THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

MAJOR CONTRACT BOARD SUBMISSION

Confidential **Part C – Variation Order No. 10B** **Date: 05/03/2024**

Category	NLNG Supplies Project	Contract ID:	NG01017640
		SAP Contract No:	4610047944
Contract Title:	EPC: GBARAN NODAL COMPRESSION PROJECT & SINGLE WELLS OPPORTUNITY PROJECT		
HSE Mode & Risk	Mode 2, High Risk		
Contractor:	Lee Engineering & Construction Company Limited		
Agenda Item	(TB secretary to complete)		

	GNC Project	SWO Project	**Total**	**Expiry Date**
	F$			
Original ACV	**114,622,979.07**	30,666,686.64	145,289,665.71	31/12/2022
Value of VO's approved to date	**53,241,337.75**	540,000.00	53,781,337.75	
Current ACV	**167,864,316.82**	31,206,686.64	199,071,003.46	31/12/2024
Value of commitments made to date	165,773,487.64			
Value of this VO request-excl 2% HCD	**10,500,000.00**	0.00	10,500,000.00	31/12/2024
Requested new ACV- excl 2% HCD	**167,324,316.82**	31,206,686.64	198,531,003.46	31/12/2024
Current level of NUIMS approval	**114,622,979.07**	0	114,622,979.07	
Proposed expenditure while pending NUIMS approval	**53,241,337.75**	31,206,686.64	84,448,024.39	

OBJECTIVE OF THIS SUBMISSION IS:

This Submission is wrt Gbaran GNC Project

1) To notify the MCB of:
   a) The outcome of the negotiation held with Contractor (Lee Engineering) on their cost escalation request of N6,335,432,649.79 + US$11,024,935.39 (F$ 31,796,845.71 @N305/U$1) on the GNC project awarded in 2018
   b) The final position reached with contractor on the negotiation being N3,535,408,364.63 + US$4,410,171.53 (F$16,001,674.37), representing a U$28% : N72% currency split ratio. This is 54% above the cost estimate of N2,053,695,428.42 + US$3,655,099.51 (F$ 10,388,527.15 @N305/U$1) and U$35% : N65% currency split.
   c) The contractors' subsequent request for payment of the F$16,001,674.37 in U$75% : N25% ratio, citing continued devaluation of the Naira and a significant denomination of the project execution spend in dollars.

2) To obtain MCB approval to close the negotiation based on the functional value of the Company Estimate (F$ 10,388,527.15), but
   a) using the current exchange rate to compute the NGN element of the split and
   b) Payout based on the currency split proposed below:

	US$	NGN	F$	Split Ratio US$/NGN	Exchange rate ($1/NGN)	Comment
Walk away	10,000,000	545,000,000	10,389,285.71	96%/4%	1,400	Proposed ZOPA for closeout using current exchange rate
Base case	9,500,000	1,244,000,000	10,388,571.43	91%/9%	1,400	

3) To include 2% HCD to the negotiated outcome and sign-off negotiation outcome/Part-C2 at line level if mandate is met
4) To process e-LDL release for the full negotiated sum and increase ACV to execute the VO pending NUIMS approval.

Note:

- The contractor's variation request was submitted in source currency. The contract is also in source currency
- N305/U$1 exchange rate was used to determine the F$ for the estimate, contractor VP request and the F$16m negotiation outcome which the contractor now seeks a redistribution of the currency split.

