

Re-inventing the Client / Contractor Ways of Working

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subsea 7

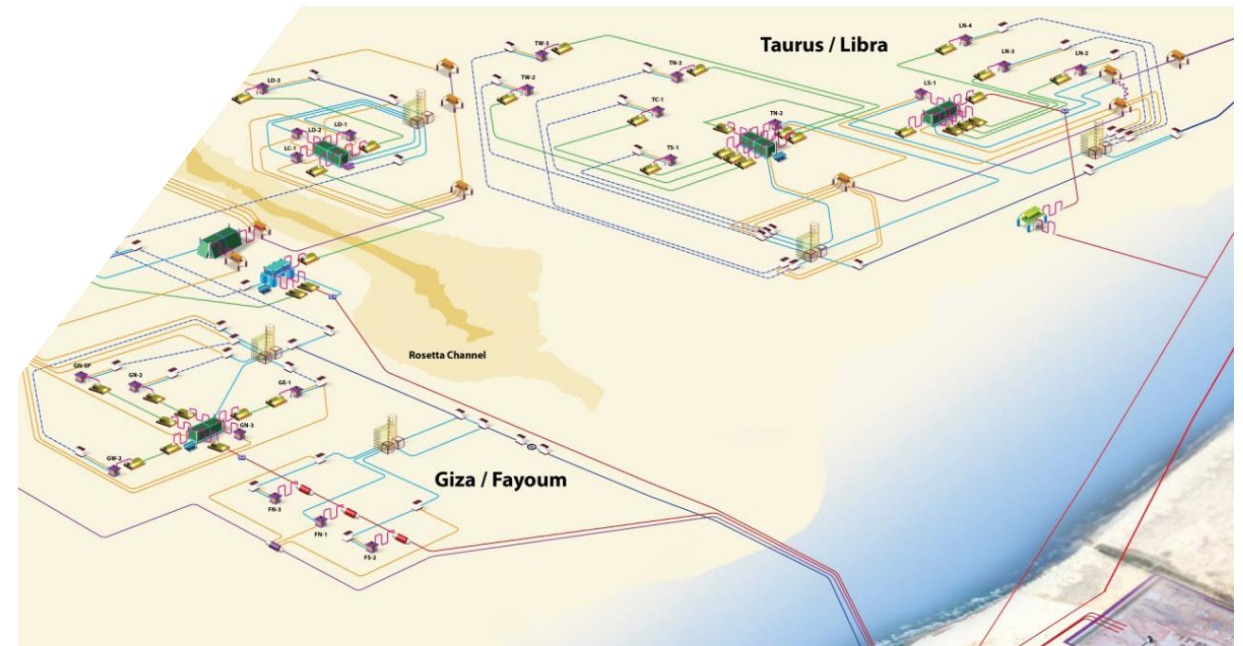
MCEDD
DEEPWATER DEVELOPMENT

Re-inventing the Client / Contractor Ways of Working

