



Major Projects Advisory

Anticipate tomorrow, deliver today

KPMG in Qatar

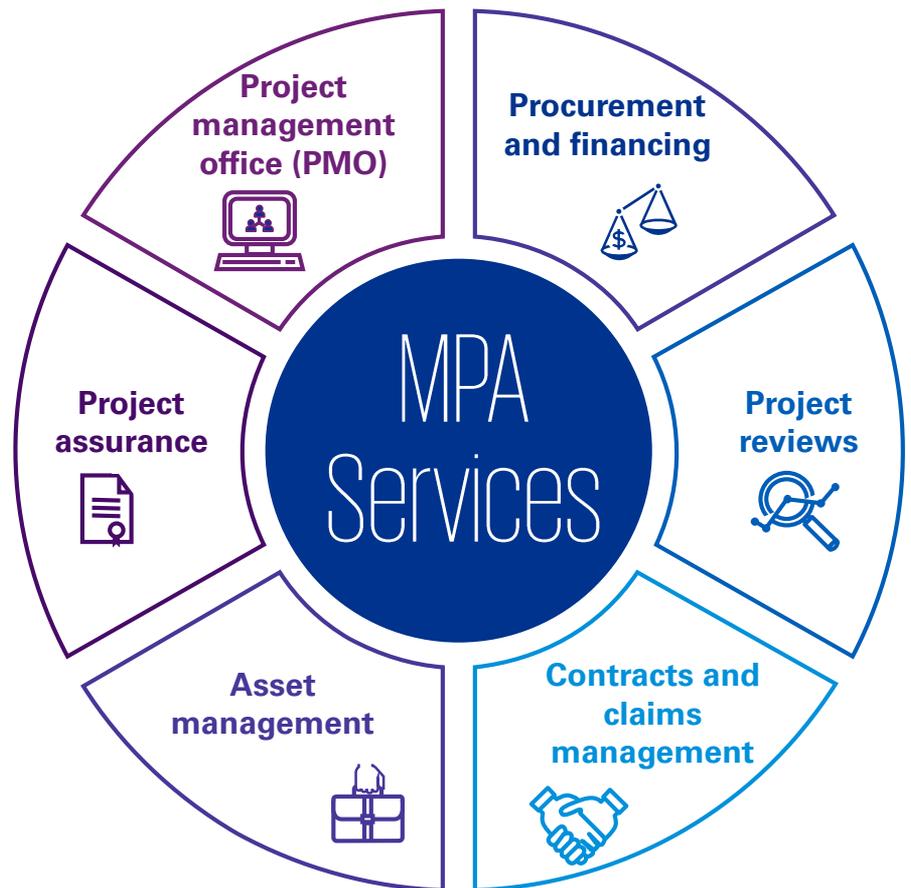
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Major Projects Advisory

KPMG's Major Projects Advisory Team enables project owners, contractors, lenders and their related stakeholders achieve success with capital programs and projects, by integrating industry experience, proven methodologies and techno-commercial and financial competencies.



With billions of Riyals being invested in major projects in Qatar, any delays, errors or conflicts can have significant negative impact on costs and reputation for project owners, contractors and stakeholders. Increasingly, it is becoming best practice to seek the help of capable consultants to provide PMO, assurance and other services to help manage major project risks. "



Ahmed Abu-Sharkh
Country senior partner
KPMG in Qatar



Project management office (PMO):

We help organizations standardize their project delivery approach and management across their portfolio of projects. We help develop consistent project delivery frameworks, strong communication and escalation frameworks, and periodic reporting measures for the timely appraisal and prioritization of projects.



Procurement and financing:

We help clients navigate the complexity of financing and procurement related to major infrastructure projects. We ensure that there is a robust commercial framework in place for investment programs that attract high-quality bidders, whilst keeping in mind time and funding constraints and competitiveness.



Project assurance:

We help clients continually review, and systematically report on, project performance. Benchmarking against leading practice provides opportunities for client improvement.

We also review project-related transactions to ascertain adequacy of controls, increase transparency and proactively identify instances of revenue leakage.



Project reviews:

Our project reviews assure clients on project health and identify areas for improvement. They help identify and mitigate risks from project initiation to close-out.

They also help identify project improvement opportunities and alleviate pain points.



