



# **Condition-Based Maintenance Oil and Gas Industry Network**

**‘CBM-Network’**

**Membership Pack**

**2008 onwards**

## 1 CBM-Network – Membership Summary

You are invited to become a member of CBM-Network - the condition-based maintenance network for the oil and gas industry.

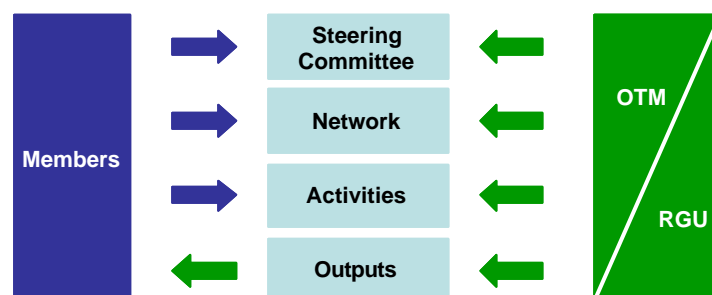
CBM-Network exists to establish, promote and share best practices and lessons learnt amongst its membership. It is primarily focused on the upstream oil and gas sector, and condition-based maintenance (CBM) ranging from platform topsides dynamic (e.g. rotating) and static applications, to seabed and downhole systems.

The objectives of the network are to:

- Increase production
- Reduce long-term OPEX
- Optimise maintenance costs
- Measure and improve CBM techniques and practices
- Increase awareness and understanding of CBM and its business value throughout the industry
- Identify and report best practice
- Ensure optimum H, S and E protection

The benefits and outputs of CBM-Network membership are as follows, and as shown in the figure:

- Access to CBM-Network workshops for networking and sharing of experiences/ case histories/ lessons learnt regarding CBM with a pre-eminent and large group of operators and service companies. Workshops will be held every 4 months.
- Participation in annual network benchmarking exercises to identify CBM best practices and evaluate efficacy of maintenance operations
- Development of, and access to, CBM best practice guidelines, developed by technical workgroups within network, with a 'maintenance strategy' guideline envisaged initially
- Access to the members area of the network website ([www.cbm-network.net](http://www.cbm-network.net)), including presentation material from workshops, database of CBM experts, database of technology gaps, library of case histories, status of CBM projects and workgroups, and useful links
- A strengthened CBM 'community', particularly through meetings and the network website
- Input to future direction and strategy of the network



This proposal is for ongoing membership of CBM-Network, for which the annual membership fee has been initially set at GBP 5,000 for operator/ duty-holder members, GBP 3,000 for other members, and free-of-charge for publicly-funded bodies such as universities. Membership is open to all organisations.

This membership proposal should be read in conjunction with the CBM-Network bylaws and membership agreement, attached as appendix 1 and appendix 2. To apply for membership please complete and sign two copies of the membership agreement in appendix 2 and return them to:

Chris Dudgeon, OTM Consulting Ltd, 44 Quarry Street, Guildford GU1 3XQ, UK. Tel: +44 1483 598000, Fax: +44 1483 598010, E-mail: [chris.dudgeon@otmnet.com](mailto:chris.dudgeon@otmnet.com)

## **2 Membership services**

### **2.1 Workshops**

It is anticipated that CBM-Network will hold 3 workshops per year (i.e. every 4 months), for networking and sharing of experiences/ case histories/ lessons learnt/ best practices regarding CBM with a pre-eminent and large group of operators and service companies.

The workshops will be of one-day duration and will consist of presentations, round-table updates, and facilitated discussions. Venues will be spread around Europe, dependent on member locations. Workshop presentations and other deliverables will be made available to members via the members area of the network website. Subjects will cover condition-based maintenance case studies, lessons learnt, technology needs, technical standards etc.

Meetings will include break-out group discussions, plenary sessions and other activities where appropriate and where suggested by the meeting chairman. In certain circumstances the operators may desire private discussions. On these occasions the meeting will split into break-out groups and alternative agendas will be developed. In addition, the learnings from the workshops will also provide input to the 'best practice guidelines' as described in section 2.3 below.

It is anticipated that workshops will be hosted by member companies, for whom OTM will provide 'hosting guidelines' and administrative support (advance planning, invitations, venue and travel issues etc). It is expected that a chairman who is a technical expert on the issues being discussed will be appointed by the steering committee, with responsibility for developing the agenda with OTM. Alternatively, and when appropriate, the OTM project manager will chair the meeting.