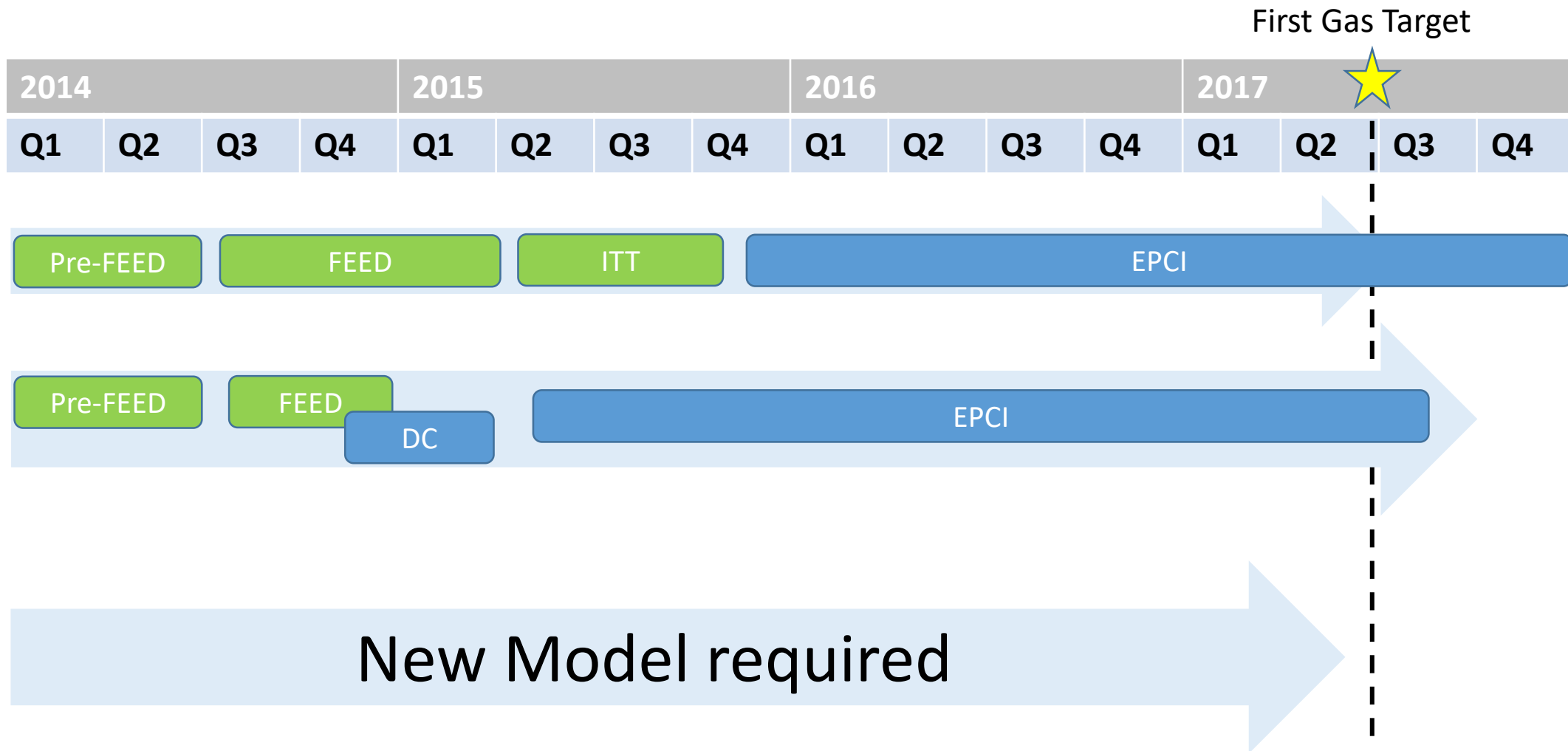
- Introduction to West Nile Delta – Taurus & Libra Project
- Cost optimisation through
 - Early Contractor engagement
 - Efficient project execution
- Conclusion

