



AURUS MINING

Choosing the Delivery System

EPCM, EPC and collaborative models for capital projects



OUR POSITION

Select a delivery system by fitting requirements, owner capability, market conditions, interfaces, pricing, risk allocation and change control to a documented procurement and contract strategy, rather than relying on labels.

EVIDENCE FIRST | DECISIONS MADE EXPLICIT | DELIVERY CONDITIONS STATED

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Executive summary

Delivery labels can hide the real determinants of project performance. World Bank procurement guidance starts procurement strategy with objectives, requirements, market analysis, delivery capability and risk, then records why the chosen approach fits them. It also cautions that contract type and payment mechanism should be chosen to match the required allocation of risk, not selected from the delivery-model label alone. This white paper sets out a model-neutral method that keeps the label late in the process and keeps the fit logic early and explicit.

Sources: WP20-01, WP20-04

A practical starting point is to separate what the facility must do from how it must be built. World Bank guidance distinguishes performance specifications, which define required output, from conformance specifications, which define prescribed characteristics. The delivery system must then be aligned to the level of definition the owner can provide and defend through governance, records, inspections, tests, issue control and an auditable basis for decisions. That discipline is delivery-model independent and becomes more demanding as interfaces multiply.

Sources: WP20-06, WP20-10

EPC, EPCM, design-and-build and collaborative forms sit on a menu of justified options that can be adapted to infrastructure projects, which can use a wider range of contract structures than ordinary goods and services. World Bank guidance distinguishes design-and-build from EPC or turnkey because contractor responsibilities and risk differ, and it notes that design-and-build requires the employer to state functional performance criteria and to qualify contractors for greater technical responsibility. The consequence is clear. Your specification style and qualification approach pre-select which models remain credible.

Sources: WP20-02, WP20-07, WP20-11, WP20-12

Whatever the delivery system, change control must be intentional. AACE Recommended Practice 100R-19 presents change management as guidance, not a standard, and it applies across contracting strategies and delivery methods. It frames contract change management as addressing changes that affect another party and requiring identification, communication, evaluation, authorisation and documentation. This paper uses that cross-model logic to keep commercial terms, governance and change pathways coherent with the delivery decision from the outset.

Sources: WP20-13, WP20-14

At a glance

Six evidence markers establish the scale, threshold or decision condition carried into the chapters that follow.

Gate

DOCUMENTED FIT RATIONALE FOR THE SELECTED APPROACH

Source: WP20-01

Spec

PERFORMANCE VS CONFORMANCE SPECIFICATION CHOICE

Source: WP20-06

Risk-fit

PAYMENT MECHANISM SELECTED TO MATCH INTENDED RISK ALLOCATION

Source: WP20-04

Interface

SINGLE-POINT WRAP VS PACKAGE INTERFACE MAP

Source: WP20-18

Record

AUDITABLE CONTRACT MANAGEMENT EVIDENCE TRAIL

Source: WP20-10

Change-loop

IDENTIFY, COMMUNICATE, EVALUATE, AUTHORISE, DOCUMENT

Source: WP20-14

Method and boundaries

This paper is a bounded synthesis of registered public evidence. Source identifiers remain visible so that each quantitative or framework statement can be traced to its dossier row.

INTENDED READERS

- Project owners and sponsors
- Project directors and delivery managers
- Procurement and contract managers for capital projects

READING METHOD

- Read each chapter opener as a decision frame.
- Use the three section exhibits as working review instruments.
- Return to the evidence ledger before reusing any number or requirement.

BOUNDARIES

- Evidence is restricted to the registered dossier rows and does not include project outcomes, performance comparisons or jurisdiction-specific procurement rules.
- WP20-18 is a registered synthesis statement and is treated as such without extending its scope beyond the dossier text.
- AACE 100R-19 is referenced as guidance, not a standard, as stated in the dossier.
- This paper provides a selection method and control instruments, not legal advice and not a mandate for any specific contract form or payment mechanism.

PUBLICATION DISCIPLINE

- No client identity or company-age claim is published.
- No Aurus delivery result is inferred from public guidance.
- Dated forecasts retain their institution and vintage.



01

START WITH FIT LOGIC, NOT VOCABULARY

The label is not the strategy

Treat EPC, EPCM, design-and-build and collaborative forms as outcomes of a structured fit process, not as starting assumptions.

Trace

RECORD WHY THE SELECTED APPROACH FITS OBJECTIVES, REQUIREMENTS, MARKET, DELIVERY | WP20-01

Menu

USE A JUSTIFIED OPTIONS MENU, NOT A DEFAULT LABEL | WP20-02

Risk-first

SELECT PAYMENT AND CONTRACT TYPE TO MATCH RISK ALLOCATION | WP20-04

1.1 Strategy precedes tender documents

A delivery label is a shorthand, not a strategy. World Bank guidance puts procurement strategy upstream of contracting by requiring a documented line of sight from project objectives and requirements through market analysis, delivery capability and risk to the selected approach. That sequence matters because it forces explicit trade-offs. If the owner cannot explain why a chosen model fits its requirements and market, the model becomes a slogan that will be rewritten later through claims, workarounds and uncontrolled interfaces.

WP20-01

FIDIC procurement guidance reinforces the same ordering. It emphasises preliminary investigations, studies and a realistic project strategy before tendering, then treats that strategy as the basis governing subsequent procurement stages and the choice of contract form. When owners skip this discipline, they often try to compensate with harsher terms or tighter oversight, but those controls cannot substitute for a coherent strategy that was built on evidence and constraints specific to the project and supply market.

WP20-15, WP20-16

DECISION INSTRUMENT

Exhibit 1.1: Delivery system selection begins with a written fit argument

Use this instrument to confirm that the delivery model is the last step in a strategy chain, not the first step in drafting terms.

TEST	EVIDENCE READING	DECISION RESPONSE
Objective clarity	Objectives and success criteria are stated and stable enough to drive trade-offs.	If unclear, pause selection and complete objective and requirement definition.
Market and capability evidence	Market analysis and owner delivery capability are documented, including interface capacity.	If weak, run additional market engagement or strengthen governance before committing.
Risk and payment logic	Risk allocation intent is explicit and tied to a payment mechanism choice.	If risk intent is implicit, rework contracting approach before naming the model.
Recorded rationale	Rationale states why the chosen approach fits and why alternatives were rejected.	If rationale is missing, treat the model as unselected and reopen options.

Sources: WP20-01, WP20-04, WP20-16

1.2 Separate delivery system, contract type and payment mechanism

World Bank guidance explicitly warns that contract type and payment mechanism should be selected to achieve the required allocation of risk, not chosen from a delivery-model label alone. In practice, teams often treat EPC as synonymous with lump sum, or EPCM as synonymous with time and materials. That shortcut can hard-code misaligned incentives. A more defensible approach is to decide what risks the owner will retain, what risks a supplier can reasonably manage, and then select the contract and payment mechanism that expresses that allocation under the chosen delivery structure.

WP20-04

The same procurement menu that lists EPC and EPCM also lists multiple pricing options, including lump sum, performance-based, schedule of rates, time and materials and cost-plus mechanisms. The key is that these are combinable building blocks, subject to justification and market fit. You can therefore talk precisely about what you are buying: scope definition style, responsibility boundaries, relationship basis and payment logic. Only then should you apply a delivery label, and even then the label should point back to the underlying building blocks.

WP20-02, WP20-03, WP20-04

DECISION INSTRUMENT

Exhibit 1.2: Label decomposition matrix

Use the matrix to prevent the label from smuggling in untested assumptions about risk and payment.

