
Best subsea contracting strategy?

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wood.

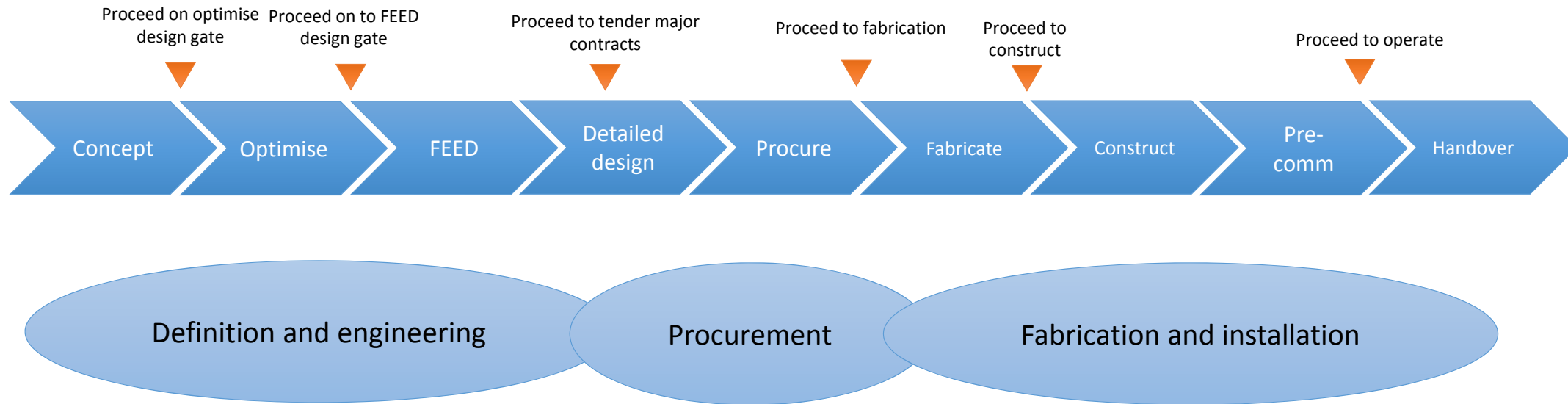
MCEDD
DEEPWATER DEVELOPMENT

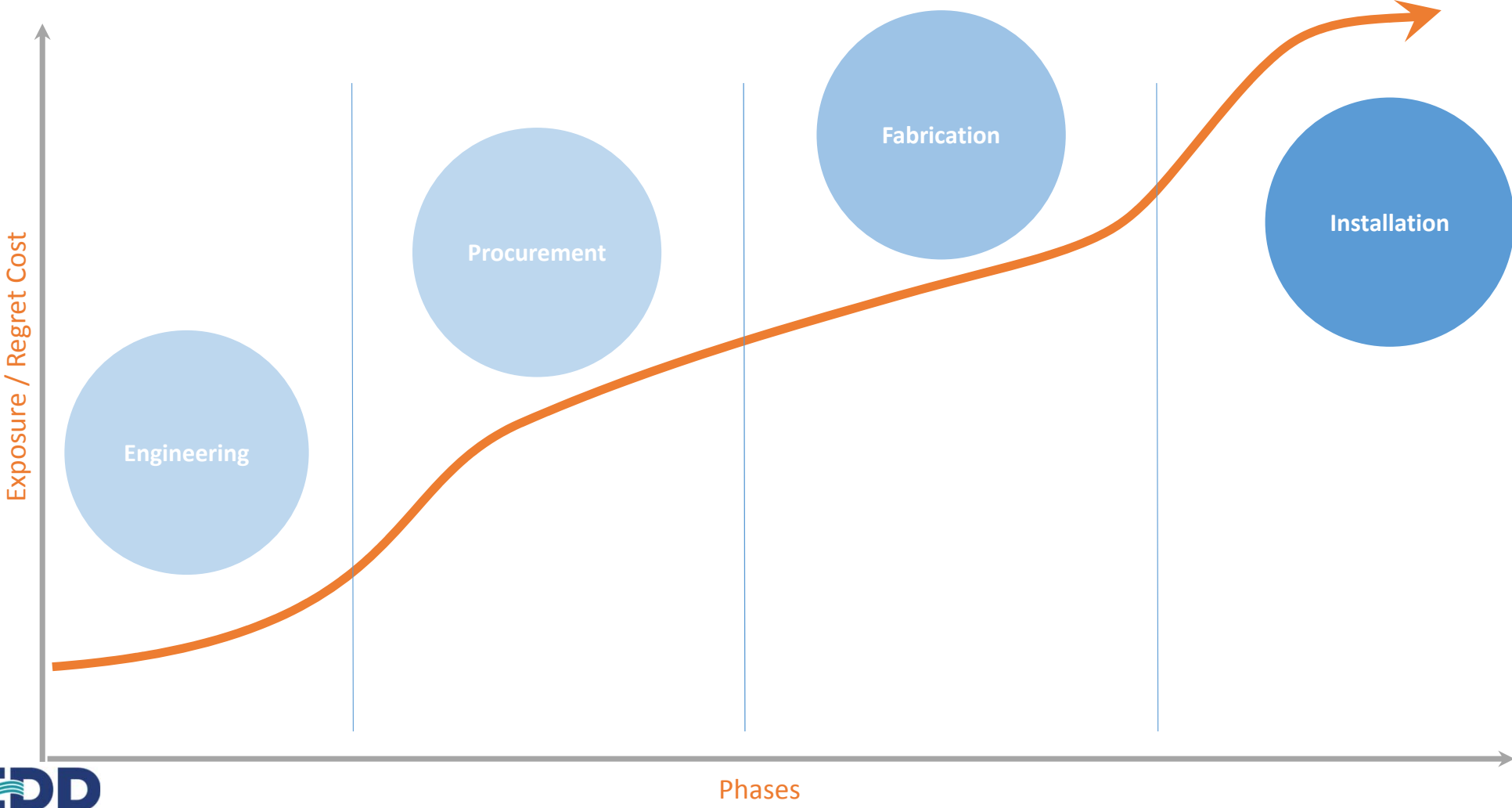
Best subsea contracting strategy?

- A myriad of strategies
 - Strong, contrary views
 - Numerous painful experiences
 - And many positive outcomes
 - Deep-seated or in vogue preferences
 - A TLA soup
-
- But is there a formula?
 - A best approach?



