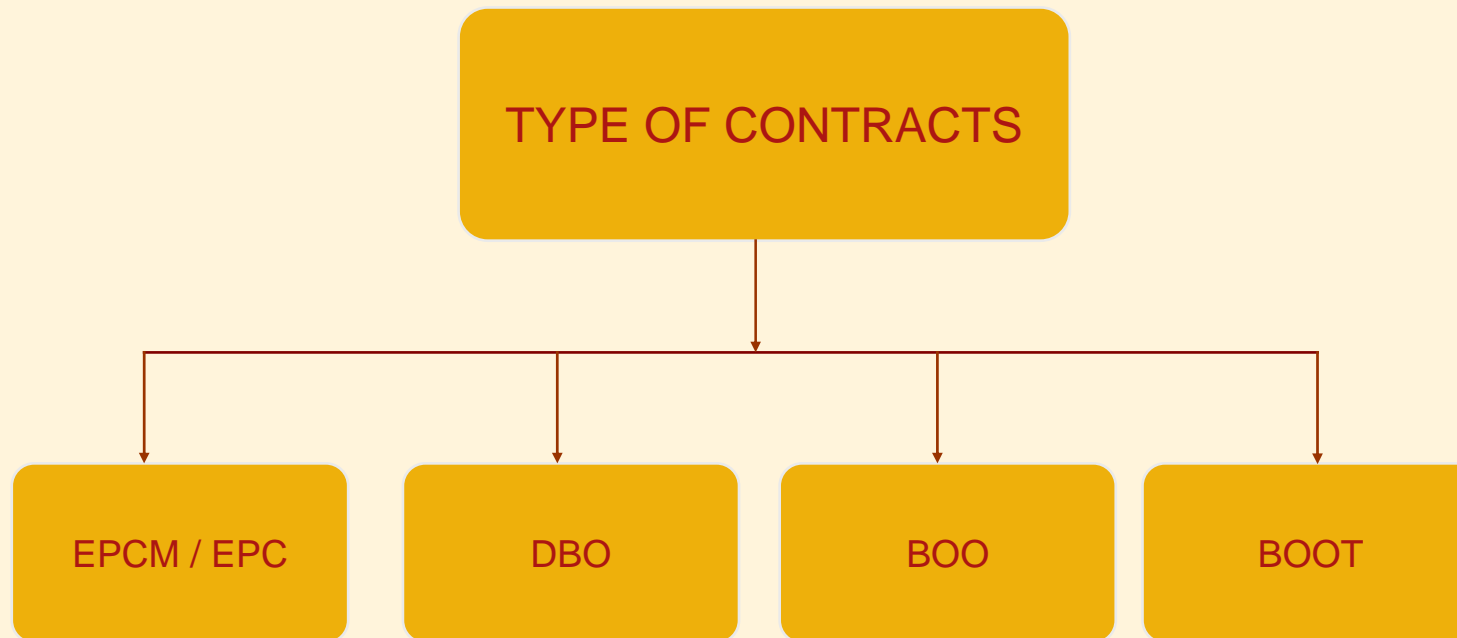


Who are the Clients





Type of Contracts





Public – Private Partnership

- » PPP concept introduced for project implementation in the last few years.
- » Existing assets of Public are the main trigger for such projects.
- » Difficult to implement due to lack of trust coupled with change in government policies.
- » Philippines has a developed a good model.



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Projects – Clients – Contracts

Different types of projects, different clients and different types of contracts:

Difficult and unwise to work on a common implementation strategy



New Role of Consultants

- » New implementation models are emerging for large infrastructural and utility projects.
- » Role of Consultant is getting limited when projects are awarded on EPC basis.
- » Many developers try to use preferred engineering consultants without open competition.
- » Consultant may be used at the development stage by the Government agencies and prospective developers.
- » For typical EPC project Consultant may work as Owners Engineer having limited man-hour input, much less than for a traditional EPCM contract.



Partnership & Alliances

- » Considering different implementation strategies, companies will need multi-discipline expertise including that for commercial and legal aspects.
- » Alliances with financial and legal advisors necessary for implementation of projects being funded on “Project Finance” concept.
- » Risks increase due to strong penalties which are essential part of projects funded on “Project Finance” basis. Are the Consultants financially sound to take care of these?
- » Additional responsibilities of Consultant for controlling time and cost over runs.



Risk Management & Insurance

- » New for many engineering consultancy companies
- » Professional indemnity insurance must for large projects involving risk
- » Additional cost burden on Consultants which may not be compensated for by the clients
- » Consultancy association in developing countries to make their members aware of these.



How do we go about

- » Adopt implementation strategy specific to a project
- » Have trained Project Managers to handle different types of implementation strategies
- » List out all the risks, plan a mitigation policy
- » Take adequate insurance
- » Client – Consultant – Supplier – Contractor to OWN the project