Asset management:

We advise organizations on how to strengthen asset management and facilities management controls. We review processes from project handover to operations, as well as environmental, and legal compliance.

We support major assets' operational, performance and maintenance reviews.



Contracts and claims management:

We help owners and contractors to manage construction claims, evaluate factual and contractual entitlements to claims, and calculate damages. We help prepare and analyze construction claims and develop technical presentations and exhibits for mediation and arbitration processes.



01

Project management office (PMO)



Our value proposition

Our tried and tested global framework is based on a project level stage gate model. Our bottom-up approach links project-level issues with portfolio-level strategic planning, while our top-down approach links organizational strategic arms with execution. Our propriety tools and frameworks, such as the MPA advisor tool, supports benchmarking of controls against industry leading practice.



Our professionals provide valuable project delivery and project controls support to manage the complex combination of management, contractual, financial and construction programming and scheduling risks.”



Kenan Nouwailati

Partner
Head of Advisory

Our services

Project management processes:

- Conduct rapid diagnostic reviews and support with implementation of quick wins.
- Assess risks and develop response strategies.
- Review stakeholders and develop responsibility matrices (RACIs).
- Conduct workshops to enhance project management frameworks.

Monitoring and control:

- Support the implementation of project management controls.
- Advise on time and cost control indicators.
- Review contract compliance.
- Support ongoing monitoring and reporting.

Resource support:

- Assist co-sourcing to implement quick wins.
- Support implementation of project-specific management policies and improvement programs.
- Co-develop joint task-forces (war rooms) to achieve specific objectives.

Independent insight and guidance:

- Track events and advise on decisions.
- Pre-audit key controls.
- Facilitate project review meetings.
- Advise on sourcing special services.

Capability transfer and skills transformation:

- Assist and provide training to key stakeholders.
- Conduct focus group workshops.
- Help develop project repositories.

Selected credentials

Project management support for a leading government company in the GCC:

KPMG was asked to prepare a contracting strategy and project management support frameworks for five projects by a client with a targeted minimum invested asset base of US\$ 1.4 billion in a broad-range of intermediate and downstream industrial projects. We provided PMO support across all phases of the project until contract award. We developed a project delivery framework, an organization structure for the technical team, job descriptions, a RACI matrix, a project development manual, a contracting strategy, risk registers and an MIS framework. We reviewed and developed general terms and conditions of the contract (GCOC) and supported the overall contract management process until contract award. Overall project time was reduced by seven percent and costs reduced by 15 percent while also improving management visibility.

PMO for an integrated steel manufacturer in India:

KPMG was engaged to establish a PMO for a 6.0 MTPA plant and provide ongoing project monitoring support. During the PMO setup stage, we delivered three parallel work streams developing a RACI matrix, integrating schedules for 15 packages, managing and mitigating risks and designing the overall PMO process design. KPMG supported management with ongoing monitoring and reporting. Predictability and project visibility were enhanced. The client had the specific information needed to take decisions. A robust management dashboard and review framework was developed for ongoing monitoring and reporting, improving management interfaces.



02

Procurement and financing

Our value proposition

Infrastructure is one of the most complex challenges of the 21st century – but our MPA teams know what it takes to drive value from these assets and programs by finding creative and innovative funding solutions, tailored to the projects' needs.

Our procurement specialists help clients develop quality commercial frameworks that attract high-quality bidders, ultimately support the project's success.



Traditional financing sources can no longer be enough for infrastructure financing. Solutions to current market challenges impacting infrastructure will have to come from innovative financing and operating solutions, developed by governments working collaboratively with the private sector, and with different financial sources.”



Venkatesh Krishnaswamy

Partner
Advisory

Our services

Major Projects Advisory covering the procurement and financing phase:

- guidance and review of contracting structures
- project governance structures
- project breakdown structures
- owners' team capacity assessments
- owners' organisation review
- socio-economic contract provisions
- adjudication support covering the full tendering process
- design status reviews
- feasibility study assessments.

Internal audit, risk and governance:

- procurement reviews
- vendor selection criteria and process
- governance structures and adherence
- business readiness reviews.

Risk:

- Risk assessment and analysis covering macro- and micro-level risks, including:
 - contractual risk allocation
 - risk allowances (schedule and cost)
 - review of cost estimates.

Sourcing and procurement:

- procurement strategy
- strategic sourcing
- contract management
- procurement excellence assessment.

