



Key project and  
procurement concepts

# 07 Project Principal checklist

Investing in Energy Transition Projects  
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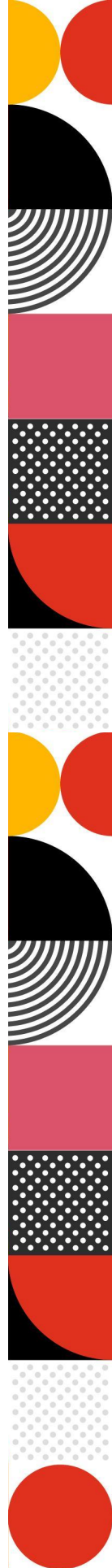


# Purpose

The purpose of this paper is to set out a general checklist of construction and commissioning issues to be considered by Principals in relation to core performance issues.

It is intended as a general guide only and must be considered in light of the specific circumstances of each project, including the project agreements and the goals required to be achieved in order for the project to be successful.

While checklists and contracts are invaluable in the development process, they cannot remedy poor contract or consultant selection or the setting of project goals that are not feasible.



# Performance checklist

Performance checklist items	Complete?
Who has prepared the performance requirements and on the basis of what instructions?	<input type="checkbox"/>
Are the performance requirements consistent with the requirements for project success?	<input type="checkbox"/>
Have the performance requirements been accurately and unambiguously set out in the brief and specifications?	<input type="checkbox"/>
Are the performance requirements feasible?	<input type="checkbox"/>
Have areas of scope uncertainty been considered?	<input type="checkbox"/>
Do the performance requirements satisfy all lawful requirements and the requirements of all stakeholders?	<input type="checkbox"/>
Are the performance requirements consistent with the financial model?	<input type="checkbox"/>
Is there a testing and commissioning regime that progressively assesses achievement of the performance requirements?	<input type="checkbox"/>
If performance is to be measured over time, are there technical and contractual measures in place to facilitate ongoing measurement?	<input type="checkbox"/>
If there are performance liquidated damages, are the rates and caps adequate?	<input type="checkbox"/>
What scope must the Principal or those for whom it is responsible provide?	<input type="checkbox"/>



# Quality checklist

Quality checklist items	Complete?
Have the quality requirements been accurately and unambiguously set out in the brief and the specifications?	<input type="checkbox"/>
Are the quality requirements feasible?	<input type="checkbox"/>
If national standards are referred to, are they the correct standard and is the nominated country appropriate?	<input type="checkbox"/>
If the project involves areas of complex or novel work, are there adequate supervision/quality assurance measures in place?	<input type="checkbox"/>
Are progressive defects reports appropriate, especially in specialised areas or areas requiring off-site fabrication?	<input type="checkbox"/>
Are the O&M manuals adequate?	<input type="checkbox"/>
Is spare parts provisioning adequate?	<input type="checkbox"/>
Do progress claims and payments take account of defects, especially material defects?	<input type="checkbox"/>
Is the defects liability period adequate and sufficiently bonded?	<input type="checkbox"/>
How are interfaces dealt with?	<input type="checkbox"/>
If there is a handover between Contractors in a disaggregated project, is there an adequate process for defect identification and rectification?	<input type="checkbox"/>



# Time checklist

Time checklist items	Complete?
Are the completion dates consistent with the project goals?	<input type="checkbox"/>
Are the completion dates realistic?	<input type="checkbox"/>
What actions are required from the Principal and third parties to achieve the completion dates?	<input type="checkbox"/>
Does the extension of time clause permit extensions of time for acts of prevention?	<input type="checkbox"/>
Have the grounds for extensions of time and the extension of time process been carefully considered?	<input type="checkbox"/>
Is there a process for acceleration?	<input type="checkbox"/>
Is there an adequate Programme that has been reviewed in its notice form with all logic and links transparent?	<input type="checkbox"/>
Are liquidated damages and the applicable caps adequate?	<input type="checkbox"/>
Is reaching the liquidated damages cap a ground for termination?	<input type="checkbox"/>
Can liquidated damages be set off and is the clause consistent with SOPA requirements?	<input type="checkbox"/>
Is there a sensible look-forward regime?	<input type="checkbox"/>



# Financial checklist

Price checklist items	Complete?
Is the contract sum consistent with the financial model?	<input type="checkbox"/>
Is the contract sum realistic?	<input type="checkbox"/>
Has the contract sum been tested in a robust tender process?	<input type="checkbox"/>
What are the bases for adjusting the contract sum?	<input type="checkbox"/>
If rates are to be used, are they appropriate and comprehensive?	<input type="checkbox"/>
How are variations, delay costs and provisional sums assessed?	<input type="checkbox"/>
Are any elements of the contract sum uncertain or subject to revision?	<input type="checkbox"/>
How is rise and fall managed?	<input type="checkbox"/>
What are the provisions in relation to exchange rates?	<input type="checkbox"/>



# Security checklist

Security checklist items	Complete?
Is bonding unconditional?	<input type="checkbox"/>
Does the contract adequately stipulate the type and source of bonds?	<input type="checkbox"/>
Does the contract adequately deal with the requirements for calling on the security?	<input type="checkbox"/>
Does the contract provide for termination if the bonds are not replaced or topped up as required?	<input type="checkbox"/>



# Third party and financier

Third-party checklist items	Complete?
Does the contract address the requirements of stakeholders and financiers?	<input type="checkbox"/>
If the contract is to produce things or products that are to be sold to offtakers or buyers, is it consistent with those contracts?	<input type="checkbox"/>
If notices are to be provided to third parties, are they provided for and are adequate buffer periods allowed?	<input type="checkbox"/>





# How to contact us



If you have any questions about this paper, please contact the editor, Damian McNair, Partner, Energy Transition.

PwC Australia has a dedicated Energy Transition business, consisting of a hub of 132 multidisciplinary and highly-skilled experts helping to facilitate Australia's successful transition to a decarbonised economy by 2050. We are helping accelerate our clients through the energy transition and their related ESG priorities as Australia moves to a net zero economy.

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