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Draft Terms of Reference for CEDA Working Group on Effective Contract/Procurement Type Selection

Introduction

The contracting environment for dredging and offshore works is developing in respect of the manner by which projects and schemes are funded, procured and delivered. Financial constraints, amongst others, from funder and owner organisations is having the effect of reducing margins, increasing commercial risks, and resulting in contractors and suppliers having to adapt ways of working, management of risk and the way their service providers are procured.

These increasing constraints have the effect of changing the procurement and contracting methods employed, and there is a rise in the volume of work being carried out using turnkey/EPC type models. While these developments continue, the dredging and offshore industry, and specifically the key parties involved in agreeing contracts and delivering them, needs to remain informed and up to date with the current thinking in respect of this.

The CEDA Dredging Management Commission (DMC) will set up a working group to prepare a guidance paper on this topic, to be aimed at all key parties to a contract. The DMC proposes the following Terms of Reference (ToR) for the working group. The ToR will be formally established by the Working Group at their first meeting.

Objective

The task of the working group will be to draft a CEDA guidance paper on contracting and procurement methods. The aim of the paper is to both raise awareness of the related factors within the industry and also to provide informative guidance which can be used and referenced by parties when procuring works and entering into contracts. The paper should provide the relevant information in an easily accessible format, and to be of interest and relevance to as wide a range of parties as possible.

It may be appropriate and possible to link this guidance paper, along with other existing CEDA information and guidance papers, to the CEDA Checklist for Successful Dredging Management currently being developed by the DMC and to be presented at CEDA Dredging Days 2017 (9-10 November).

Understanding dredging

Scope

Issues to be addressed include:

- Types of project procurement re: commercial risk allocation;
- Contracting methods e.g. EPC, D&B, traditional;
- Alternative tender types e.g. early contractor involvement;
- Review of project types (e.g. reclamation, offshore wind etc.) against procurement methods;
- Advantages and disadvantages of contracting methods for all parties including contractors and client/owner bodies; and
- Links/references to current available propriety standard conditions used for dredging and offshore works.

Deliverables

The working group will prepare a guidance paper, possibly including a schedule setting out the key points and advice paths for ease of use and reference by users. If possible and appropriate the document will be linked to the CEDA Checklist for Successful Dredging Management.

Length of the document: 4 to 12 pages, including schedule and possibly case studies.

Membership

The working group will be comprised as an international group from the DMC and the wider CEDA membership as appropriate, and may also include input from industry institutions (e.g. ICE, FIDIC) or other experts, and will include:

- Experts with experience in dredging and offshore works;
- Experts in procurement, contract selection and contract management for dredging and offshore works; and
- Different stakeholders: authorities, client/owners, contractors, consultants.

Timetable

The working group will have their first meeting on at which point these ToR will be finalised and a work plan will be developed. The working group is expected to deliver the guidance paper between 6 and 9 months following the first meeting.

7 September 2017
CEDA Dredging Management Commission