TEST	EVIDENCE READING	DECISION RESPONSE
Delivery structure	Single delivery entity vs managed packages vs integrated team form is defined.	If undefined, define interface architecture before discussing pricing.
Contract type	Form reflects intended responsibility boundaries and governance approach.	If chosen by habit, revisit against risk allocation intent.
Payment mechanism	Mechanism selected from menu to express risk sharing and incentives.	If mismatched to risk intent, change mechanism or adjust risk allocation.
Relationship basis	Adversarial or collaborative stance is intentionally designed to match market and requirement.	If accidental, reset behaviors through governance and contract management plans.

Sources: WP20-02, WP20-03, WP20-04, WP20-05

1.3 Design the relationship, do not inherit it

World Bank guidance treats supplier relationship as a design choice that can be adversarial or collaborative and should match the requirement and market. That statement is operational, not philosophical. If the market has limited capacity or the scope is complex, overly adversarial arrangements can amplify defensive behavior, documentation battles and risk pricing. If the scope is repetitive and well specified, an overly collaborative stance may reduce accountability. The delivery system should therefore be paired with an explicit relationship design, including governance routines and decision rights.

WP20-05

Relationship design also depends on whether the project relies on performance specifications or conformance specifications. Where the owner states functional outputs and leaves design choices to the supplier, the owner must be able to test outcomes and manage acceptance in a disciplined way. Where the owner prescribes characteristics, the owner must be able to control design detail and manage deviations. In both cases, contract management requires planned governance, records, inspections, tests, issue control and an auditable basis for decisions. A relationship that ignores these mechanics will fail under change.

WP20-06, WP20-10, WP20-05

DECISION INSTRUMENT

Exhibit 1.3: Relationship design checklist for any delivery model

Use the prompts to align behaviors, governance and evidence requirements with the chosen relationship stance.

TEST	EVIDENCE READING	DECISION RESPONSE
Relationship stance	Adversarial or collaborative basis is selected and justified against market and requirement.	If no stance is stated, define expected behaviors and escalation routes.
Evidence discipline	Governance, records, inspections and tests are planned to support auditable decisions.	If weak, strengthen contract management plan before award.
Specification alignment	Performance or conformance specification approach is chosen and reflected in acceptance methods.	If inconsistent, revise specs or revise delivery responsibilities.
Issue control	Issue identification and decision logging is designed as a routine, not a reaction.	If absent, implement issue control workflow prior to notice to proceed.

Sources: WP20-05, WP20-06, WP20-10

02

DEFINE WHAT YOU NEED AND WHAT YOU CAN MANAGE

Requirements and owner capability

Requirements quality and owner delivery capability set the feasible delivery models and the strength of governance needed to run them.

Perf-spec

USE PERFORMANCE SPECIFICATIONS WHEN YOU CAN GOVERN OUTPUTS AND ACCEPTANCE | WP20-06

Conform-spec

USE CONFORMANCE SPECIFICATIONS WHEN YOU CAN CONTROL PRESCRIBED CHARACTERISTICS | WP20-06

Audit

PLAN AN AUDITABLE BASIS FOR DECISIONS | WP20-10

2.1 Translate objectives into requirements you can administer

World Bank guidance starts procurement strategy with objectives and requirements, then tests those against market and delivery capability. That ordering implies a practical gate. Requirements are not complete when the technical team is satisfied. They are complete when the owner can administer them through governance and contract management. If you cannot inspect, test and record compliance, then even well written requirements will be contested, especially when change arises. Fit-based selection therefore treats requirement definition and administration capacity as one coupled problem.

WP20-01, WP20-10

A useful distinction is whether you are specifying outputs or prescribing characteristics. Performance specifications define the required output. Conformance specifications define prescribed characteristics. The choice affects technical freedom and the evidence you must collect. Performance specifications shift effort into qualification, testing and acceptance criteria. Conformance specifications shift effort into design approvals, controlled deviations and interface consistency. Either approach can work, but only if the owner can run the associated control system with discipline and an auditable record trail.

WP20-06, WP20-10

DECISION INSTRUMENT

Exhibit 2.1: Requirement administration readiness test

Use this instrument to decide whether requirements are ready to be placed into a contract under the intended delivery model.

TEST	EVIDENCE READING	DECISION RESPONSE
Requirement type	Performance or conformance specification approach is declared for each major scope element.	If mixed without intent, separate packages or rewrite requirements for consistency.
Acceptance evidence	Inspections, tests and records needed for acceptance are defined and resourced.	If not resourced, simplify scope or change delivery responsibilities.
Governance load	Planned governance matches the expected decision volume and interface count.	If governance cannot scale, reduce interfaces or adopt a structure with fewer owner-managed touchpoints.
Auditability	Decision basis and documentation standards are defined for foreseeable disputes.	If unclear, strengthen contract management plan before procurement.

Sources: WP20-06, WP20-10, WP20-01

2.2 Owner capability is part of the procurement strategy

World Bank guidance includes delivery capability as a core input to procurement strategy. That means the owner must assess, not assume, its ability to manage interfaces, decisions, records and performance. Capability extends beyond staff numbers. It includes clarity of governance, discipline of issue control and the ability to keep an auditable basis for decisions when pressure rises. A delivery system that exceeds owner capability tends to recreate itself midstream through emergency delegations, informal direction and disputed changes.

WP20-01, WP20-10

Infrastructure projects can use a wider range of contract structures than ordinary goods and services, but that flexibility increases the need for capability matching. If the owner chooses a structure with many work packages, the owner must be able to manage package boundaries and coordinate interfaces. If the owner chooses a more wrapped delivery, the owner must be able to specify functional outcomes and manage acceptance. Either way, the owner must decide deliberately what it will govern directly and what it will hold the supplier accountable for through contract terms and evidence.

WP20-07, WP20-10, WP20-06

DECISION INSTRUMENT

Exhibit 2.2: Owner capability to delivery-structure fit map

Use the prompts to match internal capability to the interface and governance demands of the structure.

TEST	EVIDENCE READING	DECISION RESPONSE
Interface capacity	Ability to manage multiple package interfaces and resolve conflicts is demonstrated.	If low, prefer fewer owner-managed interfaces or increase management capacity.
Decision discipline	Governance cadence and escalation paths can sustain pressure without ad hoc directions.	If weak, formalize governance and decision rights before selecting complex forms.
Evidence culture	Records, inspections and tests are treated as core work, not paperwork.	If immature, invest in contract management systems and training first.
Specification competence	Capability exists to write functional performance criteria or detailed conformance specs as needed.	If limited, align delivery model to the specification style you can execute.

Sources: WP20-01, WP20-06, WP20-10

2.3 Use market engagement for complex requirements

World Bank guidance describes competitive dialogue as an interactive multistage arrangement intended for complex or innovative procurement. Its relevance to delivery-system selection is that it can help an owner refine requirements, test risk allocation and explore delivery structures without pretending that the problem is fully defined at the start. This is not a license to outsource strategy. It is a structured way to align the owner’s requirements with market capability before selecting the contract form and payment mechanism.

WP20-08, WP20-01

Competitive dialogue and similar staged engagement should still sit under a realistic project strategy. FIDIC emphasises preliminary investigations and studies before tendering, and it treats project strategy as governing later procurement stages and choice of contract form. If dialogue occurs without that anchor, the owner risks drifting into a bespoke arrangement that cannot be administered, or accepting market proposals that shift obligations without clear evidence and governance. Use dialogue to tighten the fit argument, then document why the final approach fits objectives, requirements, market and risk.

WP20-15, WP20-16, WP20-01

DECISION INSTRUMENT

Exhibit 2.3: When to consider competitive dialogue for delivery selection

Use this decision instrument to decide whether interactive procurement is justified by complexity and uncertainty.

