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CONSIDERATION OF PERFORMANCE GUARANTEES FOR COAL PREPARATION PLANTS CONTRACTS

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ABSTRACT

This paper details a comprehensive approach for the selection, generation, documentation and measurement of performance guarantees currently being successfully applied to several significant new plant and upgrade projects. The key success elements of this approach will be described, in particular the prudent selection of performance criteria to ensure that realistic and robust measurement is possible. Additionally, the sensibilities of the measurement mechanisms and allowances to be made at the initial design phases to facilitate performance guarantee determination will be discussed. The necessary documentation protocols to be incorporated at the tender phase linking the contract process design criteria to the performance guarantees are highlighted to maximise contractor knowledge of the Principal's expectations during the project engineering and costing phase. Finally, aspects affording the Principal maximum negotiation leverage, and the contractor optimum delineation of the project requirements, prior to contract signing to protect project metallurgical integrity and diminish project risk, are examined. The important project risk relationship with proper design practices and process design criteria, applied to adequate size and washability data, is also highlighted.

A case study will be utilised to describe the key aspects and concepts under consideration, as well as examples given to quantify implications from recent projects where inadequate performance guarantees were employed.

**METALLURGICAL
CONSULTANTS**

Reference :

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