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Oil and Gas Pre-Award Contract Risk Allocation Training Course

28 November – 2 December 2027
Kuala Lumpur

Oil and Gas Pre-Award Contract Risk Allocation Training Course

Ref: 2902_110686 **Date:** 28 November – 2 December 2027 **Location:** Kuala Lumpur **Fees:** 4900 GBP

Oil and Gas Pre-Award Contract Risk Allocation is a 1-week training course for contract, commercial and project managers who must decide, before a contract is signed, which party carries each exposure, and who produce a pre-award risk allocation matrix. Drilling, construction and service contracts now carry larger indemnity, insurance and pricing exposures than many balance sheets can absorb. Jupiter Prime Training delivers this course on oil and gas pre-award contract risk allocation.

Why Oil and Gas Pre-Award Contract Risk Allocation Matters Now

Operators push more scope, schedule and pricing exposure onto contractors, while contractors face thin margins and limited insurance capacity for well control and pollution claims. Insurers and lenders read the indemnity and limitation clauses before they commit cover or finance. Once a contract is awarded, the negotiating leverage to rebalance an exposure is largely gone, so every unexamined clause becomes a future claim or dispute. Organisations that settle allocation before award protect margin and relationships; those that leave it to execution pay for it in variations, delays and contested liability.

Who Gains Most from Oil and Gas Pre-Award Contract Risk Allocation

- Professionals who draft tender packages and commercial terms
- Managers who evaluate bids and recommend award
- Project leads who inherit the scope and interfaces a contract fixes
- Specialists who arrange insurance cover and check it against contractual indemnities
- Contractor bid managers who price exposures

A tender team that brings its contracts, project and insurance members together gains most.

Oil and Gas Pre-Award Contract Risk Allocation Capabilities

Each exposure is traced from the scope document to the clause that assigns it and the cover or price that funds it.

- Assess scope definition gaps in a tender package — the decision to issue or hold the enquiry
- Weigh reciprocal and fault-based indemnity structures — the allocation offered to bidders
- Specify liability caps, exclusions and consequential loss wording — legal and finance reviewers
- Test insurance requirements against the indemnities they must support — the insurance placement
- Compare pricing mechanisms and their risk transfer — the evaluation panel
- Calculate contractor capability and financial capacity scores — the award recommendation

Key Oil and Gas Pre-Award Contract Risk Allocation Terms

- Risk allocation — The contractual decision on which party bears a defined event and how that burden is funded.
- Reciprocal indemnity — An arrangement where each party covers losses to its own people and property, whoever caused them.
- Limitation of liability — A clause capping the total amount one party can recover from the other under the contract.
- Consequential loss — Indirect losses such as lost production or profit, usually excluded or waived by both parties.
- Lump sum pricing — A fixed price for a defined scope, which moves quantity and productivity exposure to the contractor.
- Pre-award clarification — A written exchange with bidders that settles ambiguities and deviations before the contract is signed.

Oil and Gas Pre-Award Contract Risk Allocation Day by Day

Day 1: Exposure Sources Before Award

- Contract Strategy Options — Matching Contract Type to Project Uncertainty
- Scope of Work Definition Review — Finding Gaps That Become Variations
- Interface and Battery Limit Mapping — Who Owns Each Boundary
- Site and Subsurface Condition Clauses — Unforeseen Ground and Reservoir Exposure
- Exposure Identification Sessions — Capturing Events Before Tender Issue

Day 2: Liabilities and Indemnities

- Reciprocal Indemnity Structures — Allocating People and Property Losses
- Well Control and Pollution Indemnities — Reservoir and Spill Exposure
- Third-Party Claims Allocation — Neighbours, Visitors and Other Contractors
- Liability Caps and Exclusions — Setting Limits Partners Will Accept
- Consequential Loss Waivers — Lost Production and Business Interruption

Day 3: Insurance and Pricing Mechanisms

- Insurance Requirement Schedules — Cover Types That Back Each Indemnity
- Deductibles and Waivers of Subrogation — Gaps Between Cover and Clause
- Lump Sum Versus Reimbursable Pricing — Which Party Funds Overrun
- Price Adjustment and Escalation Clauses — Commodity and Labour Movements
- Liquidated Damages Calibration — Schedule Exposure Against Contract Value

Day 4: Contractor Capability and Bid Evaluation

- Contractor Prequalification Criteria — Safety Record, Resources and Experience
- Financial Capacity Checks — Bonds, Credit Lines and Parent Support
- Bid Deviation Registers — Pricing the Cost of Accepted Exceptions
- Risk-Adjusted Bid Comparison — Evaluating Price Plus Retained Exposure
- Pre-Award Clarification Meetings — Closing Ambiguities Before Signature

Day 5: Practising the Pre-Award Allocation Matrix

- Case Tender Scope Review — Applying Day 1 Gap Finding
- Case Indemnity and Cap Choices — Applying Liability Allocation Methods
- Case Cover and Price Alignment — Applying Insurance and Pricing Checks
- Exposure Ranking and Owner Assignment — Building the Pre-Award Register
- Allocation Matrix Completion — Clause, Owner, Cover and Price per Exposure

Applying Oil and Gas Pre-Award Contract Risk Allocation After the Course

- Run an exposure identification session on the next tender package and record each event against its owner, clause and cover before issue.
- Check the insurance schedule of a live enquiry against its indemnities and list every gap for the commercial lead to close in clarification.

Oil and Gas Pre-Award Contract Risk Allocation Questions FAQ

What is oil and gas pre-award contract risk allocation and why does it matter now?

It is the practice of deciding, before signature, which party bears each exposure in a contract and how that exposure is covered or priced. It matters now because indemnity, insurance and pricing exposures are growing while leverage disappears once a contract is awarded.

Which roles gain most from oil and gas pre-award contract risk allocation?

Contract, commercial and project managers gain most, together with insurance specialists and contractor bid managers.

How does oil and gas pre-award contract risk allocation differ from a contract administration course?

It works before award, when terms can still change, rather than on managing variations and claims after signature.

What do you bring back from oil and gas pre-award contract risk allocation?

You bring back a ranked register of pre-award exposures for a case tender and a matrix that ties each one to its owner, clause, insurance cover and pricing treatment.

Oil and Gas Pre-Award Contract Risk Allocation: The Way Forward

The pre-award risk allocation matrix first informs whether a tender package is ready to issue. Contract leads use it to draft terms, evaluation panels use it to compare bids on retained exposure, and insurance specialists use it to place cover. After the first award, revisit which allocations bidders challenged most.