Financing infrastructure and capital projects:

- buy- and sell-side advice
- project finance
- financial structuring for your capital project
- bid evaluations.

Understanding the economics:

- cost optimization
- cost benefit analysis
- economic policy review.

Tax:

- tax compliance – corporate
- indirect tax guidance and consulting
- tax implementations and structuring.

Select credentials

Financing for the procurement and installation of aircraft maintenance equipment at an international airport in the GCC

KPMG acted as financial advisors to a GCC contracting entity to help arrange funded and unfunded credit facilities in excess of US\$ 273m from two local banks, for the procurement and installation of specialized aircraft maintenance equipment at an airport.



03

Project assurance

Our value proposition

Our proprietary, web-enabled MPA vision tool delivers system-based reports and presents overall project performance on a real-time basis.

Our approach integrates technical, commercial and forensic outlooks to comprehensively appraise projects in a single report.

MPA vision can share reports with multiple stakeholders simultaneously in real-time.



It is imperative for Boards and Senior Executives to have adequate, objective assurance on the status of major capital projects, regarding schedule, cost, quality and regulatory compliance, to assist them in discharging their accountability and maintain or achieve legitimacy with all stakeholders.”



Issa Habash

Partner
Advisory

Our services

Prepayment transaction reviews:

- Payments reviews:
 - vendor invoices
 - bill passing and verification
 - purchase orders
 - work orders
 - monthly reconciliations
 - maintenance records.
- Contract reviews:
 - reviews of contract masters
 - PMC contracts
 - sales deed reviews
 - leases and maintenance contracts
 - consultant contracts
 - other contracts.
- Compliance and approvals:
 - pre-construction approvals
 - building plan approvals
 - EHS approvals
 - fire and safety NOCs
 - statutory compliance.

Ongoing monitoring:

- Assess project performance against defined parameters.
- Report on project performance.
- Assist in identifying and reporting any project overruns.
- Benchmark performance of similar projects across the investment portfolio.

Forensics:

- vendor screening
- compliance and monitoring services
- records risk management
- fraud risk management
- continuous control monitoring.

Select credentials

Ongoing monitoring of a PE fund's project portfolio:

KPMG were appointed to monitor project health on a quarterly basis. We established baselines for project time and cost plans (including cash flow), based on the construction schedule, scope of work, sales plan, customer payment plan and historical collection trends.

We created comprehensive progress reports and dashboards which reported project progress and fund utilization. We monitored physical and financial progress – of work and sales – quarterly for the fund. We identified significant inaccuracies in the contractor's expense payments and identified fund diversions to other projects without approval from the fund.

Risk assessments and assurance reviews for a leading contractor in the GCC:

A leading contracting group operating in a number of GCC countries hired KPMG to profile and assess the risks of 150 ongoing projects and identify the 20 projects posing the highest risks to the company. We were also asked to help develop controls and mitigation plans for identified risks, and helped develop delegations of authority (DoAs) to enforce controls while facilitating efficient project delivery.



04

Project reviews



Our value proposition

Our customized approach is based on risk-based Audit and MPA methodologies, supported by customized work plans and proprietary tools such as Major Projects Advisor, a KPMG tool which provides access to global databases and control repositories for benchmarking.

We also have access to libraries with the processes, tools, templates, databases and forms used to manage large energy and infrastructure projects.



For many organizations, capital construction projects represent the single largest expenditure for their business. Mega-projects are often complicated, fast-paced and risky endeavors, and it is essential that owners have a robust and well-thought-through review process to enable early identification of risks.”



Kenan Nouwailati

Partner
Head of Advisory

Our services

Project strategy, organization and administration:

- Review project management and governance policies and procedures.
- Help assess capabilities.
- Review existing work breakdown structures.
- Review contract formulation strategies.

Cost management:

- Review project baselines and revised budgets.
- Review cash flows.
- Report and reconcile costs.

Project controls and risk management:

- Assess risks and develop mitigation plans.
- Review risk registers and project risk universes.
- Review time, cost and quality project controls.

Schedule management:

- Review project schedules – baseline and revised.
- Identify contributors to time overruns.
- Analyze delays and review claims.

Procurement management:

- Review procurement strategy.
- Identify opportunities for value reengineering.
- Help review contract compliance.