Stakeholder Endorsement:

	Senior Procurement Manager	**Contract Owner**	**MCB Chairman**
	Reviewed and approved for submission to MCB and confirms: 1. Alignment with approved Category Strategy (& Global Category Strategy where applicable) 2. Compliance with the NOGICD Act & Community Content commitments.	Reviewed whole submission and confirms support from: 1. Finance [Adekole Iludiran] - for the financial aspects of the submission, including adequate budget cover/JV Partner approval to ensure full cost recovery/approved GIP in place (if applicable) 2. HSSE [Alice George] - HSSE consideration and requirements are met.	
Signature	Gregory Akhibi Digitally signed by Gregory Akhibi Date: 2024.03.07 09:39:13 +01'00'	Otonye Daka Digitally signed by Otonye Daka Date: 2024.03.07 09:41:35 +01'00'	CJ Akwaeze Digitally signed by CJ Akwaeze Date: 2024.03.07 10:54:43 +01'00'
Name	Greg Akhibi	Daka Otonye	
Date			

Declaration:

Signatories to this submission acknowledge that they have read and understood the Conflict-of-Interest Policy in SEPCiN and that they do not have any direct or indirect arrangement or relationship with any other person or company that breaches the requirements of that Conflict-of-Interest Policy, or that they have fully disclosed any potential Conflict of Interest to the Contract Owner, CP Manager, and the Supply Chain Council/Tenders Board.

SECTION A: CHANGES

REFERENCES & APPROVAL DATES FOR PREVIOUS APPROVALS

Description of Previous Approvals	***Approved ACV***		***Approval Dates***	
	GNC	**SWO**		
	F$		**MCB**	**NAPIMS**
Obtained MCB approval of award recommendation on contract NG01017640	114,622,979.07		10th August 2017	5th October 2017
VO.01 - Obtained MCB approval of overarching strategy for Single Well Opportunity Projects (Gbaran-026 & Gbaran F1B/F22).			9th July 2018	8th June 2018
VO.01b: Approval of tender tactics			29th May, 2019	
<u>VO.01c</u> - Obtained MCB approval of award for Single Well Opportunity Projects (Gbaran-026 & Gbaran F1B/F22). • Award contract to LEE Engineering & Construction Company Ltd at an ACV of $16,683,346.31 + ₦2,739,918,799.27 (FUS$25,666,686.64) • Provisional sum of $3,000,000.00 + ₦610,000,000.00 (FUS$5,000,000.00) to cater for potential reimbursable items. • Total Contract Ceiling of $19,683,346.31 + ₦3,344,918,799.27 (FUS$30,666,686.64) being the total for Firm scope and provisional sum. • eLDL approval of F$10,000,000.00 to allow for award and for work to progress pending NAPIMS approval • Execution of Capacity Development Initiatives (CDI) mandated by NCDMB at 2% of the total ACV ($2,325,000.00) for both Single Wells Contract and Soku NAG 2 contracts.		32,991,686.64	22nd May 2020	
<u>VO.02</u> - Obtained MCB approval to: 2(a) a variation sum of 14,300,000 for the procurement of additional bulk materials that emanated from detailed Engineering. 2(b) a variation sum of $13,350,000 that emanated from the negotiations for Construction, Site Installation and commissioning works for the additional scope that emanated during detailed design	14,300,000 13,350,000		14th December 2020 22nd Feb 2021	
<u>VO.03</u> To authorise the PMT to pay percentages of contractual milestones against the VOWD as opposed to the current practice which requires individual milestones to be 100% completed before the value of the entire milestone is released.		N/A	23rd August 2021	
<u>VO.4</u> Approval received from the MCB to pay Lee Engineering an additional Euro370,410 totalling F$419,396.72 @ 1Euro/USD1.13225 for the manufacture of LV/HV switchgears from AOS Orwell/EATON on the GNC Project	(Replaced with VO5)		SPDC_MCB_22_03 of 31st Jan 2022	
<u>VO.5</u> For the following with respect to Order placed by Lee Engineering on AOS Orwell/EATON for GNC Project LV/HV Switchgears and Sub-Station: a) Put in place and operationalize a direct payment arrangement to the OEM – Eaton Industries B.V b) Pay additional Euro803,036.02 (F$909,237.53 @ 1Euro/USD1.13225) from the Project Provisional Sum to cover Scope Change Proposals and Production Restart costs on the Order c) Process additional payment on this order through the provisional sum without recourse to the MCB d) Issue a Letter of Comfort to Eaton for assurance of payment due on the Order	909,237.53 (Provisional Sum)		14th February 2022	

