



SPDC Contract Requisition >\$100k and <USD1m

Part C: Approval of Variation Order

Confidential

Section A – Changes					
Contract Number:	CW640623		Variation Order No.	01	
SAP Contract No:	4610056334				
Contract Title:	PA: SUPPLY OF VARIOUS OEM- (FCA) (STINDUSTRIES VALVES, QUINTAS & QUINTAS AND OFFSPRING PRODUCTS)				
Contractor:	FELPET NIGERIA LIMITED				
Start Date	01.06.2022	End Date	31.05.2024		
Reference & approval date for previous approvals (Including NAPIMS approval)	Part AB approved by Line/CP on 5 th May 2022.				
Reason for this Variation Order (VO)	<input checked="" type="checkbox"/> Change of Approved Contract Value (ACV)		<input type="checkbox"/> Change of Work Scope	<input type="checkbox"/> Contract Time Extension	
Justification	<p><u>Purpose of Proposal</u></p> <p>The purpose of submission.</p> <p>1. To update contract rates as advised by the OEM.</p> <p><u>Further Information/Justification</u></p> <p>Price agreement is for the SUPPLY OF VARIOUS OEM- (FCA) (STINDUSTRIES VALVES, QUINTAS & QUINTAS AND OFFSPRING PRODUCTS).</p> <p>Contract CW640623 expires on 31.05.2024. The OEM Offspring communicated through email that the ex-works for the materials on our contract has changed, citing “extreme volatility in our material costs being driven by many global factors such as high energy costs, inflation, supply/demand issues, the Ukraine / Russia conflict, currency movements, shipping costs – all which are completely outside of our control.” (attachment 1). The new price as advised by the OEM showed a reduction of 1% for one material, increase of between 5% to 8% for eight materials, 17% to 20% for three materials while five materials increased above 20%.</p> <p>The vendor requested for increase in his mark-up from 12% to 15%. This was rejected and after extended negotiation to vendor agreed to maintain his current 12% Mark-up. This lead to cost avoidnace of USD 13,395.00</p> <p>This proposal therefore seeks approval to update the contract rates with current rates as advised by the OEM.</p> <p>Vendor is currently on CCL in the right tier (tier 3).</p>				
Financial Status	Original ACV	Accumulative ACV for previous VO	Commitments to date	ACV for this VO	Accumulative ACV + this VO/ Original ACV (%)
	USD 475,000	0.00	USD 65,874.11		
Pricing structure for this VO	<p>Is the pricing structure for this VO based on the established unit rates? For negotiation, show aspiration, fall back and walk-away positions. Proposed negotiation team.</p> <p>Increase in ACV is not required.</p>				

Section B – Post Award Contract Management	
Contractor Performance	<p>Performance Assessment, rating based on Good/Adequate/Inadequate.</p> <p>Good: Fully satisfied expectations, met requirements without support; no identifiable improvements</p> <p>Adequate: Generally satisfied expectations and met requirements but needed some support to ensure required performance was achieved.</p> <p>Inadequate: Contractor standard of performance below that needed for repeat business; severe deficiencies in service performance</p>



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	Management	Commercial	Technical	HSSE	Overall
	Good	Good	Good	Good	Good
Performance issue (if any)	There are no performance issues.				
Contract Management	Highlight any contract management issues, e.g. training, documentation, payment. List outstanding activities, action parties and target date. Vendor performance has been satisfactory. There are therefore no contract management issues.				
Nigerian Content:					

1. *If vendors are more than one, 'a&b' information below should be completed for each vendor.

a. Indicate Schedule target(s) and vendors Nigerian Content pledge (s) e.g.

Work Category	Schedule Targets	Vendor's Committed Targets %	Vendor Current Performance vis-à-vis Target	**Proposed Variation NC Pledge	Measuring Metrics	Agreed actions/Waiver Status
N/A	N/A	N/A	N/A	N/A	Man hour	N/A

b. Nigeria Content Summary Work scope.

** Describe all the proposed Nigerian Content activities in the variation for inclusion in proposed contracts.

**Where the NC pledge falls short of set minimum targets by law a waiver shall be required for these categories

2. Provide for 1% Nigerian Content Development Fund (NCDF) as required by NOGICD Act.

3. Any additional scope/change in contract terms must remain compliant with NOGICD Act.

Non-compliance with Act attracts 5% penalty of project cost or outright cancellation of project.

Note: Where the category is not specified in the Act (Schedule) indicate as N/A

NOGICD Act = Nigerian Oil & Gas Industry Content Development Act

Section C – Stakeholder Approvals*

Declaration:

Signatories to this submission acknowledge that they have read and understood the Conflict of Interest Policy in the Code of Conduct 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.

Signature	Nnamdi Udoba Digitally signed by Nnamdi Udoba Date: 2023.03.28 08:01:59 +01'00'			
	SC Commercial Lead	Contract Holder	Contract Owner	SC Ops Manager
	Whole Submission	Whole Submission	Reviewed, approved and confirmed: 1. Alignment with approved Category Strategy 2. Accepts ultimate responsibility for whole submission	Reviewed, approved and confirmed: 1. Alignment with approved Category Strategy 2. Accepts ultimate responsibility for whole submission
Name	Udoba, Nnamdi	Egugbo, Christopher	Fraeijhoven, John	Omoloju, Olumide
Ref. Ind	PTC/O/UG	UPC/G/USMU	UPC/G/US	PTC/O/UG

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