Handovers and closures:

- Review project snag-lists and punch-lists.
- Review acceptance procedures, approvals and certificates.
- Review the adequacy of documentation, guarantees and O&M manuals.
- Review the accuracy of full and final settlement.

Select credentials

Project review for a leading GCC oil & gas company:

KPMG were asked to review a crude oil storage tank project, evaluating the adequacy and effectiveness of risk management controls and governance processes to provide reasonable assurance. We compared existing processes with leading practice to identify gaps and add value. We interviewed process owners, prime contractors and project consultants. We reviewed documents at corporate and project levels. We identified gaps and issues in various project management processes including project initiation, subcontractor management, tendering, project planning and monitoring, procurement management, document management, risk management and project delivery frameworks. We targeted opportunities for improvement and recommended ways to strengthen current processes.

Project cost and revenue review and cash flow planning for a GCC construction group:

Facing challenges with the accuracy of its revenues, costs and profits for ongoing projects, our client wanted assurance on costs to complete its projects. We accurately calculated these costs and assessed recoverable costs, increasing profit margins. We also reviewed claims and variations to assess the accuracy and admissibility of these claims. We helped the client to accurately compute and project cash flow for the next 5 years based on existing projects, pipelines and trends.



05

Asset management

Our value proposition

KPMG leverages its repository of asset and facility management leading practice to assess the efficiency and effectiveness of controls against industry benchmarks.

Our asset management reviews comprehensively appraise asset suitability from a business continuity, environmental, health and safety perspective.



The execution and operation of infrastructure projects present businesses with a variety of risks and challenges. Having the appropriate governance structures, policies, processes and systems in place, supported by the appropriate level of oversight and control in place is critical. Only by doing so, can internal and external risks be mitigated.”



Venkatesh Krishnaswamy
Partner
Advisory

Our services

Asset management services:

- Help develop leasing strategies and lease management process controls.
- Review major assets' operations and performance.
- Review customer relationship management processes.
- Review sales and marketing processes.
- Review finance and invoicing processes for customers, tenants, vendors and suppliers.
- Help monitor compliance and reporting procedures.
- Review the adequacy of management financial reporting structures, including MIS at project and portfolio level.

Facility management reviews:

- Review handovers from projects team to operations and facilities team.
- Review operations and maintenance processes.
- Support safety and security management reviews.
- Assist in vendor onboarding and end-to-end vendor management reviews.
- Review procurement and inventory management.
- Review adequacy of management operational reporting structures, including MIS at project and portfolio level.

Select credentials

Facility management function review for a leading real estate developer:

KPMG were asked by a leading real estate developer with a diversified portfolio including residential, retail, free zones, commercial, hotels, IT parks and amusement parks to review the facilities department's key project management and corporate processes and benchmark them against leading industry practices. KPMG helped identify and resolve management's critical issues. We developed robust controls to transparently report and check third-party billing procedures and monitor service level agreements (including security, housekeeping, electro-mechanical, and horticulture services). Strong monitoring controls increased overall vendor performance.

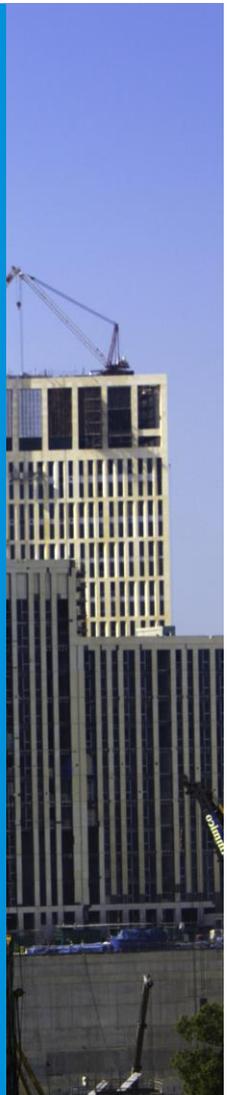
Asset management review for a leading real estate developer:

KPMG were asked by a leading real estate developer with a diversified portfolio including residential, retail, commercial, special enterprise zones and IT parks to review its asset management function, identifying revenue leakage areas and cost saving opportunities. We reviewed key areas such as the performance and utilization of major assets, billing and collection processes, expense and revenue management, customer relationship management, sales and marketing, and contract and legal compliances. We also developed a financial reporting MIS across 28 properties at a portfolio level which provided real-time daily reporting to management. We optimized costs, enhanced efficiency and standardization and improved processes across the asset management function.