Repeated execution approach

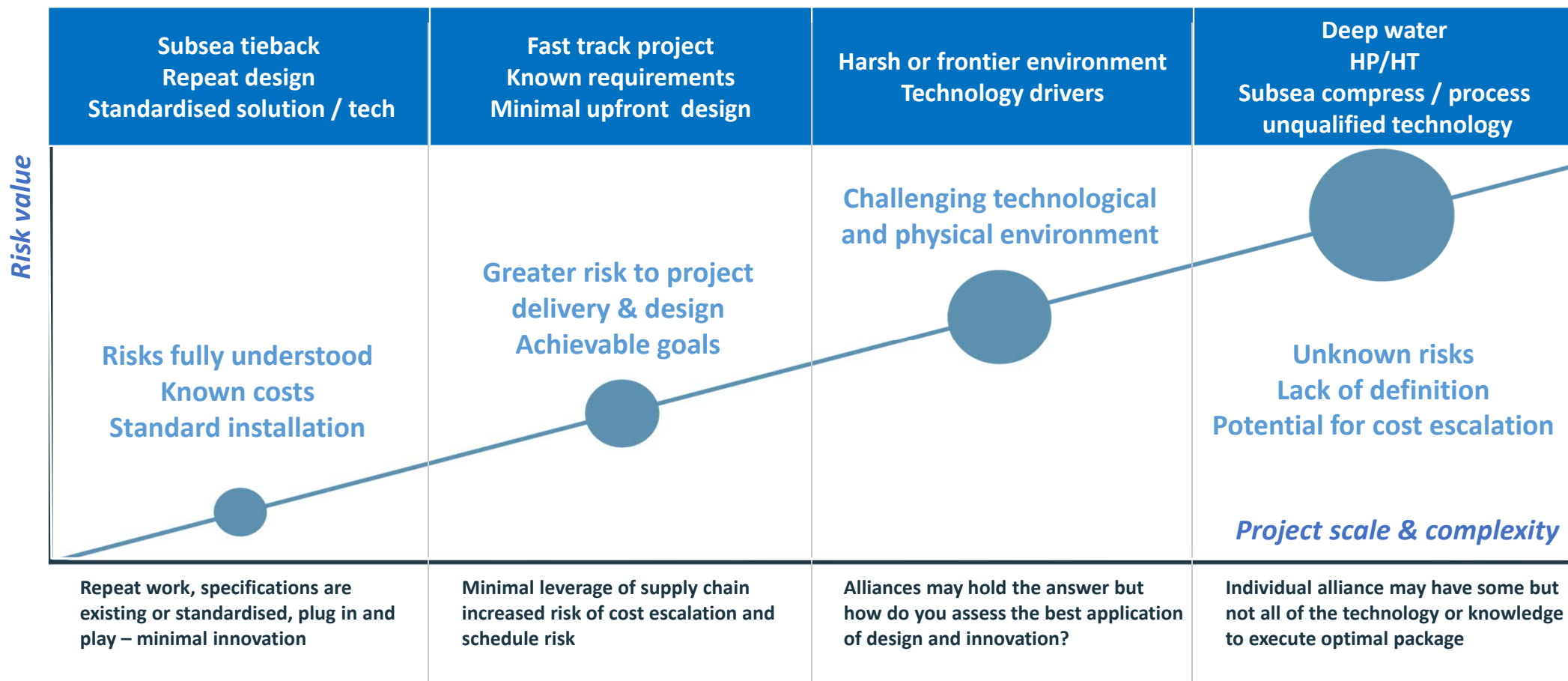




Key Influences

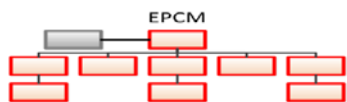


Contract risk v project scale / complexity



Strategy range

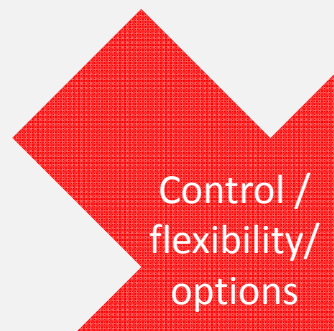
Separate contracts E - P - C supported by Expert clients + PMS or EPCM



Hybrid solutions with varying degrees of integration LLI, EPF, +ePC

Fully integrated EPC or EPC supplier alliances

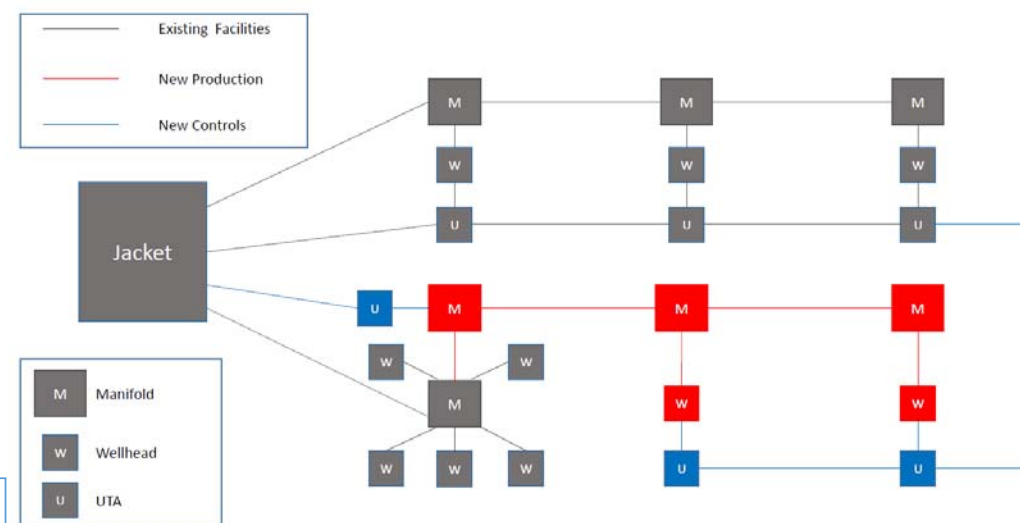
Potentially including early phase engineering



