Petroleum Economics and Contract Management in the Oil and Gas Industry

Course Price

£3050

Course Description

Petroleum Economics

Aimed at the more senior manager or technical operative, this aspect of the course, on Petroleum Economics, combines the review, appraisal and evaluation of a wide variety of techniques that are brought together under the heading of petroleum economics.

It is assumed that all delegates will have a grasp of the main areas to be discussed and applied during the programme in keeping with the nature and level of the materials to be presented.

Excel spreadsheet templates and financial modelling best practice will be used rigorously at appropriate stages in the course. Delegates will be required to apply best practice at all times and to work with the trainer and their fellow delegates on solving problems from the materials provided and their problems at work.

As far as contract management is concerned, we will take an intensive look at these critical areas and we will do so in an interactive and highly practical way:

- Contract Management Overview
- Contract Pricing and Analysis
- Cost Accounting Standards
- Performance Based Contracts
- Subcontracts
- Termination and Legal Issues

Course Objectives

Course Objectives – Petroleum Economics

By the end of this course delegates will be able to:

- Identify all elements of a project lifecycle and say who is involved
- Review the common types of oil and gas upstream projects
- Appreciate and apply the concepts and methods of forecasting
- Set up and use a cash flow forecast
• Apply the concepts of the time value of money
• Review the main types of fiscal regimes around the world and evaluate them
• Discuss and incorporate risk and sensitivity analysis
• Prepare, analyse and make decisions based on general capital budgeting and the project selection process
• Evaluate and make recommendations about potential oil and gas investments
• Use and evaluate Budgeting and Scenario Management for Project Management

Course Objectives – Contract Management

After participating in our advanced, dynamic and interesting training course, you will be able to:-

• UNDERSTAND the essential features to contract manage effectively and deliver fit for purpose contract outcomes.
• GAIN an understanding of key contract performance benchmarks, obligations and exceptions to protect your organisation against unnecessary dispute.
• MASTER your risk identification, allocation and sharing to manage your exposure.
• UNDERSTAND how to manage successfully and professionally a professional contract and build successfully on effective results.
• ACQUIRE tips and tactics for advanced contract management to ensure a successful outcome.
• EVALUATE common termination, dispute resolution/arbitration tactics to know what to do if/when things go wrong.
• LEARN how to avoid pitfalls and become a successful professional contract manager.
• APPLY Total/True Cost of Ownership (TOC) and Cost, Time, Quality (CTQ) principles to your advantage.

Who Should Attend

Course Content

Day 1

Project Economics

Review of project economics

The project lifecycle and who is involved

Common types of oil and gas upstream projects

The concepts and methods of forecasting

Cash Flow and Economic Indicators
Cash Flow Forecasting and Analysis

The time value of money

The cost of capital

Day 2

Fiscal Regimes

Introduction to the main types of fiscal regimes around the world

Building cash flows

Reviewing different types of service agreements

Comparison of investments under different fiscal regimes

Current trends in fiscal regimes around the world

Day 3

Project Investment Analysis

Discuss and incorporate risk and sensitivity analysis in order to calculate

The purpose of incremental investment analysis

Prepare, analyse and make decisions based on general capital budgeting and the project selection process

Evaluate and make recommendations about potential oil and gas investments

Budgeting and Scenario Management for Project Management

Setting forecasts, targets and budgets: what they are and why we need them

Day 4

Contract Management Overview

- Contract Structure
- Advanced Contract Management Process
- Leading Techniques and Methodologies
- Contract Milestones and Deliverables
- Payment Arrangement/by Results
- Performance Measurement (e.g., Earned Value)
• Why/How Price is Different to Cost
• Price and Cost Analysis
• Pricing Models and Finance
• Smart Purchasing
• TOC and CTQ
• Contract Audit

Cost Accounting Standards

• Introduction to ACS
• Leading Cost Accounting Standards
• Understanding the Impact of Cost Principles
• Selected Cost Principles Relevant to Contract Managers
• Allowable Costs
• Allocation of Costs

Day 5

Performance Based Contracts

• Contract Management’s Role in Performance-Based Contracting
• Performance-Based Service Acquisition
• Scope of Work (SOW) Analysis
• Deviation from SOW
• Extraordinary Items
• Claims and Counterclaims

Subcontracts

SOW and Subcontracts

Source Selection

Contracts

Subcontract Administration

Terms and Conditions

Small/Disadvantaged Businesses

Teaming and Subcontracting

Termination and Legal Issues

Terminations for Convenience and Inconvenience

Settlement of Terminations
Liquidated Damages

Rules of Interpretation

Dispute Resolution

Arbitration and Mediation

CPD Unit

Continuing Professional Development

35 HOURS CPD