VO 6 1)Negotiate the variation requests submitted by Lee Engineering based on the following mandate: up to 100% of Lee's revised value of F$10,921,299 (120% of the assured CE of F$9,103,569) 2) Make 2% provision for the HCD obligation on the VO value 3) Reimburse in full all validated ETLS and CISS payment on the project shipment, on cost plus basis 4) Sign-off a Part C1 at Line level and award VO to Contractor without recourse to the Board, if negotiation mandate is achieved. 5) Effect a sliding scale performance bonus capped at F$5m as early Project completion incentive effective June 2022 6) Make a provision of up to F$5m for RFSU acceleration boost to drive and incentivise early Project completion 7) Process e-LDL release for the full sum and increase ACV to execute the VO pending NAPIMS approval	F$10.2mln wrt Incentives		SPDC_MCB_22_ 07_7 4th March 2022	
VO 7 To obtain MCB approval of the following: 1. Outcome of the negotiations held with Lee Engineering of N1,403,000,000.00 + US$6,900,000.00 (F$11,500,000.00 @N305 / US$1) as full and final settlement of their Variation Proposals 1-10 listed under Table 1 in the submission. This is 105% of the approved negotiation mandate. 2. Make a provision of 2% (F$230,000) on the VO value for HCD 3. Process e-LDL release for F$11,730,000.00 and increase ACV to execute the VO pending NAPIMS approval 4. Reimbursement of CISS & ETLS payments (VP 11 & 12) – To treat this as100% reimbursable charge for previous and future procurements items and contract amended accordingly in line with negotiation outcome 5. Additional 20% Contingency for Materials (VP 13 for F$2,326,390.85) – To treat as a reimbursable cost and managed under the project's prov. sum in line with negotiation outcome	F$11,730,000		SPDC_MCB_22_ 11 28th March 2022	
VO 8 To obtain MCB approval of the following with respect to GNC 1) Increase in ACV by $9,457,628.51to cover additional growth in materials. This will cover the 20% contingency earlier proposed in VO7 and contractual markup of 25% (F$1.891m) for handling and delivery of the materials to site. 2) To hold the F$2,326,390 earlier approved by MCB in VO7 for 20% Material Contingency, intended to be drawn from prov. sum, for other trending costs e.g. commissioning of Train 1 ahead of train2, and the temporary LV system to be provided ahead of the HV/LV system. 3) Provision of 2% of the VO value for HCD obligation (F$189,152.57) and transfer to Corp. HCD central account 4) Process e-LDL release for the VO sum ($9,646,781.07including 2% HCD provision) and increase ACV to execute the VO pending NAPIMS approval	F$9,457,628.51		29th Sept 2022	
VO 9 1.To notify the MCB of Contractor (Lee Engineering) request for cost escalation on the SWO project awarded in 2019 citing an inflation index of 19.1% as at 2022. The cost escalation in their view is a key enabler for project traction and completion within the agreed schedule 2.To obtain MCB approval: a) To negotiate Contract items for outstanding work scope due to escalations in supply chains and premised on the index reflected in the Nigerian Supply Chain Projects Cost Escalation Response Strategy issued June 2022 & the Global Category Market Dynamics data past one year trend. b) For a negotiation mandate of 13% escalation of the Contract lumpsum amount as against 42% requested by the contractor				

