

Checklist	Remarks	Action (X)
<p style="text-align: center;"><b>Project System Audit Purchasing Group</b></p> <p><b>Note:</b> Not all items of the checklist shall be checked. It depends on the status of the work and whether it is the first, second or third audit.</p> <p><b>1. Project Definition</b></p> <p><b>1.1</b> Is the Project Procedure and Execution Manual (PPEM) available?  What is the status, issue and date?</p> <p><b>1.2</b> Does the PPEM properly describe the scope of work and services expected from the purchasing group and does it reference to the relative procedures, guides, etc., to cover those services?  Have the responsibilities, authorities and interfaces, both internally/externally for the group been clearly defined for the scope of work?  Have client requirements been incorporated and approved?</p> <p><b>1.3</b> Does the PPEM address the procurement/subcontracting philosophy/plan, including subcontract packages?</p> <p><b>1.4</b> Have Company/client, guides/practices/procedures and forms applicable and to be used by your discipline been listed in the PPEM?  Are they available in the discipline group?</p> <p><b>1.5</b> Have specific project guides/practices applicable and to be used by the discipline, been included in the PPEM?  Have client's comments been incorporated or did client certify these?</p> <p><b>1.6</b> How has the discipline project file been organized?</p> <p><b>1.7</b> Has a suppliers list for equipment, bulk material and sub-contracting been issued and approved by the client and Company Inspection Department?</p>		
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<ul style="list-style-type: none"> <li>• Have financial latest year results been requested if applicable and are they available?</li> <li>• Are shop surveys and QA assessments required?</li> </ul> <p><b>1.8</b> Has the spare part philosophy been spelled-out in the PPEM for i.e.:</p> <ul style="list-style-type: none"> <li>• Initial spare parts for testing/ pre-commissioning and start-up to be purchased with the original PO?</li> <li>• Spare parts for a client defined number of years?</li> <li>• Capital spare parts defined by the client for i.e. compressors and turbines?</li> <li>• SPIR forms to be sent with each RFQ prior to PO placement?</li> </ul>		
<p><b>1.9</b> Has a list with long delivery (critical) items been made available?</p>		
<p><b>2. Engineering Technical</b></p>		
<p><b>2.1</b> How does the Project Purchasing manager ensure that engineering/ design specifications/ requisitions are internally expedited in sequence as required by the overall project schedule for bid issue?</p>		
<p><b>2.2</b> Is a confidentiality/security procedure required?</p> <p>If so, has this procedure been approved by the client, forming part of the PO terms and conditions?</p>		
<p><b>2.3</b> Have contractual Company and/or client performance guarantee clauses been defined and approved by the client for PO and/or sub-contract conditions?</p>		
<p><b>2.4</b> Have contractual Company and/or client warrantee clauses been defined and approved by the client, forming part of PO and/or sub-contract conditions?</p>		
<p><b>2.5</b> Have payment and cancellation charge conditions been defined and approved by the client for equipment, sub-contracts and bulk-material PO's?</p>		

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<p><b>2.6</b> Have buy-back clauses been defined and approved by the client for bulk material PO's, if applicable?</p>		
<p><b>2.7</b> Have yard/warehouse cost been negotiated prior to PO award, in case scheduled shipment date is inconvenient?</p> <p>What is the maximum storage time offered by the suppliers?</p>		
<p><b>2.8</b> Where has the requirement for pre-inspecting meetings been defined to establish an inspection plan and schedule?</p>		
<p><b>2.9</b> To what extent have a list of supplier drawings, certificates, final inspection and test reports, release notes, manufacturing reports, operating and/or maintenance manual to be included in the manufacture(s) book(s) been included in the PO/SC terms and conditions?</p>		
<p><b>2.10</b> How is it ensured that lead discipline engineers and an inspection representative will attend pre-qualification and/or pre-award meetings?</p>		
<p><b>2.11</b> Is it expected that our standard computer programs need to be updated to comply with the requirements of the project, i.e. requisition tracking reports, etc.?</p>		
<p><b>2.12</b> Are there any indications either in the task force or within other Company disciplines/ client/manufacturers etc. causing unfavorable conditions which could make Company liable and add cost to the project?</p>		
<p><b>2.13</b> To what extent do the purchasing files carry only the Company requisition account code or are client numbers indicated as well?</p> <p>How is cross referencing being made transparent?</p>		
<p><b>2.14</b> How are purchasing files kept up-to-date?</p> <p>Are former issues of RFQ's, PO's and PO amendments kept in the file for history tracking purposes?</p> <p>How can former issues be distinguished from current issues?</p>		
<p><b>3. Engineering General</b></p>		

