



## White Paper 2021-10

### How to Map a Project Contractual Strategy

Following up from our [White Paper 2021-09 'Why It Is Important to Distinguish Contracting Strategy and Commercial Approaches'](#), we share in this White Paper an effective way to map a project contracting strategy. In particular, this technique allows to readily identify scope gaps while showing which interfaces need to be dealt with.

#### Importance of a thorough contracting strategy

A project contracting strategy – i.e. how the scope is split between entities and contractors, is an essential element of project maturity and project execution. Specific aspects include making sure the entire project execution scope is effectively covered by the strategy and identifying the key interfaces that will have to be managed by the project team.

Too many projects start with a contracting strategy that is not comprehensive or underestimate the amount of coordination work that will have to be carried out by project management.

#### The contracting strategy mapping technique

We have found that the contracting strategy is not often represented in a way that provides an easy overview. We propose a fairly simple way of representing such a contracting strategy, which is a table showing horizontally the scope breakdown (as per the Product Breakdown Structure) and vertically the various project phases.

Here is a quite comprehensive example for a large project conducted by an owner:

Project Scope	Project Management	General worksite support	Balance of Plant (BOP)	Utilities	Product expedition	Process Unit A	Process Unit B	
Project Phase								
Development	FEED Engineering House							
Engineering	Owner support contractor (PMIC)	EPCM contractor	EP technology provider	Eng. specialist	Procurement & Fabrication contractor	EP technology provider	EPC contractor	
Procurement								
Fabrication								
Construction								Construction contractor
Commissioning (cold)								
Commissioning (hot)								Owner - Operator supported by contractor & supplier representatives
Ramp-up & performance testing								

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**Mapping the project contracting strategy is a very effective way to make visible the issues of that strategy.**

This technique can of course also be applied by a contractor such as in this offshore construction example:

Project Scope	Project Management	Pipeline	Offshore structures	Offshore topside part A	Offshore topside part B	Subsea processing
Project Phase						
Engineering			Specialist Engineering Contractor		Specialist EPC topside contractor	Subsea processing equipment supplier
Procurement	Owner					
Fabrication	Piping coater		Fabricator			
Transportation	Main contractor					
Construction (Offshore installation)						
Pre-Commissioning						
Commissioning						
Ramp-up & performance testing						

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Nothing prevents applying this technique in a finer detail for a subset of the project work breakdown structure. Here is an example for the electro-mechanical scope (piping, electrical, instrumentation, and HVAC) of a large complex project:

Project Scope	Project Management	Piping (except small bore)	Small bore piping	HVAC	Electrical (power)	Instrumentation & control
Development	(owner)					
Design (basic to detailed)	Owner project management team	Detailed Design Contractor A		HVAC specialist contractor	Detailed Design Contractor A	
Engineering (shop drawings)		Piping spool contractor	Piping installation contractor		Electrical contractor	I&C contractor
Procurement						
Pre-Fabrication						
Construction		(owner)				
Commissioning (cold)	Future operator					
Commissioning (hot)						
Ramp-up & performance testing						

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### Conclusion

We find that mapping the project contracting strategy is a very effective way to make visible the issues of that strategy. It is a technique we often use in our consulting interventions and project reviews since weaknesses of the contracting strategy often become self-evident when the exercise is performed. Try it out on your project!

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