



EXPLO National Manual for Projects Management

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Project Turnover of Spare Parts Procedure



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Project Turnover of Spare Parts Procedure

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Project Turnover of Spare Parts Procedure

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Project Turnover of Spare Parts Procedure

Table of Contents

1.0	PURPOSE.....	5
2.0	SCOPE.....	5
3.0	DEFINITIONS	5
4.0	REFERENCES.....	6
5.0	RESPONSIBILITIES.....	6
5.1	Entity Operations.....	6
5.2	Construction Contractor	6
5.3	Vendor.....	6
5.4	Project Management Team (PMT).....	6
6.0	PROCESS/INSTRUCTIONS	6
6.1	Define Requirements for Turnover of Spare Parts Pre-bid.....	6
6.2	Define Spare Parts Requirements and Procure	6
6.3	Pre-Turnover Readiness	7
6.3.1	Spare Parts Matrix.....	7
6.3.2	Tracking and Monitoring	7
6.3.3	Entity-Specific Requirements	8
6.3.4	Transport and Storage.....	8
6.3.5	Packaging and Labelling	8
6.4	Turnover of Spare Parts.....	8
7.0	ATTACHMENTS.....	9
	Attachment 1 - EPM-KTC-TP-000002 - Spare Parts Vendors Information Template.....	10
	Attachment 2 - EPM-KTC-TP-000003 - Spare Parts Tag Numbers Template	11
	Attachment 3 - EPM-KTC-TP-000004 - Spare Parts Record (SPR) Template.....	12



Project Turnover of Spare Parts Procedure

1.0 PURPOSE

The purpose of this Procedure is to outline the events and responsibilities associated with the turnover of Spare Parts from Construction Contractor to Entity Operations.

This procedure applies to works performed under all Government construction projects executed throughout the Kingdom of Saudi Arabia.

2.0 SCOPE

This Procedure covers the turnover of operational Spare Parts required at time of Initial Acceptance of the Project. It does not include Commissioning and Start-up Spare Parts.

3.0 DEFINITIONS

Definitions	Description
Commissioning & Start-Up Spare Parts	Spare Parts needed to adequately cover the requirements of day-to-day maintenance and any premature failures during the period of start-up, commissioning and trial run operations only.
Construction Contractor	The Main or Principal Contractor responsible for undertaking the Construction Works on the Project.
Custodian	A person designated by Entity Operations to accept custody of completed construction work and to manage and operate it, as applicable. This shall include accepting custody of Spare Parts on behalf of Entity Operations.
Entity	For the purposes of this procedure the Entity is the Government Ministry or other organization for whom the construction project is being constructed.
Entity Operations	The operations department within the Entity, designated to accept custody of completed construction work and to manage and operate it, as applicable.
Entity Project Management Organization (EPMO)	The project management department within the Entity responsible for delivering the project.
Final Acceptance	Written agreement by the EPMO that the Construction Contractor has completed the contracted works. Also referred to as Final Turnover or Completion.
Initial Acceptance	Written agreement by the EPMO that the Construction Contractor has completed the contracted works, with Exceptions. Also referred to as Preliminary Turnover or Substantial Completion.
Project Management Team (PMT)	The team deployed by the EPMO to manage the Project on site.
Spare Part(s)	A part that is kept in inventory and used to replace a worn, lost or damaged part/assembly/sub-assembly in a piece of equipment or system. For the purposes of this Procedure, Spare Part(s) also includes spare materials/extra stock.
Vendor	The manufacturer of the Spare Part. Typically the manufacturer of the equipment [for which Spare Part(s) are being sought]. In some instances a supplier to said manufacturer.
A/E Consultant	Architect & Engineer organization that undertakes studies and/or design of projects.
O&M	Operations & Maintenance
SPR	Spare Parts Records
P&ID	Piping and Instrumentation Diagram



Project Turnover of Spare Parts Procedure

4.0 REFERENCES

1. EPM-KTC-PR-000001 - Project Turnover of Facility/Infrastructure Procedure

5.0 RESPONSIBILITIES

5.1 Entity Operations

Entity Operations is responsible for advising any specific spare parts management requirements and receiving all Spare Parts on behalf of the Entity.