VO 10 1. To notify the MCB of Contractor (Lee Engineering) request for cost escalation on the GNC project awarded in 2018 citing an inflation index of 19.1% as at 2022. The cost escalation in their view is a key enabler for project traction and completion within the agreed schedule. 2) To obtain MCB approval: a. To negotiate Contract items for outstanding work scope due to cost escalations in the supply chains and premised on the index reflected in the Nigerian Supply Chain Projects Cost Escalation Response Strategy & the Global Category Market Dynamics data past one year trend. b. For a negotiation mandate of 23% escalation of the outstanding Contract lumpsum amount as against 71% requested by the contractor as shown below: • Company Estimate at 100%: N2,053,695,428.42 + US$3,655,099.51 (F$ 10,388,527.15 @N460/U$1) • Contractor Request at: N6,335,432,649.79 + US$11,024,935.39 (F$ 31,796,845.71 @N460/U$1) at 71% overall escalation • For a negotiation range of 20% to 25% being aspiration and walk-away for the contract lumpsum escalation amount 3) To include 2% HCD to the negotiated outcome and sign-off negotiation outcome at line level if mandate is met	TBA			
VO. 11 To seek MCB approval for the following: 1) **Koroama to GNC Rerouting Project**: . To engage Georaph for the re-routing of the low pressure (LP) Koroama wells to a dedicated manifold enabling wells compression and start-up gas for the GNC Project at a total cost of N118,160,710 + $ 384,646.00 (F$ 641,238.20 @N460.5/U$1) against company estimate of N145,424,598.60 + $454,020.31 (F$ 769,817.48 @N460.5/U$1) (Normalized) 2) **GNC Construction Support** A. To engage **Morpol Engineering Services Limited** to provide construction support to GNC project in the form of equipment and personnel when Lee Engineering is unable or unwilling to provide. B. To adopt the following commercial framework for services provided by Morpol: i.. Execution Workscope -Utilize the schedule of rates for variation in Epu 2 Project pipelines contract awarded in Jan '23 ii.. Scopes not in the Epu 2 Project contract - Reimbursable on cost-plus basis at 15% 3) To utilize the GNC contract provisional sum for execution of the work scopes above with all commitments being subject to NLNG PSRCP process - For an estimated total spend of up to F$641,238.20 for Koroama to GNC rerouting project + F$986k for the construction support works- ref attachment 1 4) Approval to negotiate the following payment arrangements with **Lee Engineering** for execution of the work. i. Invoice partnering arrangement to facilitate direct payment to Morpol Engineering and Georaph under this contract. ii. Agree a pass-through mark-up with Lee Engineering from 0% aspiration to a maximum 15% as per their contract. 5) For an increase of the provisional sum amount by $5mln to execute this work, as the previously approved acceleration boost of $5mln (ref attachment. 4) has depleted the original Prov.Sum. **Note**: 1. NUIMS had been engaged informally and steer received to use the GNC provisional sum for the execution of the work scopes 2. Additional 2% HCD associated with these works will be drawn from the contract provisional sum	F$ 641,238.20 + F$986k (excl HCD + 15% mark up) + F$5m prov sum increase			

VO 11b 1. To inform the MCB of the outcome of the negotiation held with Lee Engineering for the use of the GNC provision sum and premised on a mark-up basis ranging from of 0% - 15% being pass through compensation for the execution of: **a. Koroama to GNC Rerouting Project:** Through Georaph Ltd for the re-routing of the low pressure (LP) Koroama wells to a dedicated manifold enabling wells compression and start-up gas for the GNC Project **b. GNC Construction Support** Through **Morpol Engineering Services Limited** to provide construction support to GNC project in the form of equipment and personnel when the EPC contractor (Lee Engineering) is unable or unwilling to provide. 2.To obtain MCB approval to progress with a 15% mark-up being the contractual reimbursable mark-up percentage and Lee's final condition for supporting the above works through their contract				
VO 12 To seek the MCB approval: 1. To remove the wet gas meter calibration cost item from the portfolio of variation proposals submitted by Lee Eng. on Gbaran Singles Wells Project contract undergoing review and considered in isolation given the project schedule risk associated with this equipment. 2. To issue a Purchase Order (PO) for F$540,000.00 to Lee Eng to enable the project secure a slot for calibration of the wet gas meter in June 2024 by making a commitment to Solatron ISA in December '23. This is noting that only one slot exists for the calibration and test in 2024, 3. To progress the commitment for the Test/Calibration through available project provisional sum 4. For a time extension from 31st Dec 2023 to 31st Dec 2024 to enable business continuity				

REASON FOR THIS VARIATION ORDER

List changes/updates/variation. Where there is scope variation, state the Nigerian Content scope in new scope.