TEST	EVIDENCE READING	DECISION RESPONSE
Complexity signal	Scope is complex or innovative enough that solutions and risks cannot be specified confidently at the outset.	If yes, consider competitive dialogue or other staged engagement.
Strategy anchor	Preliminary investigations and a realistic project strategy exist to guide engagement.	If no, complete studies and strategy before starting dialogue.
Governance capacity	Owner can document, evaluate and audit decisions made during engagement.	If weak, strengthen records and evaluation governance first.
Outcome intent	Engagement will end in a clearly justified contract strategy and delivery model choice.	If unclear, define decision criteria and exit gate before proceeding.

Sources: WP20-08, WP20-15, WP20-16, WP20-10, WP20-01



03

SINGLE-POINT RESPONSIBILITY HAS A PRICE AND A PREREQUISITE

EPC and turnkey

EPC can concentrate responsibility with one delivery entity for a facility ready for operation, but it demands disciplined strategy, specification and acceptance design.

Wrap

SINGLE DELIVERY ENTITY FOR ENGINEERING, PROCUREMENT AND CONSTRUCTION | WP20-17

Fit

EPC IS ONE OPTION IN THE CONTRACT-STRATEGY MENU, NOT A DEFAULT | WP20-02

Spec-gate

EMPLOYER MUST CHOOSE AND EXECUTE PERFORMANCE OR CONFORMANCE SPECS | WP20-06

3.1 What EPC means in procurement terms

FIDIC publication material describes EPC as placing engineering, procurement and construction responsibility with a single delivery entity for a facility ready for operation under the agreed contract. That definition frames EPC as a responsibility wrap. It does not, by itself, specify the payment mechanism, the level of owner control over design detail or the stance of the relationship. Treat EPC as a structural decision about who integrates engineering, procurement and construction, then design the commercial and governance elements to match project objectives, market and risk allocation intent.

WP20-17, WP20-04, WP20-01

World Bank guidance places EPC and turnkey within a menu of contract-strategy forms that must be justified. The owner should therefore document why a single-point wrap fits its objectives, requirements, market conditions and delivery capability. EPC can simplify some interface problems by shifting integration responsibility, but it also raises the bar on what the owner must specify and how the owner will test and accept the outcome. Without that discipline, owners often discover too late that they retained key risks through unclear requirements and weak acceptance evidence.

WP20-02, WP20-01, WP20-10

DECISION INSTRUMENT

Exhibit 3.1: EPC suitability screen

Use this screen to test whether EPC is being selected for clear reasons that can be administered through contract management.

TEST	EVIDENCE READING	DECISION RESPONSE
Integration need	Project value depends on tight integration of engineering, procurement and construction under one responsibility.	If low, consider multi-package structures that better match owner capability.
Requirement clarity	Employer can state functional outcomes or prescribed characteristics with acceptance evidence.	If unclear, strengthen requirements before committing to a wrap.
Market capacity	Market has entities capable of accepting the integration responsibility sought.	If uncertain, conduct market analysis and staged engagement as needed.
Governance readiness	Owner can maintain auditable records for decisions, tests and acceptance.	If weak, improve contract management governance before award.

Sources: WP20-17, WP20-01, WP20-10, WP20-02

3.2 EPC versus design-and-build is not semantics

World Bank contract management guidance distinguishes design-and-build from EPC or turnkey because contractor responsibilities and risk differ. That distinction matters during selection because teams can mistakenly assume that any contractor-led design equals an EPC-style wrap. Design-and-build can allocate significant design responsibility to the contractor, but it does not necessarily imply the same integration scope or risk profile as EPC or turnkey. The owner should therefore describe responsibilities explicitly, rather than relying on the label to carry meaning across markets and contract forms.

WP20-11

World Bank guidance also states that design-and-build requires the employer to state functional performance criteria and to qualify contractors for greater technical responsibility. Those prerequisites are relevant to EPC discussions because EPC often relies on similar employer behavior: clear functional intent, disciplined qualification, and acceptance methods aligned to performance criteria. Where the owner cannot do this, it may try to compensate by prescribing characteristics. That can create tension if the contractor is also being asked to take broad responsibility for outcomes. Align specification style with the responsibilities you assign.

WP20-12, WP20-06, WP20-11

DECISION INSTRUMENT

Exhibit 3.2: Responsibility boundary clarifier for EPC and design-and-build

Use this instrument to state responsibilities and avoid label-driven misunderstandings during procurement and contract administration.

TEST	EVIDENCE READING	DECISION RESPONSE
Design responsibility	Contract states whether contractor produces design to meet functional criteria, or follows prescribed characteristics.	If ambiguous, rewrite responsibilities before pricing is requested.
Integration scope	Contract states whether contractor integrates all packages or only defined work boundaries.	If unclear, produce an interface matrix and assign integration duties.
Risk statement	Key risks are assigned intentionally and linked to evidence and acceptance criteria.	If unlinked, revise allocation to match what can be verified and governed.
Qualification focus	Qualification tests contractor capability for the level of technical responsibility assumed.	If thin, strengthen prequalification and evaluation criteria.

Sources: WP20-11, WP20-12, WP20-06, WP20-10

3.3 Pricing is a separate choice that must match risk intent

World Bank guidance lists pricing options including lump sum, performance-based, schedule of rates, time and materials and cost-plus mechanisms. EPC is often paired with particular mechanisms in common practice, but the guidance warns against selecting the payment mechanism from the delivery-model label. For EPC, the core question is what risk the owner wants the contractor to bear and what the contractor can realistically control under the defined requirements. The payment mechanism must then express that allocation and support the intended behaviors under contract management.

WP20-03, WP20-04

Whatever pricing approach is chosen, contract management must preserve an auditable basis for decisions. World Bank contract management guidance calls for planned governance, records, inspections, tests and issue control. In an EPC context, that discipline becomes central when interpreting performance outcomes, handling deviations and managing change. If the owner expects a wrapped outcome but cannot maintain evidence for acceptance and changes, it will struggle to enforce the bargain. EPC selection should therefore include an explicit plan for governance and documentation across design review, construction oversight and commissioning acceptance.

WP20-10, WP20-04

DECISION INSTRUMENT

Exhibit 3.3: EPC payment mechanism alignment tool

Use this tool to align EPC responsibility wrap with a payment mechanism that expresses the intended risk allocation.

TEST	EVIDENCE READING	DECISION RESPONSE
Risk intent	Owner states which risks are to be carried by contractor and which are retained.	If unstated, pause and document risk allocation intent.
Mechanism choice	Payment mechanism is selected from the menu to match stated risk intent.	If chosen by label convention, reselect based on risk and controllability.
Evidence plan	Tests, inspections and records required to validate outcomes are planned and resourced.	If missing, strengthen contract management plan before award.
Change pathway	Change evaluation and authorization steps are defined for the events affecting another party.	If unclear, implement change management workflow in the contract management plan.

Sources: WP20-03, WP20-04, WP20-10, WP20-14



04

MANAGEMENT SERVICES AND PACKAGES INCREASE INTERFACE RESPONSIBILITY

EPCM and package control

EPCM can provide professional management while the owner retains direct contractual ties to work packages, increasing the need for interface definition and evidence-driven governance.