West Nile Delta – Taurus & Libra: Introduction

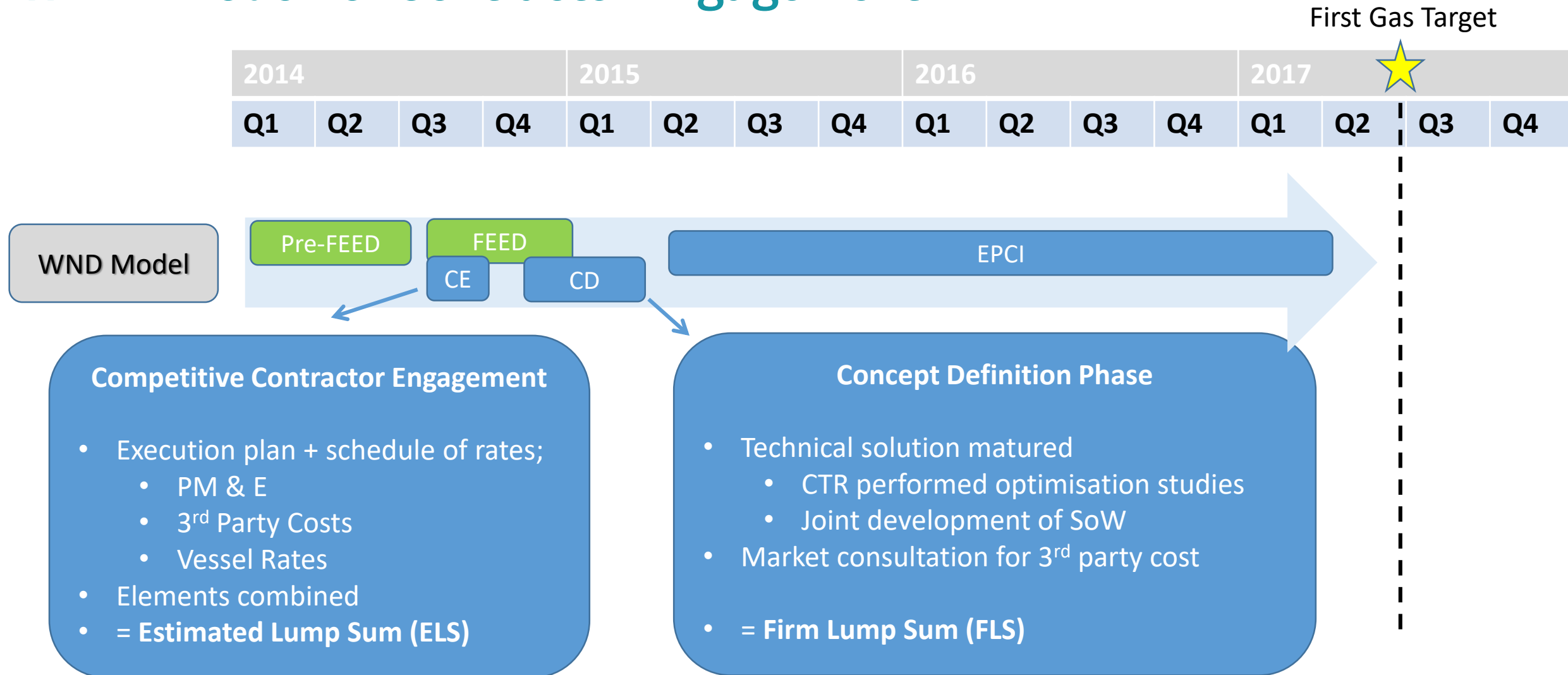
- 9 well greenfield gas development
- Taurus and Libra fields incorporated into wider WND Development
- Inherited pre-FEED and partial FEED
- Fast track delivery schedule
- First gas commitment in less than 3 years
- Urgent need for domestic gas supply
- Competitive environment with low oil price