BACKGROUND

The Gbaran Nodal Compression EPC was awarded in 2018 and is Train 1 recently commissioned in Q4 '23. The project was scheduled for completion in December 2020, but was impacted by delays due to poor FEED, Contractor performance issues and COVID-19.

CONTRACTOR via a letter dated 6th December 2022 and a follow-up letter dated 28th January 2023 requested for cost escalation of the CONTRACT Rates based on global inflationary pressures with direct impact on local goods and services and overwhelming international crises on manufactured. The CONTRACTOR also submitted alongside the letter, the basis of the variation request against each individual contract milestone and ranging from 40.3%-100% and amounting to 71% increase in outstanding base scope cost as shown in table below: –

S/N	DESCRIPTION	OUTSTANDING MILESTONE VALUE			LEE COST ESCALATION REQUEST			COMPANY ESTIMATE		
		F$ @N305/$1	US$	NGN	F$ @N305/$1	US$	NGN	F$ @N305/$1	US$	NGN
1	Total Variation Request	44,809,811.35	26,643,195.85	5,540,817,728.67	76,606,657.07	37,668,131.24	11,876,250,378.46	55,198,338.50	30,298,295.36	7,594,513,157.09
2	Variance				31,796,845.71	11,024,935.39	6,335,432,649.79	10,388,527.15	3,655,099.51	2,053,695,428.42
3	% Variance				171%			123%		

In July'23, Approvals was received from the MCB for a negotiation mandate. Negotiations commenced with the contractor from the 1st August – 4th August 2023 with NUIMS participation. However, this was deadlocked due to differing positions on the appropriate and fair cost escalation factor to be adopted to the various service categories and USD and NGN cost elements.

A decision was reached by the JV for SPDC cost estimating team and the LEE estimating team to meet and align on the basis for the cost escalation factor to be applied and thereafter submit a unified position from the exercise. The meeting commenced in Oct. '23 and was concluded in Dec '23 with several cost levers applied and achieving results as below:

- Removal of cost padding in VO2 scope leading to a cost drop from F$31m initial VP request to F$25.1m
- Removal of unjustified USD "cost of funds" (interest) in addition to inflation leading to a drop to F$20.8m
- Application of inflation factors from (2020 to 2023) when price pressure became apparent instead of the retroactive view by LEE (2018 to 2023) on both the main scope and VOs and Proper apportioning of unusual high inflationary impact from (2020 – 2023) instead of the use of the full value of inflation factors as done by LEE resulting in F$16.001m
- Agreement was not reached on a further lever which relates to apportioning delays liabilities to Parties

In December 2023, N3,535,408,364.63 + US$4,410,171.53 (F$16,001,674.37) (ref: attachment 1) was advised by Contractor as their final position. This is 54% above the mandate and a $28% : N72% currency split . Also, Contractor requested for settlement of the F$16m in USD100%. Following challenge by CMT highlighting that the contract and contractor's VP were based on source currency, with separate escalation factor applied to the USD and NGN costs to arrive at the current F$16m position, contractor subsequently wrote requesting for a U$75% : N25% split. citing the continued devaluation of the Naira and a significant denomination of the project execution spend in dollars.– ref summary in table below

	USD	NGN	FUS@N305/$1	USD ratio
Initial VP as submitted by Lee (Dec 2022)	11,024,935.39	6,335,432,649.79	31,796,845.71	**35%**
MCB Approved Negotiation Mandate / CE (Jul '23)	3,655,099.51	2,053,695,428.42	**10,388,527.15**	**35%**
Current negotiation position (Dec 2023)	4,410,171.53	3,535,408,364.63	**16,001,674.36**	**28%**
Latest Split requested by Lee (ref letter of 12 Feb)	11,944,648.37	1,237,392,927.62	16,001,674.36	**75%**

This proposal is to enable close out of the cost escalation VP received on GNC project contract since December 2022 and more importantly forestall possible delays to execution of T2 scope.