Packages

PACKAGE CONTRACTS AND OWNER INTERFACES REMAIN DISTINCT FROM A SINGLE-POINT WRAP | WP20-18

Plan

PROCUREMENT STRATEGY MUST RECORD WHY EPCM FITS CAPABILITY AND RISK | WP20-01

Govern

CONTRACT MANAGEMENT REQUIRES GOVERNANCE, RECORDS AND ISSUE CONTROL | WP20-10

4.1 What EPCM is and what it is not

World Bank procurement guidance includes EPCM as a professional management arrangement within its contract-strategy menu. A key distinction from an EPC wrap is that package contracts and owner interfaces remain distinct. This point is sometimes misunderstood when teams expect EPCM to deliver a single-point responsibility outcome. Under EPCM, the owner typically remains the contracting party with multiple suppliers, so the owner must plan for interface decisions, coordination and dispute prevention. Treat EPCM selection as a choice to organize delivery through management services and packages, not as a shortcut to transfer integration responsibility.

WP20-02, WP20-18

Because the owner retains interfaces, EPCM selection should be justified using the same fit logic as any other approach. World Bank guidance calls for procurement strategy to begin with objectives, requirements, market analysis, delivery capability and risk, and to record why the selected approach fits them. For EPCM, the delivery capability component becomes critical: who will own interface definitions, schedule logic, change decisions and acceptance evidence across packages. A clear answer is a prerequisite, not an implementation detail.

WP20-01, WP20-18, WP20-10

DECISION INSTRUMENT

Exhibit 4.1: EPCM reality check

Use this instrument to confirm whether the team is prepared for the interface and governance obligations that persist under EPCM.

TEST	EVIDENCE READING	DECISION RESPONSE
Contracting architecture	Owner expects to hold multiple package contracts with distinct scopes and boundaries.	If the owner expects a wrap, reconsider EPC or restructure contracting.
Interface ownership	Interface matrix exists and assigns responsibility for coordination and conflicts.	If absent, build interface matrix before selecting EPCM.
Capability match	Owner and EPCM provider roles are defined for decision making and issue control.	If unclear, define governance and decision rights before procurement.
Evidence discipline	Planned records, inspections and tests can be executed across packages.	If not, strengthen contract management systems and re-sourcing.

Sources: WP20-18, WP20-01, WP20-10

4.2 Package strategy must reflect specification style

Package contracting succeeds when package boundaries align with specification approach and acceptance evidence. World Bank guidance distinguishes performance specifications from conformance specifications. In a package environment, performance specifications can work when each package has verifiable outputs and interface responsibilities are explicit. Conformance specifications can work when design detail is controlled to ensure interface consistency. The wrong mix creates interface risk that neither suppliers nor the owner can administer. EPCM does not remove this problem. It makes package design and interface definition central work for the owner and the management provider.

WP20-06, WP20-18

Contract management disciplines become the control surface for package delivery. World Bank contract management guidance calls for planned governance, records, inspections, tests and issue control with an auditable basis for decisions. In a multi-package structure, this extends to interface records: who issued which instruction, what change affects another party, and what evidence supports acceptance at boundaries. Without an auditable trail, interface disputes become arguments about intent rather than facts. EPCM governance must therefore be designed as an integrated system, not a set of separate package routines.

WP20-10, WP20-14

DECISION INSTRUMENT

Exhibit 4.2: Package boundary and specification alignment grid

Use the grid to align each package boundary with a specification and acceptance approach that can be administered at interfaces.

TEST	EVIDENCE READING	DECISION RESPONSE
Package output definition	Each package has measurable outputs or prescribed characteristics that can be verified.	If not, re-scope packages or redefine specifications.
Interface acceptance	Interface acceptance tests and records are specified for boundary points.	If missing, define acceptance evidence before tender.
Design control approach	Performance or conformance specification approach is selected per package and reconciled at interfaces.	If inconsistent, harmonize design criteria or change packaging.
Issue control routine	Interface issues have a governance path with documented decisions.	If absent, implement interface issue control workflow.

Sources: WP20-06, WP20-10, WP20-14, WP20-18

4.3 Selecting EPCM still requires market and relationship design

World Bank guidance treats supplier relationship as a choice that can be adversarial or collaborative and should match the requirement and market. Under EPCM with packages, relationship design has two layers: the owner with package suppliers, and the owner with the EPCM provider as a professional manager. Each layer needs clear governance and evidence expectations. If the owner uses adversarial terms with packages but relies on collaboration to resolve interfaces, the project will experience friction and delay. Select and document a relationship stance that can be administered through governance and issue control.

WP20-05, WP20-10

Market engagement should test both package supplier capacity and the availability of capable management providers. World Bank guidance describes competitive dialogue as an interactive multistage arrangement intended for complex or innovative procurement. Where packaging options are numerous and interface risks are high, staged engagement can help the owner validate package boundaries, test risk allocation and confirm how interface coordination will be governed. This should remain anchored to a realistic project strategy, consistent with FIDIC guidance that preliminary investigations and project strategy govern the subsequent procurement stages and choice of contract form.

WP20-08, WP20-15, WP20-16

DECISION INSTRUMENT

Exhibit 4.3: EPCM market and relationship design prompts

Use these prompts to check whether market reality and relationship design support a package-based delivery architecture.

TEST	EVIDENCE READING	DECISION RESPONSE
Market coverage	Market analysis covers both EPCM professional services and package supplier capacity.	If incomplete, extend market analysis before procurement.
Two-layer governance	Governance defines the EPCM provider role and the owner role across packages.	If unclear, define decision rights and escalation paths.
Relationship stance	Adversarial or collaborative basis is chosen for each layer and justified.	If conflicting, realign stance to match expected behaviors at interfaces.
Engagement method	Interactive procurement is considered where complexity or innovation prevents full upfront definition.	If appropriate, plan competitive dialogue with clear decision criteria and records.

Sources: WP20-05, WP20-08, WP20-15, WP20-16, WP20-01

05

FUNCTIONAL INTENT AND QUALIFICATION ARE PREREQUISITES

Design and build

Design-and-build can reduce owner design coordination but increases the need for functional performance criteria, contractor qualification and disciplined acceptance.

Functional

EMPLOYER STATES FUNCTIONAL PERFORMANCE CRITERIA | WP20-12

Qualify

QUALIFY CONTRACTORS FOR GREATER TECHNICAL RESPONSIBILITY | WP20-12

Different

DESIGN-AND-BUILD DIFFERS FROM EPC OR TURNKEY IN RESPONSIBILITIES AND RISK | WP20-11

5.1 Define design-and-build in responsibility terms

World Bank contract management guidance distinguishes design-and-build from EPC or turnkey because contractor responsibilities and risk differ. That distinction should be made explicit in procurement documents and governance plans. Design-and-build typically assigns the contractor design responsibility within defined performance criteria, but the owner must still define what success looks like and how compliance will be proven. If teams treat design-and-build as a lighter version of EPC, they may under-specify acceptance evidence or over-assume contractor integration duties. Precision in responsibility boundaries prevents mismatched expectations from becoming claims and rework later.

WP20-11, WP20-10

Design-and-build selection should be justified through the same procurement strategy logic used for other forms. World Bank procurement guidance starts with objectives, requirements, market analysis, delivery capability and risk, then records why the approach fits. In design-and-build, delivery capability includes the owner’s ability to define functional intent and to manage contract administration based on evidence, not on design detail preferences. This also includes the ability to qualify bidders appropriately, since the contractor is being asked to carry greater technical responsibility than in design-bid-build forms.

WP20-01, WP20-12

DECISION INSTRUMENT

Exhibit 5.1: Design-and-build fit test

Use this fit test to confirm that functional intent, qualification and acceptance evidence are ready for design-and-build.

TEST	EVIDENCE READING	DECISION RESPONSE
Functional criteria	Employer has stated functional performance criteria that can be verified.	If incomplete, refine requirements before tender.
Qualification approach	Evaluation qualifies contractors for the level of technical responsibility assigned.	If weak, strengthen qualification criteria and evidence requirements.
Acceptance evidence	Tests, inspections and records for acceptance are defined and auditable.	If unclear, develop acceptance plan and documentation standards.
Risk statement	Responsibility and risk differences from EPC or turnkey are stated explicitly.	If ambiguous, rewrite responsibility boundaries and risk allocation.

