



Traditional Method for Developing Environmental Solutions

1. JOINT proposal for the supply of engineering works, equipment, with or without electro-hydraulic mounting onsite and/or results warranties.

PROS

PHASES 1-6

- Budget is aimed to a provider of controlled treatment.
- Guarantee on the process is the supplier's scope, at the minimum acceptable extent from both parties.
- Liquidated damages in case of noncompliance with the project's timetable.
- Compliance with the required homologations of the project.

CONS

- OPEX is not taken into account, or lacks evidence to prove its accuracy.
- Decision time to award the contract is normally delayed, due to the fact that the budget includes many different concepts, from machinery sales to installation. This ends up putting pressure on the delivery times of the project.
- Possibility to choose a low-cost supplier and turn the project into continuous bargaining of extras, with the consequent quality loss.
- The Client will be able to suggest changes in the project, but not to impose them, unless an increase in the supplier's scope.
- Generally, a relationship between clientsupplier is created where the supplier's priority will be to maintain his profit or to increase it as much as possible based on extras for concepts not correctly defined in his commercial offer.
- The project has a controlled budget for water treatment, but not for the items which are under the client's scope. The priority of the supplier with these projects will be to keep his profit unaffected, without being interested in proposing any improvements which, although maybe logical for the project from a global point of view, may not be beneficial for himself in particular.
- Rushing to keep written track of everything, so in case of any unexpected issue, it is clear who is the party to blame. Arguments to sign documents and construction delays, as well as the number of resources lost in jobs of lower value.
- Erosion in the relationship client-supplier, when the collaboration should be mutual to produce the best design available.



PROS

PHASES 6-7

• Detailed documentation of the whole project.

CONS

- Generation of repetitive documentation. Causes conflicts in case of unexpected issues.
- Non-collaborative project between CLIENT-SUPPLIER. Supplier works and prepares documentation and avoids changes to avoid delays. Room for maneuver in the delay of the project, more difficult to find exceptions to the certifications and even more difficult to increase the purchase price.
- SUPPLIER avoids meeting with the client to minimize his contributions which may cause complications in the project.
- SUPPLIER avoids opinions about the client's scope of works. He simply gives a list of requirements.

3. Supply of equipment, instrumentation and associated installations.

PROS

PHASES 7-8

- Pre-defined footprint.
- Pre-defined power consumption.
- Pre-defined brands.
- Specific characteristics to be met by the installations.

CONS

- Impossibility/Difficulty to change brands and/or to apply the knowledge acquired during the project's development. Normally, to avoid compromising in the delivery times and the allocation of additional resources to persuade or argue with the client.
- Same difficulty to change project specifications and to apply the experience acquired during the project's development. Only agreements to save money will be pursued.



2 |

PHASES 9-10

4. Commissioning.

PROS

- Service by the SUPPLIER is guaranteed by contract until fulfilling the process guarantees.
- Passing the Performance Test.

CONS

- It is not taken into account the works to be done by the client, delays... This can cause liquidated damages or reduction of the warranty period.
- SUPPLIER will be less prone to showing any critical points of the process until passing the Performance Test.
- Final training will be aimed to show the electro-mechanical operation of the installation and all the regulations included in the project documentation. Impossible for the CLIENT to assimilate all the information, who will be forced to rely on the SUPPLIER's practical experience.
- The CLIENT will be afraid of the SUPPLIER leaving the installation. Feeling panic if the SUPPLIER leaves.