Note:

- NUIMs are aligned on the proposed way forward
- Contractor has submitted Variation Proposal for completion of T2 works which is currently undergoing review and will be subject of a separate submission.

JUSTIFICATION

- The approval will enable payment of outstanding VOWD owed Lee Engineering related to customs reimbursements.
- Enhanced opportunity for delivery of the GNC value proposing of circa 400mmscf/d production and ultimately fulfilling the NLNG gas supply agreement.

FINANCIAL STATUS

Original ACV (a)	Total value of all previous VOs (b)	Commitments to date (GNC+GSW)	ACV for this VO (c)	Total value of all previous VOs + this VO/Original ACV (b+c)/a
F$	F$	F$	F$	(%)
114,622,979.07	84,448,024.39	165,773,487.64	10,500,000.00	83%

IMPACT OF THIS VO

Describe any major impacts of this VO on business, explain budget coverage/offset, NPV calculation based on this VO (if applicable)

Increase in the provisional sum amount and subsequently the ACV as the call-out of the provisional items progresses.

PRICING STRUCTURE FOR THIS VO

Is the pricing structure for this VO based on established unit rates or negotiated based on Enterprise Frame Agreement (EFA)? For negotiations, show aspiration, fallback, and walk-away positions. Proposed Negotiation Team.

The pricing structure remains the same as the contract structure is not changed.

SECTION B: POST AWARD CONTRACT MANAGEMENT

CONTRACTOR PERFORMANCE

Contractor performance under this contract including details of KPI's and review dates. Highlight any performance issues (including HSE management, NCD) and support required.

Performance Assessment, rating based on Good/Adequate/Inadequate.

Good: Fully satisfied expectations, met requirements without support; no identifiable improvements

Adequate: Generally satisfied expectation & met requirements but needed support to ensure required performance was achieved Inadequate: Contractor standard of performance below that needed for repeat business; severe deficiencies in service performance

Management	Commercial	Technical	HSES	Overall
Adequate	Inadequate	Adequate	Adequate	Adequate

CONTRACT MANAGEMENT

Highlight any contract management issues, e.g., training, documentation. HSE, NCD. List outstanding activities, action parties and target date. State dates and highlights of COR/BPR/CPCR or other contract compliance reviews.

The contract will continue to be managed via: Management meetings, monthly performance reviews, business performance review, weekly review meetings and fortnightly Sponsor's meeting currently being held to manage all the issues related to the project for effective execution and progress.

NIGERIAN CONTENT EXECUTION PLAN

Is performance according to Part B and contract? What recovery plan is being put in place to meet target?

	Work Category	Schedule Target	Contractor's obligation	Current performance status	Agreed actions including authorisation to import
Award recommendation	Engineering: - FEED - Detailed Design	90% 90%	100% 90%	On Target	N/A
Proposed variation	Engineering: - FEED - Detailed Design	90% 90%	100% 90%	On Target	N/A
Award recommendation	Fabrication/ Construction - Pipeline Systems	100%	100%	On Target	
Proposed variation	Fabrication/ Construction - Pipeline Systems	100%	100%	On Target	
Award recommendation	Installation, Hook-up, and Commissioning - Welding and Jointing - Pipe/ cable laying services - Trenching & Excavation	60% 100% 90%	100% 100% 100%	On Target	
Proposed variation	Installation, Hook-up, and Commissioning - Welding and Jointing - Pipe/ cable laying services - Trenching & Excavation	60% 100% 90%	100% 100% 100%	On Target	
Award recommendation	Training & Manpower Development	0%	100%		All trainings will be conducted in-country. The plan is to achieve minimum 10% of project man hours for training
Proposed variation	Training & Manpower Development	0%	100%		All trainings will be conducted in-country. The plan is to achieve minimum 10% of project man hours for training

