

# EPCIC Contract Management in Offshore & Marine

## INTRODUCTION

- EPCIC (Engineering, Procurement, Construction, Installation & Commissioning) Contract is the most commonly used form of construction contract. In particular for complex projects, the preferred contract module that is used is EPCIC. Mastering the ins and outs of EPCIC contracts will prove to be an essential tool in driving effective contracting strategies to minimize delays, cost overruns and liability issues.
- This EPCIC Contracts Management in Offshore & Marine training course for both Offshore and Marine is specifically designed to address the key issues as it relates to all the parties and stakeholders who are involved in the execution of the contract. and as to the best means available to allocate and manage their risk and liabilities. Under an EPCIC model, the main contractor carries the risks for the project, they must, at the same time minimize these risks through effective contracting strategies.

This EPCIC Contracts Management in Offshore & Marine training course is specifically designed to provide participants with a well- tested and practical guide on:

- Putting EPCIC in the context of the different models of EPC Contracts
- The inherent risk, liabilities and benefits of employing various contracting strategies
- The challenges of EPCIC lump sum contracts and the ways to manage cost over-runs
- Structuring the contract to address the issues of the several parties to the contract to ensure a positive project outcome. Pros and Cons of the split EPCIC contract form
- Insights into the current issues affecting EPCIC contracts like pollution, HSE and local content; managing contractor concerns

## OBJECTIVES

At the end of this training course, participants will be able to:

- Understand the current global, local and financial environment for EPCIC contracts and assess operational, commercial, legal and financial risks in EPCIC contracts
- Examine and analyse the difference between with EPCIC contracts & EPCM and appreciate the underlying legal principles
- Appreciate the essential element of the different contract stages from pre to post tender to completion and delivery of project
- Address key issues faced during project lifecycle and how to tackle these through enforceable contractual clauses
- Avoiding drafting pitfalls and ambiguous contractual terms

## TRAINING METHODOLOGY

- This EPCIC Contracts Management in Offshore & Marine training course will utilize a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This includes exercises designed to improve and sharpen the skill sets of delegates in planning, negotiating and managing EPCIC contracts through interactive session with role playing, case studies, discussion groups and scenario building. The objective of the interactive role play is to enable participants to apply the knowledge and understanding gained at the workshop to negotiate a more effective EPCIC contract. This will help participants gain practical insights into managing the risks and enhancing their rewards.

## ORGANISATIONAL IMPACT

The organisation will benefit by:

- Providing project management team with a fresh and rational approach to contract management in Offshore and Maritime contracts
- Analysing and solving contract problems before they cause organisation in time and money
- Provide an eye-opener on the importance of clarifying contract ambiguities prior to signing of contracts
- Gives procurement and other project personnel a new insight into negotiating of contracts
- Strategizing on risk management techniques that can be used in the contracts to safeguard organisations interests
- Senior management given options that are available to enable them to negotiate terms and conditions of for upstream and downstream contracts

## PERSONAL IMPACT

This EPCIC Contracts Management in Offshore & Marine training course teaches the competencies that enable the attendees to:

- To have a one-stop reference on all aspects of the contracts and for dealing effectively with the problems that may arise
- Obtain detailed guidance on the contract management techniques that will help the reduce claims
- Familiarise themselves with different contracting clauses
- Looks at contract documents required for creation of an EPCIC contract and other contracts and the importance of specifications, drawings, scope of work
- Deal with Changes to contract terms, and differences in approach between standard contracts and bespoke contracts
- Knowledge of different contracting strategy to meet organisation's goals

## WHO SHOULD ATTEND?

- This EPCIC Contracts Management in Offshore & Marine training course is suitable to a wide range of professionals but will greatly benefit Contracts Professionals and Project Managers operating in complex offshore and onshore projects in marine and shipyard construction and engineering, whether at beginner or intermediate levels, and also:
- Commercial Contract Professionals
- Commercial Operation Professionals
- Contract Engineers
- Procurement Supply Chain Professionals
- Risk Manager / Contract Risk Professionals

## Course Outline

EPCIC Overview, Legal Framework & Contract Structure and Risk Allocation

- EPCIC, EPC, EPCM Contract Structure and Strategy
- Maximizing Parties' Rights and Interests
- Contractor's Single Point of Responsibility and Its Effects on Parties
- Fixed Price Lump Sum Contracts
- Split Contract Structures to Minimize Tax and Legal Exposure
- EPCIC used in Shipbuilding Contracts for "Floaters" and Floating Platforms
- Collaborative Contract Strategies to Avoid the "Blame Game"

Tender Process Leading to an EPCIC Contract

- Legal, Technical and Commercial Pre-qualification of Tenderers

- Best Practices in Tender Evaluations and Selection of Tenderer
- Important of Scope of Work and Specifications and Terms and Conditions
- Exceptions – What to accept and what to deny
- Finalising Tender Negotiations & Award
- LOI and LOA Essential Terms and Legal Effects
- Exercise on the Selection Process and Main Elements to Ensure a Successful Tender Exercise

## Negotiating Essential Contractual Terms of EPCIC Contracts

- Identifying Critical Issues in the Project Life-cycle
- Managing Cost Impact Clauses like Delay, Price Fluctuations
- Indemnities and Other Liabilities, MAC Clauses, HSE
- Changes in Law and Regulations in Host Country & Stabilization Clauses
- Political Risk Insurance
- Force Majeure & Termination for Cause and without Cause

## Essential Aspects of Risk Management Strategies

- Design, Technology & Process Risk
- Procurement & Specification risk
- Variations and Cost Impact
- Payment and Multi- currency Contracts
- Delay, Liquidated Damages and Extensions of Time (EOT)
- Completion and Testing & Effects of Acceptance
- Using Contractual Clauses to Manage Liabilities and Risks



## Contract Completion – Critical Issues

- Acceptance of Punch List of Defects - What is the effect?
- Passing of Title and Risk - Safety & Insurance
- Warranties and Guarantees
- Passing of Intellectual Property Rights
- Defects - Exculpatory Clauses
- Dealing with Disputes – Considering the Different Options
- Discussion on Issues Participants have Faced and How It was Handled