

# Collaborative Behaviours Case Study template: Rigs and Services Contracting

## Background

- Period: Q2 2017- Q2 2018
- Collaboration between operator and several rig and service companies to create 'new contract models' for aligned and integrated campaigns for development and P&A
- Companies/Organisations involved: Shell, Diamond, Awilco, Rowan, BHGE, Halliburton

## Critical behaviours (tick all that apply)

Reasonable     Aligned     Strategic     Learning     Change     Respect     Accommodating     Openness

## Description – how were critical behaviours exhibited?

The business requirement was to secure rigs and all required wells services to:

- Drill and complete 14 development wells in the North Sea across 4 development projects
  - Plug and Abandon 25 subsea wells across 5 decom assets
  - Plug and Abandon 5 Goldeneye platform wells
- Considerable effort was taken to undertake a series of market engagements between the operators and various rig and services contractors to discuss the potential scope, and co-create the most efficient way of packaging the campaigns to allow appropriate synergies and a reasonable allocation of risk management. Discussions on the best way of aligning incentives and balancing risk/reward opportunities lead to a series of sourcing exercises bought into by both the operators and supply chain partners.
- Critical to the process was to establish an early dialogue where parties could explore the various technical and commercial issues, and then through understanding differences explore the best way of designing an incentivised outcome that was good for all parties.
- Alignment was established through having all parties share part of the risk on the outcome, and therefore be incentivised to work collectively together to deliver opportunities and mitigate potential risks.

## Outcomes – impact of collaboration

The sourcing exercises were conducted and completed as per the programme set out. What has become apparent is that as well as commercial alignment there is a benefit of strategic alignment where parties want to bring premium equipment and services back into a basin that has considerable potential, and where performance will justify the long term value. Some scope is complete, and some remains in progress: what has been delivered is good business outcomes where incentives are being paid out and this is unlocking the possibility of further scope in the future.