### **2.2 Benchmarking**

An annual network benchmarking exercise will aim to draw together and identify CBM best practices from across the industry, as well as providing specific performance benchmarks to individual members. Benchmarking will initially focus on one area – for example HVAC – with choice of area and benchmarking details to be agreed by network members, with more areas being added in subsequent exercises.

The exercise will aim to deliver performance assessments in terms of CBM effectiveness and efficiency and providing step-by-step guides to performance improvement.

Data gathering will take place using an electronic, on-line questionnaire. Benchmarking will take place based on data supplied and the analysed results will be reported to individual network members on an anonymised basis. Data gathering will address 'soft' issues (e.g. maintenance strategies, management, funding, staff skills etc) as well as 'hard' issues (e.g. equipment data - age, specification, location, maintenance budget allocated, downtime causes etc). The exercise will also look in detail at adequacy of planning lead times provided by CBM; e.g. use of CBM to adequately define scope of maintenance; spend on CBM for particular systems; use of smart data collection and/or reduction; how many planned maintenance hours are removed or deferred based on CBM; measurement of man hours of work planned, instigated on condition and breakdown etc.

In addition to benchmark deliverables, the results of the benchmarking will also provide input to the 'best practice guidelines' as described in section 2.3 below.

### **2.3 Best practice guidelines**

CBM best practice guidelines will be developed within the network by technical workgroups drawn from within the membership. These workgroups will be co-ordinated by OTM to ensure an overall consistency in style and format, and will draw on material from network workshops and benchmarking.

## 2.4 Website

A dedicated CBM-Network website will be created, with a public-access area and a members-only area protected by password. It will be created, maintained and updated by OTM and will provide:

- Promotion of CBM-Network (public access)
- An introduction to Condition-Based Maintenance
- Membership details and contacts (public access)
- Calendar of CBM and other related industry events (public access)
- Presentation material/ minutes etc from workshops (members only)
- Database of CBM experts – self-nominated individuals in both managerial, technical and commercial roles (members only)
- Database of technology gaps – as identified by members at workshops (members only)
- Library of case histories presented at workshops (members only)
- Status of CBM projects and workgroups – as identified at workshops (members only)
- Online Discussion Forum (members only)
- Useful links (members only)

OTM will be responsible for ongoing site design and improvements as recommended at meetings, distribution of passwords to users and responding to I.T. queries received from users. The website could also provide a versatile platform for future developments.

The website will be registered with all major search engines in order to maximise the number of hits on the site and hence awareness and knowledge of CBM technology.

## 2.5 Provision of network services

As stated in the network by-laws (see appendix 1), OTM will provide overall network management services, including:

- Administration and management of workshops (see above)
- Website creation, maintenance and updating (see above)
- Promotion of CBM-Network and expanding network membership
- Providing a single point of focus for queries etc
- General liaison with and assistance to the elected network steering committee
- Maintenance of project mailing list(s) and overall document control

OTM will report to a steering committee, a group of four member representatives elected by the membership. The steering committee will nominate one of their members to act as a chairman.

## 2.6 Future activities

As the network membership grows, it is hoped that further network services will be provided to members, such as market research/ state of the art reviews, and an annual conference.

## 3 Membership fees

The annual membership fee per member is GBP 5,000 for operator/ duty-holder members and GBP 3,000 for other members, based on a minimum number of 6 members. Publicly-funded organisations and universities will be admitted to membership free of charge.

This fee is an initial amount to get the network fully operational, and will be reviewed in future years as the numbers of members grows.

On signing the agreement, members will be invoiced for this fee. The membership fees will cover the costs of network management, organisation of workshops and tele-conferences, management of the network website, and benchmarking activities.



## 4 Appendix 1: CBM-Network Bylaws

### 1. Introduction.

CBM-Network (the network) is an association of companies whose mission is: 'To establish, promote and share best practices and lessons learnt regarding condition-based maintenance amongst its membership within the oil and gas industry through dialogue and information exchange'.

The network consists of member companies (members) and a steering committee.

Overall network management services are provided by OTM Consulting Ltd, 44 Quarry St. Guildford, GU1 3XQ, UK (OTM).

