FREE RESOURCE · 2026 EDITION

The Energy Procurement Checklist

27 critical questions every procurement manager should answer before signing their next crude oil or natural gas contract.

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QUESTIONS	CATEGORIES	STRATEGIC FRAMEWORK

HOW TO USE THIS GUIDE

Built for procurement teams who manage real risk.

This checklist was developed from patterns we see across energy procurement deals — where buyers consistently lose value and where they consistently capture it. Work through each section before your next contract negotiation or supplier review.

01

Review each question

Answer honestly based on your current procurement setup — not your ideal state.

02

Flag your gaps

Any "no" or "unsure" is an exposure. Mark it and prioritize by cost impact.

03

Act on the top 3

Fix your three highest-impact gaps before your next contract renewal or spot purchase.

> *"The gap between what most companies pay for energy and what they could pay is rarely a market problem. It's a structure problem."*
>
> — BarrelBridge Procurement Intelligence

01

SECTION 1 OF 5

Contract Structure Review

Are your contracts built for the market conditions you're actually in?

- [ ] **Do you know your weighted average contract price vs. current spot?**
  If you can't answer this in 60 seconds, your contracts aren't being actively managed.

- [ ] **Are your contract terms aligned with your actual throughput cycles?**
  Mismatched volumes and contract windows are a common source of overpayment.

- [ ] **Do you have price re-opener clauses for significant market shifts?**
  A $15+ move in Brent should trigger a review — not a waiting period.

- [ ] **Have you reviewed force majeure and supply disruption terms in the last 12 months?**
  Post-2020 and post-tariff cycles have exposed weak language in many standard contracts.

- [ ] **Do you blend contract types (fixed, indexed, spot) across your supply portfolio?**
  Single-structure procurement is a concentration risk, not a strategy.

- [ ] **Is your next contract renewal date on a tracked calendar with 90-day prep lead time?**
  Renewals negotiated under time pressure almost always favor the supplier.

SECTION 2 OF 5

02

Market Positioning & Timing

Are you buying when conditions favor buyers — or just when you need to?

- [ ] **Do you track the Brent-WTI spread and understand what it means for your sourcing decisions?**
  The spread tells you which benchmark is more favorable for your specific supply region.

- [ ] **Are you aware of OPEC+ production decisions and their typical lag effect on prices?**
  Policy announcements typically move prices 2–6 weeks before supply actually changes.

- [ ] **Do you have a view on where prices will be in 90 days — and is it written down?**
  A written outlook forces discipline. Teams without one react; teams with one plan.

- [ ] **Are you monitoring EIA inventory reports and acting on the signals they send?**
  Weekly inventory data is the closest thing to real-time market intelligence available to buyers.

- [ ] **Have you modeled what a $15/barrel move in either direction does to your Q3 cost base?**
  Scenario planning is not speculating — it's basic risk management.

- [ ] **Are geopolitical risk factors in your supply regions quantified in your procurement plan?**
  Middle East, Russia-Ukraine, Venezuela: each carries a different risk premium that belongs in your cost model.

03

Counterparty & Risk Assessment

Do you know who you're actually buying from — and what happens if they can't deliver?

- [ ] **Have you verified the financial health of your top 3 suppliers in the last 6 months?**
  Supplier defaults in volatile markets don't come with advance notice.

- [ ] **Do you have backup suppliers qualified and ready to step in within 30 days?**
  A supplier list is not a backup plan. Pre-negotiated contingency supply is.

- [ ] **Are your counterparties OFAC and sanctions-compliant — and is this reviewed annually?**
  Sanctions exposure in energy markets changes faster than most legal review cycles.

- [ ] **Do you have credit limits and collateral requirements defined per counterparty?**
  Trading without per-counterparty exposure caps is underwriting someone else's risk.

- [ ] **Is your no-single-supplier concentration below 40% of total volume?**
  Supplier concentration above 40% is a supply security risk, not just a price risk.

- [ ] **Do you have a documented process for vetting new suppliers before first transaction?**
  Speed in new supplier onboarding without due diligence is where fraud and failure happen.

Cost Benchmarking

Do you actually know if you're getting a competitive price — or just a familiar one?

- [ ] **Do you benchmark your all-in cost (including logistics, tariffs, duties) against alternatives quarterly?**
  Headline price comparisons miss 20–35% of total procurement cost in most deals.

- [ ] **Have you run a competitive RFQ or tender in the last 18 months?**
  Suppliers who haven't competed for your business in 2+ years are almost always overcharging.

- [ ] **Is your differential to benchmark (Brent, WTI, Henry Hub) tracked and documented for every transaction?**
  The differential is where margin compression or expansion actually happens.

- [ ] **Do you know your cost-per-barrel equivalent including all ancillary fees?**
  Inspection fees, demurrage, and storage add $0.50–$2.50/bbl that often isn't modeled upfront.

- [ ] **Is there a defined savings target for your procurement function this year?**
  Without a target, procurement is an administrative function. With one, it's a profit center.

- [ ] **Do you review transportation and logistics costs separately from commodity costs?**
  Freight can be optimized independently — bundling it with supply cost hides inefficiency.

05

SECTION 5 OF 5

Strategic Procurement Planning

Is your procurement team structured to capture value — or just execute transactions?

- [ ] **Do you have a written procurement strategy for the next 12 months?**
  Strategy means knowing what you'll buy, when, from whom, and at what price thresholds — before the market moves.

- [ ] **Is your procurement function integrated with your operations and finance planning cycles?**
  Procurement decisions made in isolation from throughput forecasts create cost and supply mismatches.

- [ ] **Do you use an independent broker or advisor on at least 20% of your transactions?**
  An external market view catches pricing drift that internal teams — focused on execution — often miss.

- [ ] **Are procurement KPIs reviewed by senior leadership at least quarterly?**
  What gets measured gets managed. Energy spend without executive visibility gets optimized last.

- [ ] **Do you have a hedging policy — even if you choose not to hedge?**
  A decision not to hedge should be a deliberate policy, not the absence of one.

- [ ] **Is your team's energy market knowledge actively maintained through regular briefings or subscriptions?**
  Markets move daily. Procurement teams that update their market knowledge quarterly are always behind.

YOUR RESULTS

How to interpret your score

Count the boxes you checked. Each "yes" is a strength. Each gap is a cost opportunity.

0–9 ✓

Reactive

Your procurement is transaction-driven. You're likely leaving $500K–$2M+ on the table annually. Priority: contract structure and counterparty review.

10–18 ✓

Structured

You have foundations in place but gaps in market intelligence or cost benchmarking. The next 5 improvements could deliver 8–15% cost reduction.

19–27 ✓

Optimized

Your procurement is performing at a high level. Focus on sustaining market intelligence and benchmarking cadence as markets shift.

Important: Most procurement teams score between 10 and 16 on their first pass. That's not a failure — it's a roadmap. Every unchecked box is a defined improvement with quantifiable value.

BARRELBRIDGE

Ready to close your procurement gaps?

BarrelBridge works with industrial buyers and procurement teams to structure energy deals that perform — on price, supply security, and risk exposure. No pitch. Just a straight conversation about your current setup.

Request a Free Procurement Review

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