Sources: WP20-12, WP20-10, WP20-11

5.2 Specification choice drives control behavior

World Bank guidance distinguishes performance specifications from conformance specifications. Design-and-build relies heavily on performance specifications because the owner is asking the contractor to propose and execute design solutions. Performance specifications define the required output, which pushes the owner’s control effort toward verifying outcomes rather than checking design detail. This can work well when the owner can articulate functional performance criteria and has the discipline to accept compliant solutions that differ from internal preferences. If the owner cannot operate that way, it may force conformance-like prescriptions that undermine the intended allocation of responsibility.

WP20-06, WP20-12

The governance implication is direct. Contract management requires planned governance, records, inspections, tests and issue control with an auditable basis for decisions. Under design-and-build, records must tie acceptance to functional criteria and to evidence produced by tests and inspections. Decision rights must be clear on what constitutes a change, what affects another party and what must be authorized and documented. Without this discipline, the project can drift into informal design direction by the owner, which erodes the rationale for selecting design-and-build in the first place.

WP20-10, WP20-14

DECISION INSTRUMENT

Exhibit 5.2: Specification to governance alignment for design-and-build

Use the instrument to align performance-based requirements with an acceptance and change regime that holds under pressure.

TEST	EVIDENCE READING	DECISION RESPONSE
Performance specification completeness	Outputs, tolerances and functional criteria are clear and testable.	If not testable, rewrite requirements or adjust delivery form.
Acceptance regime	Acceptance is based on recorded tests and inspections linked to functional criteria.	If subjective, define objective evidence requirements.
Owner behavior commitment	Owner is prepared to accept compliant solutions that meet performance criteria.	If not, consider conformance specs or a different delivery approach.
Change triggers	Change events that affect another party are defined with authorization steps.	If unclear, implement formal change workflow and training.

Sources: WP20-06, WP20-10, WP20-14

5.3 Pricing and relationship design still apply

Design-and-build does not dictate a payment mechanism. World Bank guidance lists lump sum, performance-based, schedule of rates, time and materials and cost-plus mechanisms, and it cautions against selecting the mechanism based only on the delivery-model label. The owner should first decide which risks it intends to allocate and how those risks can be controlled under functional criteria. The payment mechanism should then reinforce the intended allocation and behaviors, including how design development and approvals will be treated within contract management.

WP20-03, WP20-04

Relationship design should be intentional. World Bank guidance states that supplier relationship can be designed on an adversarial or collaborative basis and should match the requirement and market. In design-and-build, a collaborative stance can support design development and interface resolution, but it must not weaken authorization discipline or auditability. An adversarial stance can clarify accountability, but it can also drive defensive behavior in design interpretation. Whichever stance is chosen, it must sit inside planned governance, records and issue control so that decisions about compliance and change are evidence-led.

WP20-05, WP20-10

DECISION INSTRUMENT

Exhibit 5.3: Commercial design prompts for design-and-build

Use these prompts to align payment, relationship and evidence requirements with design-and-build responsibilities.

TEST	EVIDENCE READING	DECISION RESPONSE
Payment mechanism fit	Mechanism is chosen to match risk allocation intent under functional criteria.	If chosen by habit, revisit mechanism against controllable risks.
Design development treatment	Contract clarifies how design evolution is managed within the agreed scope.	If unclear, define governance for design submissions and approvals.
Relationship stance	Adversarial or collaborative basis is intentionally selected for the market and requirement.	If not selected, define expected behaviors and escalation paths.
Auditability	Records required to support compliance and change decisions are defined.	If missing, strengthen documentation and decision logging requirements.

Sources: WP20-03, WP20-04, WP20-05, WP20-10

06

COLLABORATION IS A STRUCTURE AND A DISCIPLINE

Collaborative and PPP forms

Collaborative delivery and PPP structures can align incentives for complex assets, but they require explicit performance linkage, risk assignment and governance evidence.

PPP

LONG-TERM CONTRACT WITH SIGNIFICANT PRIVATE RISK AND PERFORMANCE-LINKED PAY | WP20-09

Dialogue

INTERACTIVE MULTISTAGE PROCUREMENT FOR COMPLEX OR INNOVATIVE CASES | WP20-08

Collab-choice

RELATIONSHIP CAN BE DESIGNED COLLABORATIVE OR ADVERSARIAL TO MATCH MARKET AND/OR | WP20-05

6.1 Collaboration as a designed supplier relationship

World Bank procurement guidance states that supplier relationship can be designed on an adversarial or collaborative basis and should match the requirement and market. Treat that as a concrete design decision with contract and governance consequences. A collaborative basis can help when the requirement is complex and solutions require joint problem solving, but it must be bounded by clear decision rights and auditable records. Without those controls, collaboration becomes ambiguity and creates disputes about what was agreed. The delivery model should therefore specify collaboration intent and how governance will enforce it.

WP20-05, WP20-10

Collaborative approaches still depend on the same procurement strategy foundation. World Bank guidance requires objectives, requirements, market analysis, delivery capability and risk to drive the selected approach, with a recorded rationale for fit. Collaboration does not remove the need for precise requirements, specification choices and risk allocation intent. It changes how issues are surfaced and resolved. The owner should therefore define what must be decided jointly, what remains the owner’s unilateral decision, and what evidence is required for each decision so that collaboration does not undermine accountability or change control.

WP20-01, WP20-10, WP20-14

DECISION INSTRUMENT

Exhibit 6.1: Collaboration design worksheet

Use this worksheet to turn collaboration intent into enforceable governance routines and evidence standards.

TEST	EVIDENCE READING	DECISION RESPONSE
Collaboration scope	Areas requiring joint problem solving are identified and bounded.	If unbounded, define decision rights and escalation rules.
Evidence standard	Records and decision logs required for auditable outcomes are specified.	If vague, define documentation and approval requirements.
Risk and payment alignment	Risk allocation intent and payment mechanism support collaborative behaviors.	If misaligned, revise terms to avoid mixed incentives.
Issue resolution path	Issue control process is defined, including communication and authorization steps.	If missing, implement a formal issue and change workflow.

Sources: WP20-05, WP20-10, WP20-04, WP20-14

6.2 PPP definition and implications

World Bank procurement guidance defines a PPP as a long-term contract in which a private party bears significant risk and management responsibility and remuneration is linked to performance. That definition implies three selection questions. First, what performance will drive remuneration, and can it be specified and verified. Second, what risks and management responsibilities will shift to the private party, and are they controllable by that party. Third, can the owner administer the arrangement through governance and evidence across a long term relationship. PPP selection should proceed only when these questions have defensible answers grounded in the procurement strategy rationale.

WP20-09, WP20-01

PPP structures sit within a broader menu of contract-strategy forms and may be accompanied by interactive procurement for complex cases. World Bank guidance describes competitive dialogue as intended for complex or innovative procurement. Where the owner is exploring a PPP, staged engagement can help test performance measures, risk allocation and market appetite without committing to a premature structure. This engagement must still be anchored to a realistic project strategy, consistent with FIDIC guidance on preliminary investigations and strategy preceding tendering and governing later procurement choices. Record decisions and their basis to preserve auditability.

WP20-02, WP20-08, WP20-15, WP20-16

DECISION INSTRUMENT

Exhibit 6.2: PPP feasibility and administration gate

Use this gate to decide whether PPP is feasible and administrable given performance linkage, risk transfer intent and evidence needs.