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<p><b>3.1</b> Are job related internal instructions to be used to execute the scope of work and services?</p> <p>Who are provided with a copy?</p>		
<p><b>3.2</b> In case client's standards/details/procedures/forms etc., must be used are they:</p> <ul style="list-style-type: none"> <li>• listed in the PPEM?</li> <li>• available in the group and/or with other Company disciplines where required?</li> <li>• technically approved for the project under consideration?</li> </ul>		
<p><b>3.3</b> Are the equipment lists available in the group?</p> <p>What is the latest issue and status?</p>		
<p><b>3.4</b> What is the availability status of requisitions for Company designed equipment?</p> <p>What percentage has been released for bids and/or purchase?</p>		
<p><b>3.5</b> What is the availability status of requisitions for manufacturer designed equipment and/or package units?</p> <p>What percentage has been released for bids and/or purchase?</p>		
<p><b>3.6</b> Is a planning list available for all requisitions to be issued per discipline, including bulk?</p>		
<p><b>3.7</b> Is a summary tracking report available, indicating RFQ, bid tab evaluation, PO pre-award meeting, PO (fax) placement, PO confirmation and ETA dates?</p> <p>Is this report continuously updated?</p>		
<p><b>3.8</b> How and to what extent are sub-suppliers/manufacturers etc. included in the summary tracking report?</p>		
<p><b>4. Job Control</b></p>		
<p><b>4.1</b> Where has the budget for the Purchasing Group been established?</p>		

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<p><b>4.2</b></p> <p>Was the Purchasing group involved in preparing the estimate, planning and manpower planning for the group?</p> <p>Is purchasing assistance from other offices being required and anticipated?</p>		
<p><b>4.3</b></p> <p>Which basis has been used to establish the manhours, manpower duration for the Purchasing Group?</p>		
<p><b>4.4</b></p> <p>Which tool is being used to measure the progress of the scope of work and service of the Purchasing Group?</p> <p>How is the progress reported to the Project Manager and cost engineer?</p>		
<p><b>4.5</b></p> <p>How much is the measured progress against the planned progress for the Purchasing Group?</p> <p>State cut-off date.</p>		
<p><b>4.6</b></p> <p>How does the final expected manhours requirement for the discipline relate to the current manhour budget?</p>		
<p><b>4.7</b></p> <p>What is the relationship between spent and planned manhours?</p>		
<p><b>4.8</b></p> <p>Have Purchasing manhours and budget been adjusted as a result of approved project variations?</p>		
<p><b>4.9</b></p> <p>Has a planning schedule been issued covering all Purchasing group activities?</p> <p>To what extent have contractually agreed milestones been included in the planning chart?</p>		
<p><b>4.10</b></p> <p>Are planned milestones met in time?</p>		
<p><b>4.11</b></p> <p>What is currently the percentage of agency personnel on the job within the Purchasing group?</p>		
<p><b>4.12</b></p> <p>Does the Project Procurement Manager receive a copy of the weekly LDS print-out?</p> <p>Does he check the spent manhours per discipline? i.e.:</p> <ul style="list-style-type: none"> <li>• Purchasing</li> </ul>		

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<ul style="list-style-type: none"> <li>• Subcontracting</li> <li>• Expediting</li> <li>• Inspection</li> <li>• VPC</li> <li>• Traffic</li> </ul> <p>To what extent are these disciplines being informed about their manhour expenditures?</p>		
<p><b>4.13</b> Has the necessary manpower been adequately provided in a timely manner?</p>		
<p><b>4.14</b> Have new purchasing staff been hired to work on this project?</p> <p>If so, what training has been provided to familiarize them with specific Company requirements?</p>		
<p><b>4.15</b> Was the lead buyer involved in preparation of the contractual overall project barchart schedule?</p>		
<p><b>4.16</b> Is the Lead Buyer invited for regular coordination meetings with the project engineering management, especially on problem areas?</p>		
<p><b>4.17</b> Are there communication problems with suppliers, other disciplines/departments?</p>		
<p><b>5. Additional Questions</b></p>		