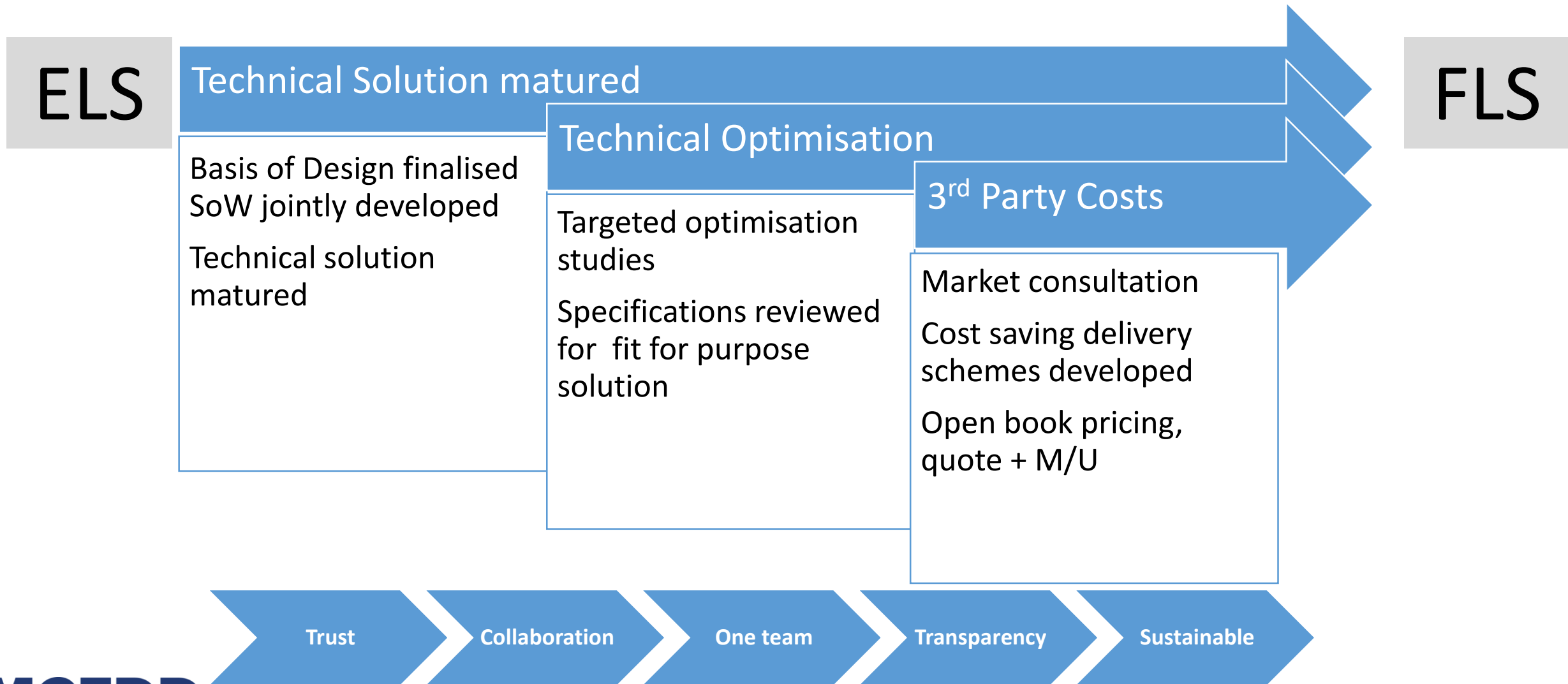
WND - Options for Contractor Engagement



WND - Model for Contractor Engagement



Competitiveness following Early Engagement



Benefits of Early Engagement

Cost Reduction

- Technical solution aligned with contractor capabilities
- Optimisation Studies
- Challenge of specifications
- New ways of working

Schedule Acceleration

- Early engagement of supply chain and award of LLI
- Early mobilisation and induction of project team
- New Ways of Working