TEST	EVIDENCE READING	DECISION RESPONSE
Performance linkage	Remuneration can be linked to performance measures that are definable and verifiable.	If not verifiable, redesign performance framework or avoid PPP.
Risk controllability	Significant risks and management responsibilities assigned are controllable by the private party.	If not controllable, adjust allocation or choose another structure.
Long-term governance	Owner can sustain governance, records and issue control over the contract term.	If not, strengthen contract management capability before proceeding.
Market engagement method	Complexity supports interactive procurement such as competitive dialogue.	If appropriate, plan staged engagement with clear decision criteria and audit trail.

Sources: WP20-09, WP20-10, WP20-08, WP20-15

6.3 Design-and-build-operate-maintain and performance focus

World Bank procurement guidance includes design-build-operate-maintain within its contract-strategy menu. Its relevance is that it extends responsibility across lifecycle activities, which increases the need for performance specifications and measurable outputs. Performance specifications define the required output. Where operations and maintenance are included, the owner must be able to specify and verify performance outcomes over time and to manage acceptance and enforcement through evidence. If the owner cannot define performance in a way that can be tested and recorded, lifecycle responsibility structures will become difficult to administer regardless of the label applied.

WP20-02, WP20-06, WP20-10

Lifecycle delivery also amplifies the importance of change control. AACE Recommended Practice 100R-19 frames change management as guidance, not a standard, applicable across delivery methods. It defines contract change management as addressing changes that affect another party and requiring identification, communication, evaluation, authorisation and documentation. In a long-term structure, the volume and variety of changes can increase, including changes in requirements, operational constraints and interfaces. The owner should therefore define change pathways, evidence standards and authorization levels early, so that lifecycle performance obligations remain clear and enforceable.

WP20-13, WP20-14

DECISION INSTRUMENT

Exhibit 6.3: Lifecycle responsibility readiness check

Use this check to confirm whether performance definitions, evidence and change pathways are strong enough for extended responsibility structures.

TEST	EVIDENCE READING	DECISION RESPONSE
Performance specification maturity	Outputs over time are defined with verification methods and records.	If immature, refine performance framework before pursuing lifecycle structures.
Contract management capacity	Governance and inspection or test regimes can be sustained over the intended term.	If weak, build capability or narrow the responsibility period.
Change workflow	Change events affecting another party follow identification, evaluation, authorization and documentation steps.	If absent, implement a formal change management plan and controls.
Market fit	Market analysis supports supplier capacity for extended responsibilities.	If uncertain, conduct further market engagement and test appetite.

Sources: WP20-06, WP20-10, WP20-14, WP20-01

07

COMMERCIAL TERMS MUST SUPPORT GOVERNANCE AND EVIDENCE

Commercial and change control

Commercial structure and change control are cross-model systems. They must reflect intended risk allocation, specification type and auditable decision-making.

Menu

PAYMENT MECHANISMS INCLUDE LUMP SUM, PERFORMANCE-BASED, SCHEDULE OF RATES, T&M, | WP20-03

AACE-guide

CHANGE MANAGEMENT IS GUIDANCE ACROSS DELIVERY METHODS | WP20-13

Auditability

GOVERNANCE, RECORDS, INSPECTIONS, TESTS, ISSUE CONTROL | WP20-10

7.1 Commercial structure is a design task

World Bank guidance lists pricing options including lump sum, performance-based, schedule of rates, time and materials and cost-plus mechanisms. It also states that contract type and payment mechanism should be selected with the required allocation of risk, not from the delivery-model label alone. This creates a design task: define the intended risk allocation, then select the mechanism that expresses it and that can be administered with evidence. The owner should test each mechanism against what can be measured, what can be audited and what decisions must be made during delivery.

WP20-03, WP20-04

The commercial structure must also match the specification approach. Performance specifications define outputs and typically need clear acceptance tests and performance verification. Conformance specifications define prescribed characteristics and rely on design control and compliance checks. Both require governance, records, inspections and tests to support an auditable basis for decisions. If the payment mechanism depends on performance measures that cannot be verified, or on quantities that cannot be measured consistently, the project will face disputes that are structural rather than behavioral. Fix the mismatch early by re-designing the mechanism or the evidence plan.

WP20-06, WP20-10, WP20-03

DECISION INSTRUMENT

Exhibit 7.1: Payment mechanism and evidence alignment table

Use this table to ensure each payment mechanism choice is supportable by measurable evidence and auditable decisions.

TEST	EVIDENCE READING	DECISION RESPONSE
Mechanism selection	Mechanism is chosen from the permitted menu and tied to stated risk allocation intent.	If chosen by label, redo selection based on risk intent and controllability.
Measurement basis	Quantities or performance measures needed for payment are measurable and repeatable.	If not, redesign payment basis or increase measurement capability.
Acceptance evidence	Inspection and test regime supports payment and acceptance decisions.	If weak, strengthen evidence plan before finalizing terms.
Administration workload	Governance capacity matches the expected volume of measurement, approvals and records.	If overloaded, simplify mechanism or adjust delivery structure.

Sources: WP20-03, WP20-04, WP20-10

7.2 Change management is cross-model guidance, not an afterthought

AACE Recommended Practice 100R-19 presents change management as guidance, not a standard, and it applies across contracting strategies and delivery methods. That universality is useful because it removes an excuse. No delivery label makes change disappear. Owners should therefore treat change control as a system that must be designed alongside procurement strategy, contract structure and governance. When the system is missing, teams improvise by using informal directions or delayed approvals, which damages both cost and schedule control and increases dispute probability.

WP20-13

AACE guidance frames contract change management as addressing changes that affect another party and requiring identification, communication, evaluation, authorisation and documentation. These are minimum mechanics that must be mapped into governance routines and record systems described in World Bank contract management guidance. The project should define what constitutes a change, what data is required to evaluate it, who can authorize it, and how the authorization is recorded. The system must also support interface changes in multi-package environments and performance changes in wrapped or lifecycle structures. Keep the process consistent even as delivery models differ.

WP20-14, WP20-10

DECISION INSTRUMENT

Exhibit 7.2: Change control workflow definition tool

Use the tool to define a change workflow that can be administered and audited across delivery models.

TEST	EVIDENCE READING	DECISION RESPONSE
Identification trigger	Events that affect another party are defined as change triggers.	If unclear, define triggers and responsibilities for notifying changes.
Communication path	Notification channels and timing expectations are defined in governance routines.	If ad hoc, formalize communication and escalation routes.
Evaluation packet	Minimum information required for evaluation is specified and recorded.	If missing, define evaluation data requirements and templates.
Authorization and documentation	Authorization levels and documentation requirements are explicit and auditable.	If weak, tighten approval authorities and recordkeeping rules.

Sources: WP20-14, WP20-10

7.3 Contract management is the control surface

World Bank contract management guidance describes contract management as requiring planned governance, records, inspections, tests, issue control and an auditable basis for decisions. This is the control surface that connects commercial intent to delivery reality. It should be designed early, not delegated after award. The delivery model influences the load. Wrapped models concentrate acceptance and performance decisions. Package models multiply interface decisions. Collaborative models increase the need for transparent decision logs and agreed evidence. Without the control surface, teams cannot reliably interpret requirements, validate performance or close out changes.

WP20-10

Contract management should also maintain traceability to the procurement strategy rationale. World Bank procurement guidance expects the strategy to record why the selected approach fits objectives, requirements, market analysis, delivery capability and risk. When delivery pressure rises, teams tend to make short-term decisions that violate the original fit logic, such as assuming risks that were meant to be transferred or changing specification intent without revisiting acceptance. A strong contract management plan keeps the rationale visible and forces deliberate re-authorization when the project moves outside the original assumptions.

WP20-01, WP20-10

DECISION INSTRUMENT

Exhibit 7.3: Contract management plan completeness gate

Use this gate to confirm contract management readiness before committing to award and notice to proceed.

TEST	EVIDENCE READING	DECISION RESPONSE
Governance cadence	Meetings, decision forums and escalation paths are defined and resourced.	If undefined, establish governance before mobilization.
Evidence system	Records, inspection and test documentation standards support auditable decisions.	If inadequate, implement documentation standards and controls.
Issue control	Issue capture, tracking and closure routines are defined across interfaces.	If missing, implement issue control workflow and ownership assignments.
Rationale traceability	Procurement strategy rationale is referenced and used to guide decisions.	If not referenced, integrate rationale into governance and reporting.

Sources: WP20-10, WP20-01

08

MAKE THE DECISION EXPLICIT AND DEFENSIBLE

The delivery-model decision

Decide the delivery model by running a structured fit process, then record the rationale and design the governance and change system to match.

Fit-record

DOCUMENT WHY THE APPROACH FITS OBJECTIVES, REQUIREMENTS, MARKET, CAPABILITY, | WP20-01

Strategy

PROJECT STRATEGY GOVERNS PROCUREMENT STAGES AND CONTRACT FORM CHOICE | WP20-16

Options

USE THE JUSTIFIED CONTRACT-STRATEGY MENU AS THE OPTION SET | WP20-02

8.1 Start from the option set, not from a preference

World Bank procurement guidance provides a contract-strategy menu that includes traditional, design-and-build, design-build-operate-maintain, turnkey or prime contractor, EPC, EPCM and other justified forms. Use this menu as the option set, then narrow it based on the project’s requirements and owner capability. This reduces bias and helps teams explain why a model was chosen. It also supports consistency in procurement documentation because the selected approach is tied to known structures rather than invented hybrids that are hard to administer and hard to price.

WP20-02

FIDIC procurement guidance emphasizes preliminary investigations, studies and a realistic project strategy before tendering, and it treats that strategy as the basis governing subsequent procurement stages and the choice of contract form. This means the option set must be filtered through strategy assumptions that are evidenced, such as site knowledge, interface complexity and market capability. When assumptions are untested, the decision becomes fragile. Before naming the model, confirm that the strategy foundation exists and that the team can keep decisions auditable through contract management disciplines.

WP20-15, WP20-16, WP20-10

DECISION INSTRUMENT

Exhibit 8.1: Delivery model shortlisting worksheet

Use this worksheet to shortlist delivery models from the approved option set using strategy evidence and administration capacity.

TEST	EVIDENCE READING	DECISION RESPONSE
Option set	Consider forms from the recognized menu before creating hybrids.	If hybrids are proposed, restate them in terms of menu options and justify deviations.
Strategy evidence	Preliminary investigations and project strategy assumptions are documented.	If weak, complete studies before final shortlisting.
Administration capacity	Owner can administer requirements, acceptance evidence and governance load implied.	If not, adjust model or invest in contract management capability.
Market fit	Market analysis supports supplier capacity for shortlisted forms.	If uncertain, conduct additional market engagement or staged procurement.

Sources: WP20-02, WP20-15, WP20-16, WP20-01, WP20-10

8.2 Run a structured fit assessment across key dimensions

World Bank procurement guidance defines the core fit dimensions: objectives, requirements, market analysis, delivery capability and risk, followed by a recorded rationale for the selected approach. Treat these as a required assessment set. Add specification type, because performance specifications versus conformance specifications change responsibilities and evidence requirements. Add relationship design, because adversarial versus collaborative stances must match requirement and market. The outcome should be a delivery decision that can be audited and defended, because it is traceable to inputs and to a risk and payment logic that does not depend on the label.

WP20-01, WP20-06, WP20-05, WP20-04

Include change control and contract management readiness as decision dimensions, not as implementation afterthoughts. World Bank contract management guidance requires planned governance, records, inspections, tests, issue control and an auditable basis for decisions. AACE change management guidance applies across delivery methods and sets minimum mechanics for changes affecting another party: identification, communication, evaluation, authorisation and documentation. If the owner cannot commit to these disciplines, it should select a delivery structure that reduces the number of decisions and interfaces it must administer, or it should invest in capability before award.

WP20-10, WP20-13, WP20-14, WP20-18

DECISION INSTRUMENT

Exhibit 8.2: Fit assessment scorecard template

Use this template to force explicit evaluation across fit dimensions before naming the delivery model.

TEST	EVIDENCE READING	DECISION RESPONSE
Requirements and specification fit	Requirement clarity and specification type align with chosen responsibility boundaries.	If misaligned, rewrite requirements or revise delivery structure.
Market and capability fit	Market analysis and owner delivery capability support the chosen interface architecture.	If weak, adjust model or strengthen capability and governance.
Risk and payment fit	Risk allocation intent and payment mechanism reinforce each other and are administrable.	If inconsistent, revisit risk allocation and mechanism choice.
Governance and change fit	Contract management and change workflow are defined and resourced.	If immature, delay award until controls are in place.

Sources: WP20-01, WP20-06, WP20-04, WP20-03, WP20-10

8.3 Record the decision and design the controls to match

Procurement strategy should record why the selected approach fits the project’s objectives, requirements, market analysis, delivery capability and risk. Treat this as a controlled project artifact that will be referenced during contract management. When conditions change, use the artifact to identify which assumptions have moved and whether the delivery approach still fits. This discipline aligns with FIDIC’s emphasis on project strategy governing later procurement stages and contract form choice. It also supports transparent governance because decisions are linked to documented reasoning rather than informal preferences.

WP20-01, WP20-16

After the decision, design the control system to match the delivery structure. World Bank contract management guidance requires planned governance, records, inspections, tests and issue control with auditable decisions. AACE change guidance requires a defined workflow for changes affecting another party, including authorization and documentation. These controls should be scaled to the interface architecture. EPC concentrates acceptance and change decisions into fewer counterparties. EPCM and packages multiply them. Collaborative and PPP forms extend them over time. State the control design in the contract management plan and resource it explicitly.

WP20-10, WP20-14, WP20-18, WP20-17

DECISION INSTRUMENT

Exhibit 8.3: Decision record and control design gate

Use this gate to close the delivery-model decision with a documented rationale and a matched governance and change system.

TEST	EVIDENCE READING	DECISION RESPONSE
Rationale record	Written rationale explains why the approach fits and how alternatives were evaluated.	If absent, do not proceed to tender or award.
Control design	Governance, inspections, tests, records and issue control are designed for the chosen structure.	If incomplete, complete contract management plan before notice to proceed.
Change workflow	Change process includes identification, communication, evaluation, authorization and documentation.	If unclear, define workflow and authorities in contract and governance.
Strategy continuity	Project strategy remains the reference point for procurement and contract decisions.	If drifting, reset decision forums to use strategy assumptions and evidence.

Sources: WP20-01, WP20-10, WP20-14, WP20-16

Decision checklist

Use these questions before the next gate, assurance review or capital commitment.

