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PROCUREMENT AND SUPPLY CHAIN MANAGEMENT | PSCM-023

# Strategic Procurement and Supply Management in the Oil and Gas Industry

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# Course content

## Why Attend

Procurement and supply management in the oil and gas industry involve complex technical specifications, high-value contracts, global supplier networks, demanding project schedules, and significant operational and safety risks. From exploration and drilling to production, processing, maintenance, and infrastructure development, procurement decisions directly affect project delivery, asset reliability, operating costs, and business continuity.

Oil and gas organisations must manage specialised equipment, long-lead materials, engineering services, contractors, and critical spare parts while responding to volatile commodity markets, geopolitical uncertainty, supplier concentration, logistics constraints, and strict quality and safety requirements. Effective procurement therefore requires a strategic approach that integrates commercial objectives with technical performance, supply security, contractual risk, and long-term value.

The Strategic Procurement and Supply Management in the Oil and Gas Industry course equips professionals with practical frameworks for developing category strategies, evaluating suppliers, managing complex sourcing activities, negotiating commercial agreements, and strengthening supply chain resilience across upstream, midstream, and downstream operations.

Participants explore procurement planning, supplier qualification, total cost of ownership, EPC contracting interfaces, supplier performance management, materials planning, supply chain risk, and digital procurement capabilities. The programme emphasises procurement decisions that support safe operations, reliable project execution, cost efficiency, and sustainable supplier relationships.

### Professional Problems This Course Is Designed to Solve

• High procurement costs and limited expenditure visibility: Applying spend analysis, category management, strategic sourcing, and total cost of ownership to identify savings and improve purchasing decisions.

• Long-lead equipment and project delivery delays: Improving procurement planning, supplier capacity assessment, expediting, and coordination with engineering and project teams.

• Supplier quality and technical compliance failures: Strengthening supplier prequalification, technical bid evaluation, inspection requirements, and vendor performance monitoring.

• Dependence on critical and specialised suppliers: Managing single-source exposure, supplier concentration, alternative sourcing, and supply continuity risks.



# Course content

## Why Attend

• Complex oil and gas procurement contracts: Improving commercial terms, contractual risk allocation, delivery obligations, warranties, and contractor management.

• Inefficient materials and spare parts management: Coordinating procurement, inventory, maintenance, and logistics to improve critical material availability and reduce unnecessary stockholding.

• Weak procurement governance and supply chain resilience: Establishing transparent sourcing controls, supplier due diligence, ethical procurement practices, and risk-based contingency arrangements.

## Course Methodology

The programme combines instructor-led discussions, oil and gas procurement case studies, supplier evaluation exercises, category strategy workshops, commercial negotiation simulations, procurement risk assessments, and supply chain planning activities.

Participants work with realistic scenarios involving drilling equipment, rotating machinery, pipelines, instrumentation, maintenance materials, engineering services, and major project procurement packages. Exercises focus on integrating technical specifications, commercial evaluation, contractual requirements, delivery performance, and supply risk into effective procurement decisions.

## Course Objectives

By the end of this course, participants will be able to:

• Explain the strategic role of procurement across upstream, midstream, and downstream oil and gas operations

• Develop procurement strategies aligned with operational requirements, project schedules, and business objectives

• Apply spend analysis, category management, and strategic sourcing techniques

• Prepare effective sourcing and tendering plans for technical equipment, materials, and services

• Evaluate suppliers using technical, commercial, financial, quality, and risk criteria



# Course content

## Course Objectives

• Apply total cost of ownership and lifecycle costing to procurement decisions

• Negotiate commercial terms for complex oil and gas supply and service agreements

• Manage long-lead equipment procurement and supplier delivery performance

• Identify and mitigate supply chain, contractual, geopolitical, and operational risks

• Improve coordination between procurement, engineering, maintenance, logistics, and project management

• Establish procurement governance, supplier performance indicators, and compliance controls

• Develop a strategic procurement and supply management improvement roadmap

## Target Audience

This course is suitable for:

• Procurement and purchasing managers in oil and gas organisations

• Strategic sourcing and category management professionals

• Supply chain and materials management managers

• Oil and gas project procurement specialists

• Contracts and commercial management professionals

• EPC project procurement and supply chain personnel

• Vendor management and supplier development specialists

• Engineering and maintenance professionals involved in technical procurement

• Logistics, inventory, and warehouse management professionals

• Operations and project managers responsible for procurement performance

## Target Competencies



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## Target Competencies

Participants will develop competencies in:

• Oil and gas procurement strategy

• Strategic sourcing and category management

• Technical procurement planning

• Supplier qualification and evaluation

• Procurement cost and value analysis

• Commercial negotiation and contract management

• Long-lead equipment procurement

• Supply chain risk and resilience management

• Supplier performance and quality assurance

• Procurement governance and performance improvement

## Course outline

### Day 1: Strategic Procurement in the Oil and Gas Value Chain

• Understanding procurement and supply management requirements across exploration, drilling, production, processing, transportation, refining, and petrochemical operations

• Examining the procurement implications of capital projects, operational expenditure, shutdowns, turnarounds, and maintenance activities

• Aligning procurement strategies with operational reliability, project objectives, technical requirements, safety expectations, and cost efficiency

• Applying spend analysis and category segmentation to identify strategic, critical, leverage, and routine procurement categories

• Developing category management strategies for equipment, materials, engineering services, maintenance contracts, and specialised suppliers



# Course content

## Course outline

• Practical workshop: Preparing a strategic procurement category plan for selected oil and gas equipment and service requirements

### Day 2: Strategic Sourcing, Tendering and Supplier Qualification

• Conducting supply market analysis for specialised oil and gas equipment, materials, contractors, and technical service providers

• Developing sourcing strategies and tender packages incorporating technical specifications, delivery requirements, quality expectations, and commercial conditions

• Establishing supplier prequalification criteria covering technical competence, financial stability, production capacity, HSE performance, and quality management

• Designing technical and commercial bid evaluation methodologies with transparent scoring, clarification, and approval procedures

• Applying total cost of ownership and lifecycle cost analysis to evaluate equipment, maintenance requirements, operating costs, and supplier proposals

• Practical exercise: Evaluating competing suppliers for a critical equipment package and preparing a documented sourcing recommendation

### Day 3: Commercial Negotiation, Procurement Contracts and Project Interfaces

• Developing negotiation strategies for high-value equipment, engineering services, maintenance contracts, and long-term supply arrangements

• Negotiating pricing structures, payment milestones, delivery schedules, performance guarantees, warranties, and commercial risk allocation

• Understanding procurement contract structures and interfaces within EPC, EPCM, framework agreements, and long-term service arrangements

• Managing procurement-related contract provisions covering inspection, acceptance, variations, delays, liquidated damages, and dispute escalation

• Coordinating procurement activities with engineering design, project controls, construction schedules, and commissioning requirements



# Course content

## Course outline

• Negotiation simulation: Developing and negotiating commercial terms for a critical oil and gas equipment supply contract

### Day 4: Supply Chain Risk, Long-Lead Equipment and Materials Management

• Identifying supply chain risks involving geopolitical disruption, sanctions exposure, transportation constraints, supplier insolvency, market volatility, and material shortages

• Developing procurement schedules and expediting procedures for long-lead equipment, fabrication packages, and critical project materials

• Managing supplier inspection, quality documentation, factory acceptance testing, and delivery readiness requirements

• Coordinating international logistics, customs documentation, Incoterms, shipment tracking, and material delivery to remote operating locations

• Improving spare parts planning, critical inventory management, material availability, and coordination with maintenance and asset management teams

• Case study: Developing a supply continuity and recovery plan for delayed critical equipment affecting an oil and gas project schedule

### Day 5: Procurement Governance, Supplier Performance and Strategic Improvement

• Establishing procurement governance arrangements covering delegated authority, sourcing approvals, transparency, ethical conduct, and conflict-of-interest management

• Developing supplier performance scorecards using delivery reliability, technical quality, HSE performance, commercial compliance, and responsiveness

• Managing supplier relationships through performance reviews, corrective action plans, supplier development, and strategic collaboration

• Evaluating digital procurement tools, ERP integration, spend analytics, supplier portals, and predictive analytics for supply chain visibility

• Measuring procurement effectiveness through cost savings, cost avoidance, procurement cycle times, contract compliance, supplier risk, and operational service levels



# Course content

## Course outline

• Capstone exercise: Developing a Strategic Oil and Gas Procurement and Supply Management Roadmap covering category priorities, sourcing strategies, supplier risks, contract management, performance indicators, and implementation milestones



# Seminar dates

## Available seminar dates

Live dates and pricing for Strategic Procurement and Supply Management in the Oil and Gas Industry generated from the course details page.

| Date | Location | Format | Fee |
|---|---|---|---|
| Dates on request | Venue on request | Classroom | **Contact us** |

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| **Live online option** | Online delivery is available at €1,850.-. |