Case Study 1: Two Well Step Out from Existing Facilities

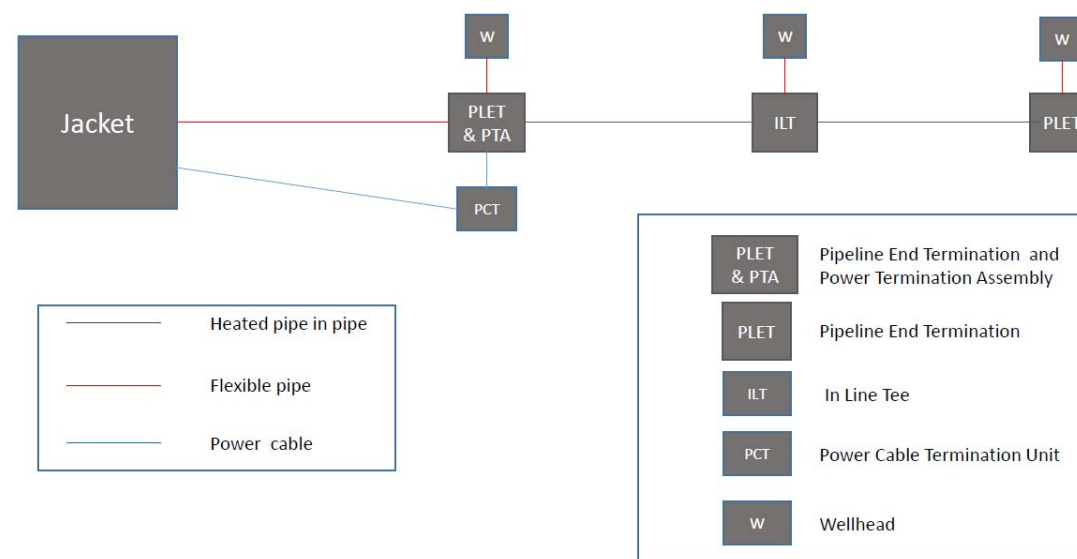
- Proven technology, standard P&T, environment
- Numerous potential suppliers and installers
- Potential to Leverage market
- Use of standard specs and designs
- Early procurement of long leads

- Concept design + FEED design + detail design
- EPCM + free issue long leads + multiple ePCs



Case Study 2: 3 Well Step Out from Existing Facilities

- Hi-tech Heated PiP system
- Technology still being qualified
- Only 2 potential suppliers / installers
- Limited opportunity to leverage market
- No standard specs and designs
- No early procurement of long leads
- Dual concept design



- Dual FEED design “technology” competition, including TRL assessment
- Sharing of technical qualification risks
- Alliance style EPCI

So.....

- Initiate workshops, encourage independent advice, early
- Assess key project drivers - Approach contracting on a case by case basis
- Allow Leveraging of the market... for as long as possible.... EPCM where beneficial
- Careful, selective use of FEED competitions - avoid industry waste
- Technical innovation may drive EPC/Supplier Alliance approach
- But Ensure strong TRL verification
- Acknowledge the Inevitability and requirement for Owner Expert Involvement
- Augment integrated Expert Client teams with right support - secondment, PMS, EPCM,

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