Major Projects Advisory (MPA)

KPMG in the Lower Gulf
Our offerings

**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 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.

**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.

**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.

**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.
Project assurance services:

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

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
- Compliances and approvals:
  - Pre-construction approvals
  - Building plan approvals
  - EHS approvals
  - Fire and safety NOCs
  - Statutory compliance

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.

Selected 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 UAE:
- A leading contracting group operating in the UAE, Saudi Arabia and Qatar 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. We also helped develop delegations of authority (DoAs) to enforce controls while facilitating efficient project delivery.
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.

**Selected credentials:**

**Project management support for a leading government company in Qatar:**
- 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 QAR five 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 improved 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.

**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

**Independent insight and guidance:**
- Track events and advise on decisions
- Pre-audit key controls
- Facilitate project review meetings
- Advise on sourcing special services

**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

**Capability transfer and skills transformation:**
- Assist and provide training to key stakeholders
- Conduct focus group workshops
- Help develop project repositories

**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
### Project reviews:

**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

**Schedule management:**
- Review project schedules - baseline and revised
- Identify contributors to time overruns
- Analyze delays and review claims

**Cost management:**
- Review project baselines and revised budgets
- Review cash flows
- Report and reconcile costs

**Procurement management:**
- Review procurement strategy
- Identify opportunities for value reengineering
- Help review contract compliance

**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

**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

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**Selected credentials:**

#### Project review for a leading UAE 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 UAE construction group:
- Facing challenges with the accuracy of its revenues, costs and profits for ongoing projects, our client also 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 five years based on existing projects, pipelines and trends.

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**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 proprietary 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.

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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.

Selected credentials:

Prepared time extension claim for a villa development project:

— Our client, a contractor developing a housing project in Dubai, 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 claim 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 Pakistan. 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.

Contracts and claims management:

RFP assistance:
— Help assess requirements based on stakeholder analysis and interviews
— Develop requests for proposals (RFPs) – including for project management and 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
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

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.

Selected 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 facilities 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.
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Raajeev has served governments and leading public and private enterprise clients across sectors for almost 30 years, advising project owners, developers and construction companies on how to manage project delivery risks in a way that enables successful project delivery. He has set up the MPA function in South Asia. Raajeev specializes in process transformation, setting up and running PMOs and cost optimization and revenue enhancement projects, organization transformation, process reengineering, risk management, project governance, process reviews and project operational reviews.

Abhishek has over 12 years of experience across the real estate, building, construction (owners, contractors and funds), power, health care and aviation sectors. He is a certified project management professional (PMP) who specializes in project assurance, project reviews, asset management and process reengineering, and has helped numerous clients design multi-tier management information system dashboards at both a project and portfolio level. Abhishek previously worked with India’s largest contracting firm as a planning manager.

Sreekanth has over 19 years of experience across the building, construction and real estate sector. As a RICS candidate, he specializes in contracts administration, budgeting, cost planning, risk management, procurement, system implementations and procedure controls, the standardization of forms and applications, reviews of contracts, payments, claims and variations, the preparation of RFPs and DPRs and feasibility reports, for various government, public sector and private sector clients.

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 team has extensive 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.

KPMG in the Lower Gulf: