

AVEVA™ Contract Risk Management Complete contract control

For complex projects and enterprise project portfolios

AVEVA Contract Risk Management is a contract risk management solution that connects all decision makers to protect capital investment, drive performance and improve profitability when building and operating high value assets.



Contract management challenges

- Early warning indicators
- Claims contract auditability
- Obligations online tendering
- Payment verification
- Change control



Project professionals



Contract professionals



Contractors



Stakeholders



Business functions

Complete contract control

Online tendering – Tender schedules often overrun due to a lack of formal process which results in key stakeholders missing deadlines or review periods.

Change control – Lack of formal process for managing change causes stakeholders to deal with invoices with no prior knowledge of the context and the invoice origins; who created this change, when and why? Who reviewed it? Who approved it?

Claims mitigation and defense – A stakeholder may face a claim by breaching contract terms. They could overlook an important date-based or event-driven contractual obligation. Then, if record keeping has been lacking, they have little defense against the claim.

Obligations – Missed contract obligations (from either party) can cause risk exposure or can lead to financial penalties.

Payment verification – When managing multiple subcontractors AFPs (applications for payment) verification can be a challenge, heightening the risk of erroneous payments and penalties for late approvals.

No early warning indicators – Lack of visibility of the likely commercial outcome of the project because there is no mechanism to assess the cumulative impact of multiple contract changes.

Contract auditability – Critical information may be scattered among various systems, in different formats. This disparate record keeping makes it more difficult to review projects post-completion. Project staff turnover makes it challenging to get a single source of 'truth' when issues arise.

Contract Risk Management value/benefits



Disciplined change control – All change orders are initiated from within AVEVA Contract Risk Management using preapproved templates. Dynamic workflow manages the routing of change requests to the designated parties for review and authorization. Identifying the impact (\$/schedule) of potential change quickly allows time for scrutiny and to mitigate the risk of unnecessary changes.



Mitigate contractor claims – Time- and event-based alerts/triggers lower the risk of missing contractual obligations and thus help avoiding claims. Should a claim arise, AVEVA Contract Risk Management provides excellent claims defense because all correspondence relating to that claim is instantly available.



Enhanced financial control – Firstly, early warning indicators pertaining to possible unplanned cost overruns drive management attention to critical situations where they can act fast. Secondly, automatic invoice reconciliation of detailed line-items prevents payment for work not yet delivered and payment at erroneous rates for work that has been completed.



Best practice governance – AVEVA Contract Risk Management promotes transparency with regard to contract award and execution and aligns the actions of remote project teams with corporate approved business processes.



Improved contract delivery – A single formal system to manage all interactions with the contractor expedites delivery of the contract as all contractual matters are dealt with efficiently resulting in a higher likelihood of on-time and on-budget delivery.

“ It’s important to know that data can’t be compromised. With AVEVA Contract Risk Management all information is stored securely in one place – that’s highly reassuring for an operation like ours, collaborating across diverse locations ”

Tullow Oil

“ No other vendor in the market comes close to AVEVA’s reputation and Contract Risk Management’s contract management capabilities for capital projects ”

EY

“ AVEVA Contract Risk Management’s transparency gives you the big picture and the close-up view of every detail into project-critical processes and procedures ”

Chevron

Our customers include



Enterprise Deployment



Enterprise Deployment



Enterprise Deployment



Enterprise Deployment



Project Deployment



Project Deployment



Enterprise Deployment



Enterprise Deployment

ROIs



\$22M SAVED

AVEVA Contract Risk Management replaced 10 lawyers at Arrow responding to a claim for a week; estimated savings of 1680 lawyer hours and \$22m in avoided claims



ZERO CLAIMS

\$12bn Shell prelude - first FLNG ever built - zero claims



+\$1.2BN

BP Angola recovered \$1.2bn from JV partner for valid project changes



AVERAGE >\$40M

Contract spend savings on a \$1B CAPEX Project



54% SAVED

Oil major’s capital over-runs reduced from 157% to 103% of forecast budget



+\$1M PER DAY

AVEVA Contract Risk Management is saving \$1m daily at Woodside - 3% of the Woodside CAPEX

For more information on AVEVA Contract Risk Management please visit: aveva.com/contract-risk-management