

PROJECT MANAGEMENT



EPCIC Contracts Management Engineering, Procurement, Construction, Installation & Commissioning

Website: www.btsconsultant.com

Email: info@btsconsultant.com

Telephone: 00971-2-6452630

EPCIC Contracts Management Engineering, Procurement, Construction, Installation & Commissioning

Introduction:

For complex projects, the preferred contract module used is the EPCIC (Engineering, Procurement, Construction, and Installation & Commissioning) Contract. Though it is the preferred method, it is not without its issues and mastering the ins and outs of EPCIC contracts will prove to be a worthwhile endeavor in minimizing risks and liabilities.

This EPCIC Contracts Management training course is specifically designed to address the key issues as it relates to all the parties involved in 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 BTS training course is specifically designed to provide participants with a well- tested and practical guide:

- 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.

Who Should Attend?

This BTS training course is suitable for a wide range of profession, but will greatly benefit:

- Contract / Project Professionals
- Commercial Contract Professionals
- Commercial Operation Professionals
- Contract Engineers
- Procurement supply chain professionals
- Risk manager / Contract Risk professionals

Course Objectives:

Participants attending the training course will:

- Understand the current global, local and financial environment for EPCIC contracts
- Examine and analyse the difference between with EPCIC contracts & EPCM and appreciate the underlying legal principles
- Assess operational, commercial, legal and financial risks in EPCIC contracts
- 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

Course Outline:

Day One: EPCIC Overview, Legal Framework & Contract Structure and Risk Allocation

- Maximizing parties rights and interests with appropriate contracting strategy
- Contractor's single point of responsibility

- Split contract structure
- Exercise in choosing the right contract structure for your project
- Exercise in preparing for the tender exercise, tender and award.
Discussing and analysing different strategies

Day Two: 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

Day Three: 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
- Case study & drafting exercise

Day Four: Essential Aspects of Risk Management Strategies

- Design, Technology & Process Risk ;
- Procurement & Specification risk
- Variations and cost impact
- Payment and multi- currency contracts
- Delay and liquidated damages
- Completion and testing & effects of acceptance

Day Five: 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