5.2 Construction Contractor

The Construction Contractor is turning over the Spare Parts identified in the project specifications and procured in accordance with the contract requirements.

5.3 Vendor

Vendor is responsible for identifying recommended two-year operational spare parts and supplying the Spare Parts in line with Entity Operations requirements.

5.4 Project Management Team (PMT)

PMT is responsible for ensuring project completion, which includes the turnover of spare parts to Entity Operations.

6.0 PROCESS/INSTRUCTIONS

6.1 Define Requirements for Turnover of Spare Parts Pre-bid

The requirements related to the turnover of spare parts from the Construction Contractor to Entity Operations shall be established pre-bid, in order that appropriate requirements can be specified in the bid documents.

The Entity Project Management Organization (EPMO) shall coordinate with Entity Operations and the A/E Consultant, to ensure that these requirements are properly specified and reflected in the bid documents. A general spare parts specification is typically used to outline common requirements related to spare parts, with additional specific requirements particular to a specific piece of equipment or building component specified in the particular specification concerned.

The turnover of spare parts can be efficiently carried out when the entire spare parts process is clearly defined and understood by all parties. The key steps to this process include:

- Determine requirements and procure
- Ensure pre-turnover readiness
- Physically turnover spare parts.

It is recommended that all spare parts be turned over to Entity Operations as a pre-requisite to Initial Acceptance, and language to this effect is included in the bid documents.

6.2 Define Spare Parts Requirements and Procure

The EPMO and Entity Operations will hold pre-bid discussions on the operations and maintenance strategy to be implemented for the project being constructed. These discussions will result in the specific spare parts requirements, and the procurement strategy for same. Entity Operations shall determine requirements beyond two-year operating spares if needed.



Project Turnover of Spare Parts Procedure

In cases where it is logical for a vendor of specialist equipment to undertake the maintenance instead of Entity Operations personnel, no spares would be held by Entity Operations. For example, for an elevator, it is common for the elevator vendor to undertake the maintenance under a maintenance contract and the elevator vendor is made responsible for keeping the required spares in stock.

In cases where Entity Operations will perform the maintenance, then the vendor's recommendations of what spare parts are needed is required. The recommended spare parts list is typically included in the Operations & Maintenance (O&M) Manuals for the equipment/component concerned. The pricing for the Spare Parts is provided typically by Vendor through Construction Contractor, and Entity Operations will determine which spare parts and in what quantity they are to be ordered.

Note that maintenance includes replacing damaged or broken items. For common materials such as ceiling tiles or floor tiles the A/E Consultant normally specifies that 2% spare materials be handed over by the Construction Contractor and that this is included in the contract price, for example.

Note also that Commissioning & Start-Up Spare Parts are the responsibility of the Construction Contractor, not Entity Operations. These are not subject to turnover to Entity Operations unless the contract documents specify that extra stock is to be handed over.

6.3 Pre-Turnover Readiness

6.3.1 Spare Parts Matrix

The contract documents will specify various spare parts requirements in different specification sections. The Construction Contractor shall establish a Spare Parts Matrix capturing all these requirements and the PMT shall verify that the matrix is comprehensive. This will serve as a starting point for the spare parts process from the Construction Contractor's side.

