

Contingency Administration and Drawdown

85M102006D

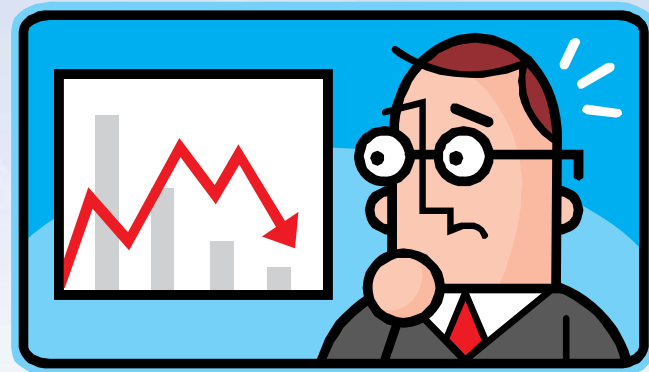
“The Issues”

- Contingency Quantification
- Curve Development
- Restating Contingency
- SOx
- Who Owns Contingency?

ECRI - BP - 008 " Definition & Checklist For Establishing Components of Project Risk"

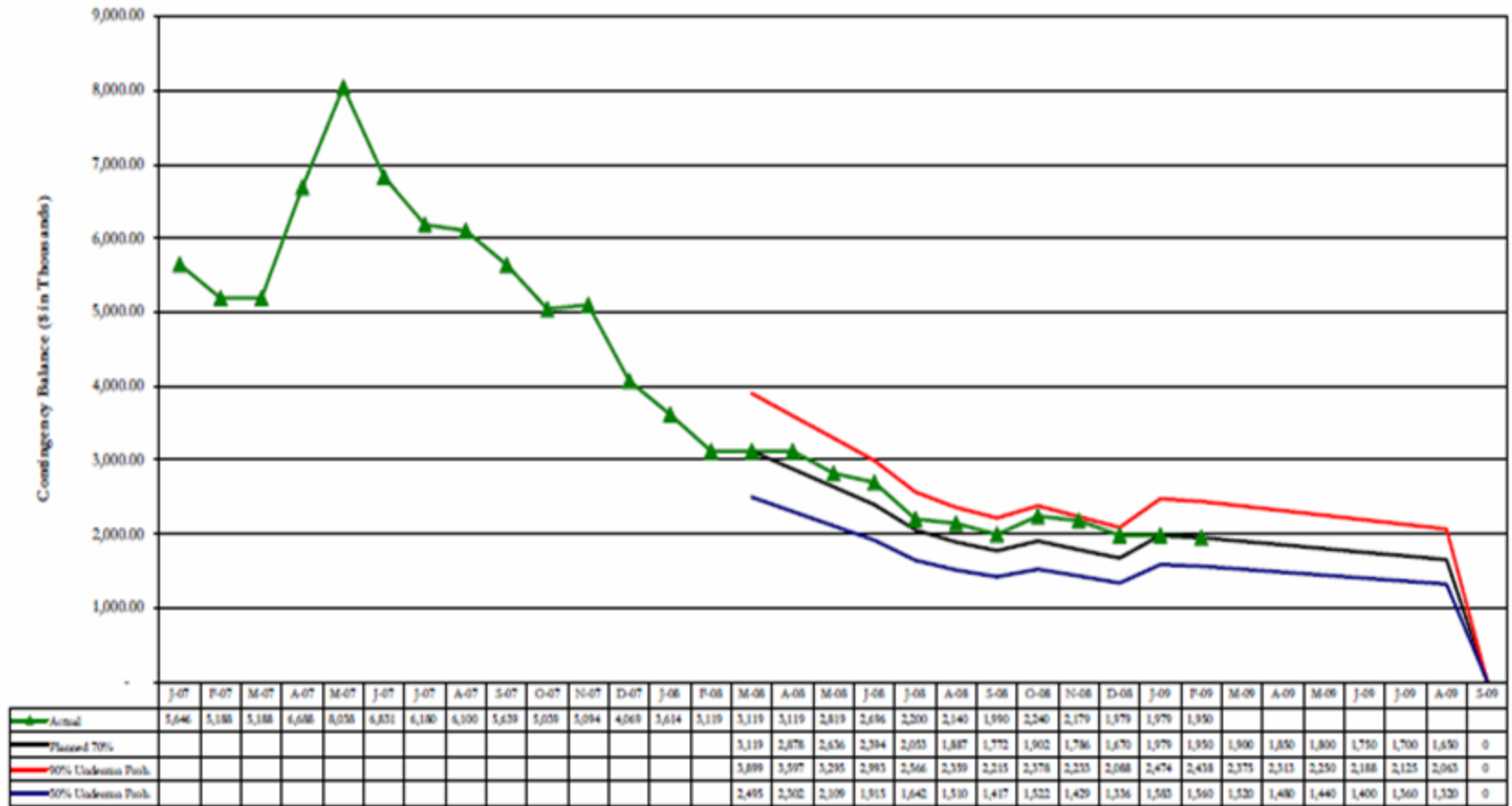
Developing Drawdown Curves

- Productivity Trends
- Event Risks
- Uncertainty Risks
- Unknown/Unknowns
- Control Bands



Typical Drawdown Curves

Operational Contingency Drawdown (Services)



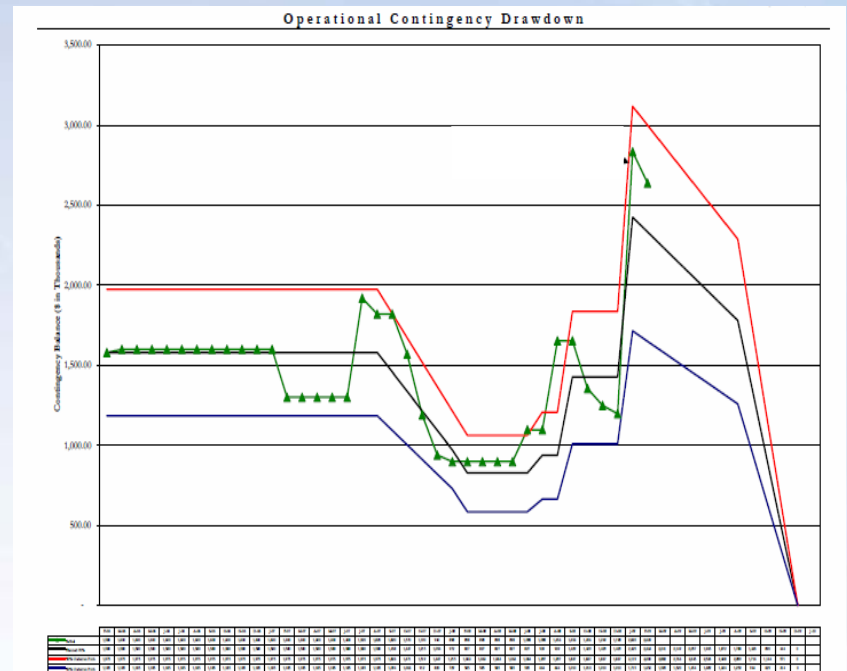
Contingency Pots

- Engineering
- Procurement
- Construction
- Commissioning
- Unknown/Unknowns
- Management Reserves



Restating Contingency

- Acceptance Bands
- Monthly/Quarterly
- Check Estimates
- Significant Event or Change



SOx

- Auditors
- Expectation of exact science
- Monthly contingency restatements!

Who Owns Contingency



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DISCUSSION

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