Cost Certainty

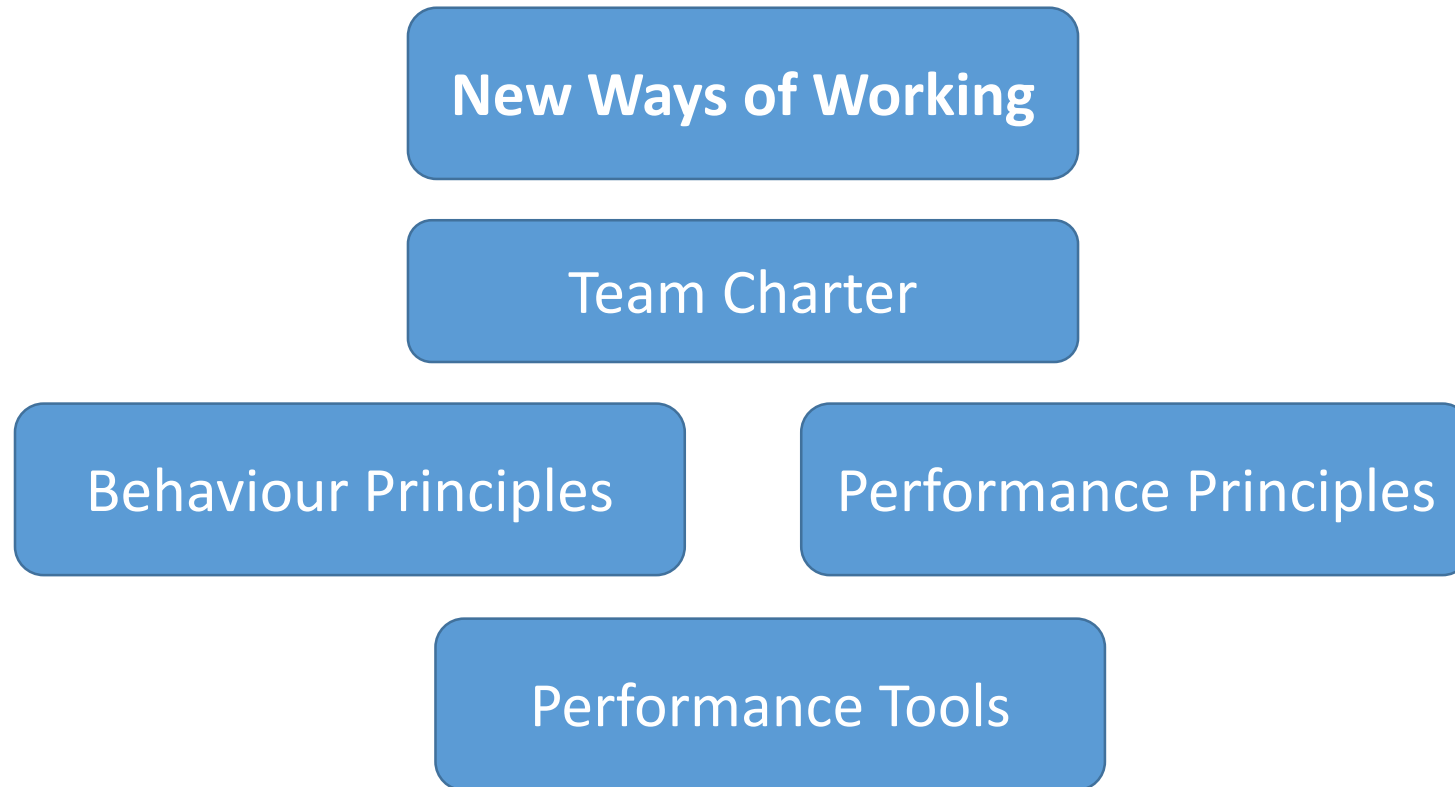
- Joint SoW development
- Transparent pricing
- Cost saving sharing schemes

Schedule Certainty

- SoW ambiguity removed
- Optimisation studies
- De-risk actions
- New Ways of Working

Efficient Project Delivery

- Early engagement enables on time delivery but does not guarantee it
- A **New Way of Working** helped to ensure delivery of the project objectives



New Ways of Working – Team Charter

“BP and Subsea7 teams commit to a step change in working together which will enhance effectiveness and efficiency of safe, timely, cost effective and competitive project delivery with a reduced PMT”

New Ways of Working - Behaviour

Subsea7 **accountable** to deliver, BP to support and **Performance manage**

Open and honest engagement with respect, working as **One Team**

Proactive and **collaborative** approach, even during the most **challenging** times

Challenge non-value adding processes

Maximise benefits of **co-location** and timely decision making

New Ways of Working – Performance

Document Review

Quality documents, limited and targeted document review, collaborative review

Areas of Concern

Intolerance to delay/gaps, KPIs to monitor trends, early intervention and escalation

Efficiency and avoidance of duplication

Combined readiness process, disciplined meeting performance and attendance

Supply chain management

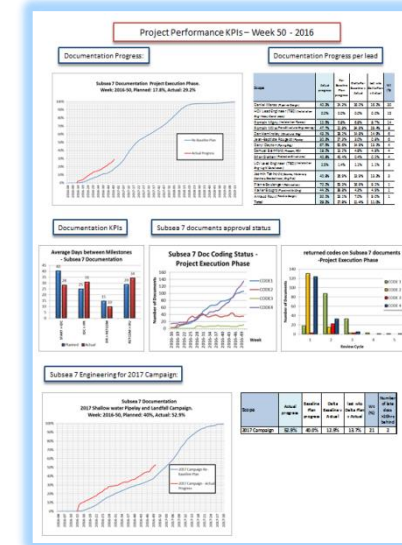
Adherence to Subsea7 processes, BP oversight and intervention by exception

