

# GULF INSTITUTE



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# Masterclass in Supplytime Charter Party Contracts

## INTRODUCTION

- SUPPLYTIME is the benchmark for offshore support vessel agreements – and the industry’s contract of choice. It has also been widely adopted by other sectors looking for a contract offering a comprehensive knock-for-knock framework. This training course will assist you in identifying how the form works when being used for a wide variety of tasks, thereby helping you to understand and explain your own risks and exposure.
- The Maritime and Offshore Oil and Gas industry depends on Offshore Supply Vessels (OSV) for their offshore operations relating to a number of marine activities. BIMCO Supplytime 2005 and 2017 is the benchmark for Offshore Support Vessel (OSV) agreements – and the industry’s contract of choice. These need to be negotiated bearing in mind both the operational and commercial nature of the work they undertake. Parties to an OSV Chartering contract must identify the key issues and amend standard form contracts to address their concerns if necessary.
- This training course will be a “how to” guide for handling OSV Charter Party contracting and OSV management. Participants of this training course will examine contract clauses in relation to the relevant legal, commercial, and operational considerations and identify the problematic issues and learn how to negotiate and draft contracts that can avoid or mitigate these problems. The key take away from this course will be how to deal with counterparty risk, insurance and liability issues and overall mitigation of risk exposure with carefully crafted clauses in a chartering contract.

### This training course will highlight:

- How does the Supplytime contract works across different segments of the offshore, maritime and energy sector?
- What are the other uses of SUPPLYTIME for OSV/AHTS?
- Key clauses and the changes from SUPPLYTIME 2005 to 2017
- Conditions, maintenance and removal of equipment
- Insurance and Knock for knock clauses – a practical guide
- How to work with rider clauses?

## OBJECTIVES

The delegate attending this training course will be able to:

- Improve your understanding key issues relating to OSV chartering contracts
- Gain expertise in negotiating offshore contracts
- Compare and differentiate the various types of OSV contracts for different operational needs
- Master allocation of risk between owners and charterers
- Avoiding and mitigating risks by using smart contracting strategies.
- Grasp critical commercial and legal implications of liability and indemnity clauses
- How to insure in order to safeguard against potential risk and liabilities

## TRAINING METHODOLOGY

- The training course will combine presentations with instructor-guided interactive discussions between participants relating to their individual workplace. Practical exercises, video material and case studies aiming at stimulating these discussions and providing maximum benefit to the participants will support the training.

## ORGANISATIONAL IMPACT

The organisation will benefit by:

- Having a team that will fully understand the fundamentals of Supplytime charter Party Contracts.
- Manage risks and liabilities involved including the negotiating and drafting of these contracts.
- Saving costs and management time in resolving issues relating to the charter, hire, maintenance of offshore Supply Vessels.
- The skills of the management team in the specialised area.
- Providing options to management on how best to deal with claims and know the available solutions that are available.
- Analysing and strategizing on the best approach to handles any disputes that may arise
- Know the best use of alternative dispute resolution processes to resolve claims disputes to save costs and time.

## PERSONAL IMPACT

This training course teaches the competencies that enable participants to:

- Understand the essential aspects and basis of Supplytime Charter Party contracts
- Gain an understanding of the basis of laytime and demurrage and how to minimize demurrage claims.
- Acquire skill sets to be better prepared to deal with difficult issues relating to claims.
- Know the key clauses and changes from SUPPLYTIME 2005 to 2017
- Condition, maintenance, and removal of equipment
- Have a practical guide to Insurance and Knock for knock provisions
- Learn how to work with rider clauses
- Knowing different dispute resolution methods used in resolving these maritime disputes.
- Through a combination of theory, discussion and casework participants find SUPPLYTIME forms clearer and more manageable.
- Learn from the valuable experiences of the trainers who will show participants practical solutions, which can be used on the job.

## WHO SHOULD ATTEND?

- This training course is suitable to a wide range of professionals involved in the OSV / AHT maritime sector and will greatly benefit the following personnel.
- Owners
- Charterers
- Offshore Field Operations Managers
- Commercial and Marketing Directors
- Corporate Legal Counsels
- Practicing Maritime Lawyers interested in OSV Sectors
- Fleet Managers, Ship Managers and Superintendents
- Operations Managers, Masters, Post-fixture Managers
- Investment Analysts and Offshore Credit Risk Managers of Financial Institutions
- Managers from Platform Operators and those engaged in Offshore E & P Projects
- CEO, COO, CFO
- Legal counsel & Financial officers
- Technical Managers
- Marine Operations Personnel
- Business Development Managers
- Commercial Managers
- Maritime Executives, Ship Engineers

## Course Outline

### Introduction to BIMCO to SUPPLYTIME 2005 and 2017

- Commercial/practical aspects to SUPPLYTIME 2005 and 2017
- What is SUPPLYTIME?
- How does the form work?
- Owner and charterer's roles and responsibilities
- Key clauses and changes in SUPPLYTIME 2017.
- Delivery/redelivery – parties obligation on delivery
- Late delivery and its consequences
- Charter Period & Extensions – agreed and automatic
- Breakdown / continuous period of offhire

### Key Clauses in SUPPLYTIME 2005 AND 2017

- Standard clauses to note
- Rider clauses
- Knock-for-knock indemnity
- Hire payment and withdrawal of vessel
- Termination and withdrawal
- Early termination for convenience
- Gross negligence and wilful misconduct & fraud
- Repudiatory breach of charter party

### Vessel Specification, Maintenance, and Insurance

- Description and class of the vessel at delivery
- Condition, maintenance, and removal of equipment:
- Annex A – vessel specification
- Meaning of "about", "approximately", "without guarantee"
- Due diligence – what is it and actions to be taken
- Owners' obligations to exercise due diligence
- Obligation to maintain the vessel and ensure the vessel is fit for purpose
- Mobilisation and demobilisation
- Maintenance days
- Insurance Knock for knock clauses
- Consequential loss

## Employment and Operations

- Employment, salvage, etc.
- Bunkers
- Unsafe ports, war risks, ice, and fever
- Offhire, breakdown / continuous period of offhire
- Payment period and Terms
- Suspension of service
- Enforcement
- Termination and liens
- Insolvency
- Standby, Force Majeure & Vessel's intended work becoming impossible
- Taxes, fees, and licenses
- Expropriation and piracy

## Identifying the Pitfalls and Problem Areas and Learning Best Practices to Manage them

- Identifying potential areas of dispute
- Examining some of Supplytime's problem provisions
- Considerations when revising the provisions for your own operations
- Best practice contract management on how to avoid the pitfalls
- Dispute resolution & Options available
- Implications of choice of law, choice of forum

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