6.3.2 Tracking and Monitoring

The method for tracking and monitoring of spare parts requirements, subsequent procurement and delivery should be carefully considered. For many projects a simplified approach utilizing spreadsheet(s) to capture spare parts-related information is adequate. Information to be recorded includes:

- Manufacturer name, address, contact details
- Equipment name and parent tag number
- Equipment model number
- Spare classification
- Manufacturer's part number
- Entity spare code number or tag number
- Reference drawing number. May include Piping and Instrumentation Diagram (P&ID) number
- Zone and location
- Criticality
- Quantity information (Vendor recommended number, quantity ordered)
- Order details including pricing
- Shelf life
- Preservation requirements
- Delivery details - forecast/actual
- Quality records, including mill certificates, material test reports, component test reports, etc. as applicable
- Dimensions and weight

Refer to **Attachments 1, 2 & 3** for templates as samples, either as standalone templates or combined into a master spread sheet.



Project Turnover of Spare Parts Procedure

6.3.3 Entity-Specific Requirements

Entity Operations shall define its specific requirements for spare parts management in order that these requirements can be included in the bid documents. These may include specific software and database requirements, templates, part numbering, labelling, process for ordering, packaging requirements to suit warehousing, etc.

6.3.4 Transport and Storage

The proper treatment, handling, transport, storage and preservation of spare parts should be ensured. Typically any special requirements are to be contained in Construction Contractor's material approval submissions and then subsequently reflected in purchase orders. It is the responsibility of each party along the supply chain to ensure compliance. The PMT shall monitor the Construction Contractor's compliance.

Both Construction Contractor and Entity Operations shall ensure readiness to store spare parts, including a comprehensive understanding of the requirements, as follows:

- Types of Storage - indoor, outdoor, temperature or humidity controlled, dust-free, etc.
- Method of Storage and Handling - place on ground, palletized, placed in racks, bins, etc
- Amount of Material to be Stored - volume, weight, number of pieces

6.3.5 Packaging and Labelling

Each spare part shall be individually packaged where practical. The packaging should be appropriate to the handling and storage method.

Each spare part shall be labelled or tagged to include information, such as:

- Manufacturer
- Model number
- Equipment name
- Spare classification
- Manufacturer's part number
- Entity spare code number
- Shelf life/expiry date
- Preservation requirements

6.4 Turnover of Spare Parts

The physical turnover of spare parts follows a process of:

- Construction Contractor shall notify Entity Operations in writing when spares are ready for transfer. Entity Operations shall then notify the Construction Contractor as to the delivery points for spares.
- Construction Contractor shall furnish supervision, manpower and equipment to physically transport, unload, open and lay out spares in such a manner that each individual line item of spares can quickly identified, checked and transferred in to the Entity Operations warehouse/storage facility.
- Entity Operations shall verify that all spares are correctly tagged and accompanied by their respective records (purchase orders, material receiving reports, certified test reports, Entity's authorization to order, etc.)
- Any shortages or damaged spares shall be identified and replaced by Construction Contractor.
- The turnover of the spares from Construction Contractor to Entity Operations shall be documented in writing via a transfer of custody form, copies of which shall be turned over as project records.

The Construction Contractor shall ensure that all documentation related to spare parts is turned over as project records and the PMT shall monitor same. These records include:



Project Turnover of Spare Parts Procedure

- Purchase orders
- Certified test reports and other quality documentation
- Warranties/guarantees
- Material receiving reports
- Transfer of custody forms

7.0 ATTACHMENTS

1. EPM-KTC-TP-000002 - Spare Parts Vendors Information Template
2. EPM-KTC-TP-000003 - Spare Parts Tag Numbers Template
3. EPM-KTC-TP-000004 - Spare Parts Record (SPR) Template



Tag Numbers Template

SAMPLE



Project Turnover of Spare Parts Procedure

Attachment 3 - EPM-KTC-TP-000004 - Spare Parts Record (SPR) Template

Seq. No.	Spare Part Description	Equipment Manufacturer	Original Manufacturer	Drawing No.	Quantity	Insurance Spares Quantity	Vendor Recommendation Quantity	Entity's Final Order Quantity	Unit Price	Total Price	Spare Part Detail Specs.	Dimensions	Material	Shelf Life	Delivery Time	Remarks
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																
9.																
10.																
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