Please contact OTM for additional information ([chris.dudgeon@otmnet.com](mailto:chris.dudgeon@otmnet.com)) or see the network website at: [www.cbm-network.net](http://www.cbm-network.net)

### 2. Organisation

On being accepted as a full member of the network, the Member company shall appoint a Representative. All Members have equal representation in decision making. The Representatives shall have power to:

- decide on changes to the network objectives, workscope and/ or budget,
- agree any changes to members' and OTM's confidentiality obligations (see below),
- elect the steering committee.

Decisions shall be made by the Representatives by simple majority vote (with 2/3's voting), except for decisions to change Members' and OTM's confidentiality obligations which require unanimity.

### 3. Membership fee & costs

Member must pay an annual fee. The fee is currently GBP 5,000 for operator/ duty-holder members and GBP 3,000 for other members, and free of charge to publicly-funded organisations and universities. This may be reviewed in subsequent years. OTM shall issue an invoice to Member for this fee every January for the duration of the network, and the Member shall pay this fee within 30 days of receipt of the invoice.

### 4. Membership term

To become a Member, a company must complete two copies of the attached membership agreement and submit to OTM.

The application will be considered by the steering committee and OTM will then counter-sign the agreement and return one copy to the Member Company.

A company shall be considered a full Member, and subject to these bylaws from the date of this counter-signature.

Any Member may terminate their membership by written notification to OTM. Termination will take effect on 31 December of the year in which notification was received by OTM.

### 5. Confidential information

Technical Information supplied by Members during network meetings shall belong to the Member originating such Technical Information.

Technical Information supplied during meetings and results shall be considered confidential and shall not be divulged by the Member to any person, or organisation other than Affiliates of Members. 'Affiliate' means a company or other entity controlled by or controlling or under common control with Member or OTM as applicable. Control shall mean that the company, partnership or entity owns or controls directly or indirectly at least fifty percent (50%) of the voting stock or otherwise holds the controlling rights or interests of the company, partnership or entity.

This restriction shall survive termination.

This restriction shall not apply to any information which:

- at the time of disclosure is in the public domain, or
- after disclosure becomes part of the public domain (otherwise than through an unauthorised disclosure of the disclosing member, OTM or Affiliate), or
- the receiving party can show was rightfully in its possession at the time of disclosure without limitation or restriction of disclosure, or
- is independently developed by the receiving party.

### 6. Obligations

Members shall participate in and contribute to the network in a professional, fair and responsible manner.

OTM will use its reasonable endeavours to ensure that the network is managed as specified in the membership proposal.

OTM shall not be held responsible for errors, failures or omissions in execution of the network, which are due to the Member not meeting their obligations under these bylaws.

### 7. Liabilities

Member agrees to hold harmless all other Members, in the event that any information contained in the results not owing to any error, failure or omission of OTM, prove to be the cause of any loss or damage to a party.

Member agrees to limit the liability of OTM, in the event that any information contained in the results owing to any error, failure or omission of OTM, proves to be the cause of any loss or damage to Member, to the cost of re-work of the services provided by OTM.

These bylaws shall also extend to the Member's respective Affiliates.

### 8. Law



This Agreement shall in all respects be construed and take effect in accordance with English Law .



**5 Appendix 2: Membership Agreement**

**Parties:**

..... (the Member)  
and  
OTM Consulting Ltd (Registered No. 2856199) having its registered office at 44 Quarry Street, Guildford GU1 3XQ UK ('OTM').

The Parties agree that:

1. OTM shall provide network services as set out in the CBM-Network membership pack rp-4243-01e (the Membership Pack).
2. The Member shall participate in and contribute to CBM-Network in a professional manner and agrees to abide by the network bylaws as detailed in the Membership Pack.
3. Any changes to this Agreement shall be agreed in writing between the Parties.

**Signed:**

For OTM:

*Christopher Dudgeon  
Managing Director*

For Member:

Signature:

Name:

Title: .....

Date: .....

Order number (if applicable): .....

Invoices for attention of: .....

Invoice address:

**Company Information:**

(circle relevant category)

*Operator                  Non-operator duty-holder                  Vendor                  Publicly-funded organisation*

**Primary network representative:**

Surname: .....First Name: ..... Title: .....

Address (if different from above): .....

Telephone: .....Fax: ..... Email: .....