***List of relevant Work Category/Categories to the contract as defined in the Nigeria Oil & Gas Industry Content Development (NOGICD) Act 2010**

*****Where the Nigeria Content in-country capacity falls short of set minimum targets by law an authorisation to import may be required for these categories.***

Confirm NCDMB directives in Commercial Evaluation Report (if any) have been closed? There are no directives in the commercial report to be closed. NCCC also approved.

c. Has Contractor complied with & executed *(This is for ALL contracts >$1m)*

S/N	Compliance Requirement	Provide evidence (as applicable)	Describe actions to address compliance gaps (if applicable)
1	Research & Development	Attach approved R&D Plan	Not applicable
2	Human Capital Development (HCD)***	Evidence of fund transfer to the Centralized HCD Account Evidence of close-out of previous HCD obligation and signoff by NCDMB still awaited from Lee Eng	For Additional HCD obligation: 1) Additional 2% HCD associated with these works will be drawn from the contract provisional sum and transferred to the escrow account

3	Capacity Development Initiative (CDI)	Provide NCDMB approval of CDI (If applicable)	Not applicable
4	Technology Transfer	Provide NCDMB approval of Technology Transfer Plan (If applicable)	Not applicable
5	Marine Vessel Utilization	Provide Nigerian Content Marine Vessel Certificates (NCMVC) for the vessels deployed	Not applicable
6	Nigerian Content Equipment Certificate (NCEC)	Requested from Contractor	• NCEC requested from the contractor • CMT to follow up and provide evidence of valid and relevant NCEC by June 30,2023
7	Expat Quota (EQ)	Provide NCDMB approval of EQ and/ or Temporary Work Permit (TWP)	Not applicable

NOTE: Any additional scope/change in contract terms must remain compliant with NOGICD Act. Confirm records of vendor's Nigerian Content performance on contract to date. Non-compliance with provisions of the Act attracts 5% penalty of project cost or outright cancellation of project.

- All materials that are available in-country will be purchased in-country or through local agents. SPDC and the Installation Contractor will seek to utilize Nigerian workers, as much as reasonably practicable, in the installation works
- The contract already has an approved NCCC however, may not cover this particulars scope. The corresponding 2% HCD value for this scope will also be deducted and moved to same account
- Commercial evaluation report could not be found at the time of this submission

NIGER DELTA CONTENT /COMMUNITY CONTRACTING EXECUTION PLAN

Describe additions to the Niger Delta Content /Community Contracting Execution Plan.

Lee Engineering & Construction Company Limited is wholly owned Nigerian company that has employed the services of its entire work force from within the Niger Delta area.

RISK MANAGEMENT

Insert latest Risk Assessment Matrix

Risk Description	Likelihood (H / M / L)	Impact (H / M / L)	Mitigating Actions	Action Owner
Late Approval of the VO	M	H	Continue NUIMS engagement	CH/BR
Cost Escalation / Inflation	M	H	Timely reviews, agreement and issuance of PO	CH/CP
Resource /capacity overstretch	M	H	Monitor to ensure adequacy of resource planning/loading for execution of the full project scope. Utilize the construction support as required	CH/PS

GOAL ZERO CONTRACTOR HSSE REEQUIREMENTS

Comment as appropriate on validity of applicable Goal Zero Contractor HSE assurance actions below: Click here for checklist.

i) *Risk Assessment – State: Remains valid at* **Mode 2 High Risk.**

ii) *CH Appointment Letter – Confirm letter in place for correct CH per Omnicom/SAP* –**YES.**

iii) *HSE Capability Assessment – State:* **Remains valid at Amber till December 2024**

iv) *Contract HSSE Action Plan OR HSSE Plan – State:* **Remains valid till September 2024**

Attachment

1. **Signed MoM on Negotiation**

MOM_GNC
CONTRACT RATE CH

2. Lee's 1st and 2nd Request For Split Ratio Change

LETTER ON SCOPE CHANGE REQUEST FC

Letter RE-REQUEST FOR RATE INCREASE