Dispute resolution and performance

Minimise escalation of dispute, use KPIs to performance against charter

New Ways of Working - Tools

- Performance management framework
 - Dashboard representation of performance metrics
 - KPIs evolving with project phase
 - Relationship health KPI
- Self Verification and Oversight
 - Structured framework for self-policing conformance to processes and procedures
 - Minimise CPY site teams and re-enforce CTR accountability



WHD - Maasida Site - Working at Height - PJ HSEMS 4-4-5 March 2016						
Self verification process aims to check the implementation and effectiveness of WHS Procedures and guidelines to work effectively and efficiently in a safe and compliant manner. The evaluation is based on WHS (that Action review) code coding, where:						
Green - Means no issues identified with specific requirements, and satisfactory						
Yellow - Means partial compliance with specific requirements, and satisfactory						
Red - Means full compliance						
WHD Maasida Site Self-Verification Action Tracking Register						
Updated by 20-03-2016						
Total	No.	Date	Check List	Item	Action required	Action Owner
1	15/01/2016	Petrol Maasida Fabrication yard	Petrol filter system for breathing air is not good enough.	Purchase suitable filter system with cartridges.	Nicolas Cascaud	Filters arrived onsite 30th March 2016.
2	22/01/2016	Petrol Maasida Fabrication yard	Petrol tanks are too long - 6-6.5m	Purchase suitable length tanks.	Nicolas Cascaud	SP PO made & PPT attempting to purchase suitable equipment locally.
3	22/01/2016	Petrol Maasida Fabrication yard	Petrol Man lift	Purchase 2nd party equipment. See		
4	05/02/2016	Hazardous Material and Chemical Handling	Does the HSE personnel have a permit to work? Provide evidence.			
5	05/02/2016	Hazardous Material and Chemical Handling	Does the HSE personnel have a permit to work? Provide evidence.			
6	05/02/2016	Hazardous Material and Chemical Handling	Does the HSE personnel have a permit to work? Provide evidence.			
7	05/02/2016	Waste management	Is self waste site and environment?			
8	05/02/2016	Waste management	Does Health Safety and an interface with			

CONTRACTOR Monthly KPI Scorecard

Subsea 7 West Nile Delta KPI Input Form

Function	KPI Name	Feb-2016	Mar-2016
Quality Management	Compliance to Self Verification plan	4/4 8/8	
	Compliance to supplier AUDIT PLAN	4/4 14/14	

Benefits of the New Way of Working

Cost Reduction

- Adherence to baseline schedule – minimising acceleration costs
- Early intervention on areas of concern – eliminating recovery costs
- Constant challenge to Execution plan to reduce cost

Schedule Acceleration

- Reduced documentation (CTR/Supplier) time scale
- Accelerated start on fabrication scope
- Reduced CPY intervention
- Early curve was the benchmark

Cost Certainty

- Cost Saving delivery through optimisations and competitive market engagement
- Win-win approach to encourage overall best outcome

Schedule Certainty

- Early identification and intervention on potential sources of delay
- Collective drive for adherence to baseline schedule

Impact on WND – Taurus and Libra

No compromise to Safety or Quality

Ahead of schedule delivery

Subsea7 Mechanical completion achieved 1 month ahead of schedule
BP 1st Gas March 2017 – 8 months ahead of operators commitment
Less than 2 years from Contract award to 1st Gas

Under budget delivery

<5% increase in contract value from Contract Award to 1st Gas

In conclusion

Overall collaborative approach and early engagement provided a high degree of cost and schedule certainty

WND Project is an excellent example of how new ways of working can improve efficiency on project execution

Early engagement and establishing new working relationships between Clients and Contractors are key steps for improving efficiency in execution of large projects

THANK YOU