- | | |
|--|--|
| <p>01 Write the procurement strategy starting from objectives, requirements, market analysis, delivery capability and risk, then record why the selected approach fits.</p> | <p>02 Separate delivery structure, contract form and payment mechanism. Do not select payment by label convention.</p> |
| <p>03 Choose specification style deliberately. State where performance specifications apply and where conformance specifications apply, and align acceptance evidence.</p> | <p>04 Test owner capability against interface count and governance load, especially for package-based structures.</p> |
| <p>05 If requirements are complex or innovative, consider interactive procurement such as competitive dialogue, anchored to a realistic project strategy.</p> | <p>06 When considering EPC, state integration responsibilities, acceptance evidence and risk allocation explicitly.</p> |
| <p>07 When considering EPCM, build an interface matrix and assign package boundary responsibilities before tendering.</p> | <p>08 For design-and-build, state functional performance criteria and qualify contractors for the technical responsibility being assigned.</p> |
| <p>09 Design supplier relationship stance intentionally and match it to the market and requirement.</p> | <p>10 Before award, complete a contract management plan that defines governance, records, inspections, tests, issue control and auditability.</p> |
| <p>11 Implement a change workflow for changes affecting another party that includes identification, communication, evaluation, authorisation and documentation.</p> | <p>12 Keep the recorded rationale visible during delivery and revisit it when assumptions change.</p> |

Evidence ledger 1 of 2

Only dossier rows used in this edition are listed. Concise excerpts identify each registered statement; the source audit retains the complete dossier reference.

ROW	REGISTERED EVIDENCE EXCERPT	REGISTERED SOURCE
WP20-01	Procurement strategy begins with project objectives, requirements, market analysis, delivery capability and risk, then records why the selected approach fits them.	World Bank, PPSD Guidance, 2024
WP20-02	The PPSD contract-strategy menu includes traditional, design and build, design-build-operate-maintain, turnkey or prime contractor, EPC, EPCM and other justified forms.	World Bank PPSD 2024, table X
WP20-03	Pricing options include lump sum, performance-based, schedule of rates, time and materials and cost-plus mechanisms.	World Bank PPSD 2024, table X
WP20-04	Contract type and payment mechanism should be selected with the required allocation of risk, not from the delivery-model label alone.	World Bank PPSD 2024
WP20-05	Supplier relationship can be designed on an adversarial or collaborative basis and should match the requirement and market.	World Bank PPSD 2024, table X
WP20-06	Performance specifications define the required output; conformance specifications define prescribed characteristics.	World Bank PPSD 2024, specification types
WP20-07	Infrastructure projects can use a wider range of contract structures than ordinary goods and services.	World Bank PPSD 2024, contract types
WP20-08	Competitive dialogue is an interactive multistage arrangement intended for complex or innovative procurement.	World Bank PPSD 2024, selection arrangements
WP20-09	A PPP is a long-term contract in which a private party bears significant risk and management responsibility and remuneration is linked to performance.	World Bank PPSD 2024

Evidence ledger 2 of 2

Only dossier rows used in this edition are listed. Concise excerpts identify each registered statement; the source audit retains the complete dossier reference.

ROW	REGISTERED EVIDENCE EXCERPT	REGISTERED SOURCE
WP20-10	Contract management requires planned governance, records, inspections, tests, issue control and an auditable basis for decisions.	World Bank, Contract Management Guidance, 2024
WP20-11	World Bank guidance distinguishes design-and-build from EPC or turnkey because contractor responsibilities and risk differ.	World Bank Contract Management 2024
WP20-12	Design-and-build requires the employer to state functional performance criteria and to qualify contractors for greater technical responsibility.	World Bank Contract Management 2024
WP20-13	AACE 100R-19 presents change management as guidance, not a standard, and applies across contracting strategies and delivery methods.	AACE International, RP 100R-19, 2020
WP20-14	Contract change management addresses changes that affect another party and requires identification, communication, evaluation, authorisation and documentation.	AACE RP 100R-19, public introduction
WP20-15	FIDIC's procurement guide emphasises preliminary investigations, studies and a realistic project strategy before tendering.	FIDIC, Procurement Procedures Guide publication page
WP20-16	FIDIC treats project strategy as the basis governing subsequent procurement stages and choice of contract form.	FIDIC publication page
WP20-17	EPC places engineering, procurement and construction responsibility with a single delivery entity for a facility ready for operation under the agreed contract.	FIDIC contracts-guide publication material
WP20-18	EPCM is a professional management arrangement in the World Bank contract-strategy menu; package contracts and owner interfaces remain distinct from an EPC single-point wrap.	Synthesis of World Bank PPSD 2024 EPC/EPCM distinction

Glossary

Procurement strategy

A documented approach that starts from objectives and requirements, considers market analysis, delivery capability and risk, and records why the selected contracting approach fits.

Delivery model

A delivery structure such as EPC, EPCM, design-and-build, or other justified forms that defines how responsibilities and interfaces are organized.

Payment mechanism

The basis for payment such as lump sum, performance-based, schedule of rates, time and materials, or cost-plus mechanisms.

Performance specification

A specification type that defines the required output and relies on verification of outcomes.

Conformance specification

A specification type that defines prescribed characteristics and relies on verification of compliance with those characteristics.

Competitive dialogue

An interactive multistage selection arrangement intended for complex or innovative procurement.

PPP

A long-term contract where a private party bears significant risk and management responsibility and remuneration is linked to performance.

Contract change management

A controlled process for changes affecting another party that requires identification, communication, evaluation, authorisation and documentation.

Contract management

Planned governance, records, inspections, tests and issue control that provide an auditable basis for decisions during delivery.

EPC

A form placing engineering, procurement and construction responsibility with a single delivery entity for a facility ready for operation under the agreed contract.

EPCM

A professional management arrangement where package contracts and owner interfaces remain distinct rather than being wrapped into a single delivery entity.

Project strategy

A realistic strategy informed by preliminary investigations and studies that governs later procurement stages and choice of contract form.

Relationship stance

The intentional choice to structure supplier relationship on an adversarial or collaborative basis to match requirement and market.

Auditable basis

A record and evidence foundation that allows decisions to be traced to inspections, tests, documented evaluations and authorizations.

Interface matrix

A documented map of boundary points between packages or responsibilities that assigns coordination, acceptance and issue resolution duties.

Acceptance evidence

The inspections, tests and records used to determine whether contractual requirements are met and to support acceptance decisions.

Risk allocation intent

An explicit statement of which risks are intended to be borne by the owner and which by suppliers, used to guide contract and payment design.

Design-and-build

A contracting form where the contractor takes greater technical responsibility and the employer states functional performance criteria and qualifies contractors accordingly.

References and limitations

World Bank (2024)

Procurement Strategy for Development (PPSD) Guidance. Used for procurement strategy sequence, contract-strategy menu, pricing options, relationship design, specification types and competitive dialogue definitions.

World Bank (2024)

Contract Management Guidance. Used for contract management governance requirements and distinctions between design-and-build and EPC or turnkey, including prerequisites for design-and-build.

AACE International (2020)

Recommended Practice 100R-19: Change Management (guidance). Used for cross-delivery change management framing and minimum change control steps.

FIDIC (Not stated)

Procurement Procedures Guide (publication page). Used for emphasis on preliminary investigations and project strategy before tendering and strategy governing later procurement stages.

FIDIC (Not stated)

Contracts guide publication material (EPC definition). Used for definition of EPC responsibility wrap and facility ready for operation under the agreed contract.

World Bank and FIDIC (synthesis registered in dossier) (2024)

EPC vs EPCM interface distinction (registered synthesis). Used only as stated in the dossier to distinguish single-point wrap from package interfaces under EPCM.

USE LIMITATIONS

- Evidence is restricted to the registered dossier rows and does not include project outcomes, performance comparisons or jurisdiction-specific procurement rules.
- WP20-18 is a registered synthesis statement and is treated as such without extending its scope beyond the dossier text.
- AACE 100R-19 is referenced as guidance, not a standard, as stated in the dossier.
- This paper provides a selection method and control instruments, not legal advice and not a mandate for any specific contract form or payment mechanism.

EDITION STATUS

This technical paper is an editorial synthesis for decision support. It is not a feasibility study, investment recommendation, legal opinion or project-specific assurance statement.



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