06

Contracts and claims management



Our value proposition

Our team integrates contract, finance and tax functional knowledge to ensure document and claims are correct and complete.

Our approach focuses on preventive controls and preparations, future-readying our clients.



In the competitive world of construction contracting, every project faces financial risk. Relationships between construction owners and contractors often are stressed and can quickly turn adversarial.

Contractual disputes frequently develop over delays, nonperformance, nonpayment, and any number of other issues.”



Issa Habash
Partner
Advisory

Our services

RFP assistance:

- Help assess requirements based on stakeholder analysis and interviews.
- Develop requests for proposals (RFPs) – including for project management, cost consultants and contractors.
- Coordinate RFP review and release.
- Coordinate pre-bid meetings and help resolve bidder queries.
- Evaluate submitted bids and report to management.
- Facilitate contract documentation satisfying legal, technical and commercial requirements.

Contract administration:

- Help document contracts and recommend appropriate leading practice.
- Monitor contract compliance and management reporting periods.
- Support final cost reconciliations with contractors.
- Review contract masters and databases.

Claims and dispute resolution:

- Review project variations and claims and assess time and cost impact on project KPIs.
- Evaluate all significant claim issues based on interviews and document reviews.
- Prepare issue files and fact statements:
 - analyze contract requirements
 - determine direct and indirect impacts of claim issues
 - calculate damages.
- Assist in the timely preparation of notices and recovery statements.
- Where alternative dispute resolution methods are allowed, help project management teams prepare documentation to substantiate claims.

Select credentials

Prepared time extension claim for a villa development project:

Our client, a contractor developing a housing project in the GCC, had undergone multiple variations, including the removal of part of the original scope and delays in authority approvals. As compensation, the contractor was given an extra 94 days to complete the project. We were asked to help prepare extension claims for the owner's approval by reviewing events and preparing a claim that justified an extension. Our construction claims experts identified misrepresentation within schedules and backups and advised on the correct strategies to help them get an extension.

EPC contractor delay claims on a 125MW fossil fuel power plant:

An independent power producer (IPP) hired a US engineering, procurement and construction (EPC) contractor to design, procure and construct a US\$90 million greenfield power plant in Asia. Completion was delayed by more than a year after the date specified in the contract. To avoid liquidated damages, the EPC contractor requested a time extension equal to the entire period of delay. KPMG analyzed the delays affecting the project's critical path, quantifying the number of delays which could be compensated for. KPMG presented its delay analysis findings in a two-week long arbitration. The arbitrator decided all delay issues in favor of the IPP, citing KPMG's thorough analysis and findings.

07

Why choose KPMG's Major Projects Advisory Team?



KPMG has provided services to the financiers, owners and contractors on a range of large scale infrastructure projects globally and in Qatar. We provide a seamless range of advisory and assurance services to support you through the lifecycle of infrastructure projects."



Ahmed Abu-Sharkh

Country senior partner
KPMG in Qatar



Results driven:

We work constructively with clients, giving clear, concise and robust opinions in relation to complex financial and operational issues. We challenge convention, with implementation in mind, working with you to find practical approaches that can create success and growth.



Local knowledge with global experience:

Our Qatar-based team has extensive local, regional and global experience in the construction and infrastructure sectors. KPMG's global network of independent firms means we have an in-depth understanding of economic, political, environmental and social landscapes wherever clients operate. Our member firms are closely connected through our global center of excellence. Whatever challenges you face, we will assemble a knowledgeable team with international experience to support you.



MPA+:

We have strong experience in providing advisory services across the project life-cycle and across sectors. We understand client needs, customize our approach to address them and provide services of consistently high quality.



Global network:

KPMG is an MPA pioneer, with a network of over 2500 professionals with extensive experience across over 1000 infrastructure projects. Our MPA network includes certified public accountants (CPAs), construction attorneys, finance professionals, professional engineers, former owners and contractors, project managers, contract and procurement specialists and certified fraud examiners.



Tested tools, methodologies and frameworks:

KPMG has proven methodologies, tested frameworks and proprietary tools that are robust and time-tested. Our proprietary assets enable us to develop comprehensive and efficient work plans.

Contact us



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