Confidential **Part C – Variation Order No. 5b** **Date: 31st January 2024**

Category	NLNG Supply Projects	Contract ID: SAP Contract No:	CW361425 4610056197
Contract Title:	EPC for Uzu with CPF Upgrade + EPU Phase 2 Projects (FACILITIES SCOPE)		
HSE Mode & Risk	Mode 2, High Risk		
Contractor:	**SEFLAM SGL LTD**		
Agenda Item	(TB secretary to complete e.g., NG01/SCC/Wells/2007/01)		

	Uzu (F$)	**EPU Phase 2 (F$)**	**Turbo Trays (F$)**	**Total (F$)**	**Expiry Date**
Original ACV	**38,361,383.71**	54,393,942.96	881,049.54	93,636,376.21	13/03/2024
Value of VO's approved to date	**-**	-	-	-	
Current ACV	**38,361,383.71**	54,393,942.96	881,049.54	93,636,376.21	30/06/2025
Value of commitments made to date	**26,382,369.43**	29,211,750.55	873,040.00	56,467,159.98	30/06/2025
Value of this VO request	**28,840,000.00**	-	-		
Requested new ACV	**67,201,383.71**	54,393,942.96	881,049.54	122,476,376.21	30/06/2025
Current level of NAPIMS approval	**38,361,383.71**	-	-	38,361,383.71	
Proposed expenditure while pending NAPIMS approval	**28,840,000.00**	25,789,169.75	881,049.54	55,510,219.29	30/06/2025

OBJECTIVE OF THIS SUBMISSION IS TO:

(This Submission is with respect to Uzu Facilities Project)

A. Inform the MCB of outcome of the negotiation held with SEFLAM SGL LTD on their cost escalation VPs 2 to 4 aggregating to $29,137,657.49 + ₦10,799,434,372.06 (F$41,783,365.19 @₦854/$1) – Contractors revised final offer of $19,525,818.61 + ₦7,236,950,904.92 ($28,000,000.00 @₦854/$1) is 67% of their initial quote but ca 119% of the approved mandate.

B. Seek MCB approval for:
1. The total variation sum of $19,525,818.61 + ₦7,236,950,904.92 ($28,000,000.00 @₦854/$1) as full and final payments for the VPs 2-4 representing contractors request for contract price adjustment premised on inflation/Naira devaluation/FEED adjustments e.t.c being 119% of the approved mandate.
2. Increase the rates for variation in the Contract by 57.5% for the Naira and 10.2% for the Dollar elements, in line with 100% of the CE (see attachment 1) in line with the approval received from MCB for the EPU 5 works premised on rates for variation ref: SPDC_MCB_23_45 _2
3. Make 3% HCD provision on the total VO value being F$$840,000.00 ($585,774.56 +₦217,108,527.15) and seek advice from SPDC NCD Team on how to expend it.
4. Process e-LDL release for the full negotiated sum and increase ACV to execute the VO pending NUIMS approval.

NB: All costing/contract cost adjustment and payment is based on source currencies.

Stakeholder Endorsement:

	Senior Procurement Manager	**Contract Owner**	**MCB Chairman**
	Reviewed and approved for submission to SCC/MTB 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: 2024.02.09 09:39:13 +01'00'	Otonye Daka Digitally signed by Otonye Daka Date: 2024.02.08 14:47:26 +01'00'	Afolabi Ojo Digitally signed by Afolabi Ojo Date: 2024.02.09 13:06:04 +01'00'
Name	Greg Akhibi	Otonye Daka	
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

ITEM	YES/NO	DATE RECEIVED	COMMENTS
LAST VO	Yes	17th November 2022	*If yes, Attach latest CB MoM*
NUIMS Award Approval	Yes		Approved by NUIMS Dec 2021
NCDMB Award Approval	Yes	October 2022	
NUIMS Alignment	Yes		*If yes, attach evidence e.g., MoM/other correspondence*
JUSTIFICATION FOR LATE SUBMISSION IF APPLICABLE (*submission is Considered late if received later than one month from the proposed work scope – attach notification to Line GM indicating reason for late submission)* -**N/A**			

Description of Previous Approvals	**Approved ACV**			**Approval Dates**	
	UZU Facilities F$	**EPU Facilities F$**	**Shell Turbo Tray (STT) F$**	**MCB**	**NUIMS**
<u>Award of Original Contract (Uzu Project)</u> To seek approval from MCB: 1) To award contract to SEFLAM SGL the lowest bidder, in line with the approved award strategy at a total lumpsum ceiling as shown below: $18,228,338.05 plus ₦9,584,712,772.02 (FUS$41,588,593.40 $1=N410.30) comprising of the following: a) $12,750,053.28 plus ₦7,636,228,876.71 (FUS$31,361,383.71) for the firm scope b) $4,200,000.00 plus ₦1,148,840,000.00 (FU$7,000,000.00) as provisional sums to cater for identified reimbursable items. ((a) and (b) above previously Conditionally Supported by the MCB). c) An additional provisional sum of $1,278,284.77 plus ₦799,643,895.31 (F$3,227,209.69) for location preparation works. (New Request). 2) For the approval of eLDL for the sum of $1,278,284.77 plus ₦799,643,895.31 (F$3,227,209.69) pending NAPIMS approval of the award to enable early works on location preparation. **<u>NB:</u>** Only the Approved Value of $12,750,053.28 plus ₦7,636,228,876.71 for the firm scope and the Mark-up on reimbursable items shall be reflected in the agreement to be signed between SPDC and SEFLAM SGL.	41,588,593.40			21/10/21	30/12/2021
<u>VO 1</u> 1) For outcome of the negotiation held with SEFLAM SGL LTD for the execution of the EPU Pkg2 (Facilities Scope) having achieved ca 104% & 108% of the approved -/+10% mandate as shown below - an overall 11% reduction against the contractor's initial bid: • DDP Option: Company Estimate (CE) F$44,559,388.00 vs Negotiated Value (NV) F$46,348,919.18 – (104% of CE) • FCA Option: Company Estimate (CE) F$42,832,292.00 vs Negotiated Value (NV) F$46,050,922.21 – (108% of CE) 2) To progress award in line with the Delivered Duty paid (DDP) incoterm considering the following value propositions: • EPC schedule risk management in view of circa 300mmscf/d as per Q4 2024 OSD • Approval to use DDP incoterm had been obtained and subsist for the earlier scope under this contract. Contractor is IDD cleared on Tier 3 till September 2024 3) To vary the SEFLAM SGL's contract CW361425, in line with the approved award strategy for a total value of $32,367,191.51 plus ₦9,075,021,599.06 (F$ 54,393,942.96) comprising of the following: a) <u>Firm scope:</u> $27,809,351.51 plus ₦7,638,301,880.46 (F$46,348,919.18) b) <u>Provisional Sum</u>: $4,557,840.00 plus ₦1,436,719,718.60 (F$8,045,023.78) to cater for identified reimbursable items. 4) To process eLDL approval for F$15,000,000.00 to enable early work and placement of order for LLI's pending NAPIMS concurrent approval of award 5) For contract time extension to 30th June 2025 to enable delivery of the project based on completion schedule of 28 months submitted by the Contractor		54,393,942.96		17/11/22	

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<td><u>VO 2</u>
To process eLDL release for F$25,789,169.75 in line with MCB approval ref: SPDC_MCB_23_03_8 and representing a 6month spend outlook on the EPU 2 Project Facilities scope hence, enabling commencement of early work and placement of order for LLI's pending NUIMS concurrent approval of award.
<u>Note:</u>
NUIMS had issued a letter of comfort pending a formal communication of contract approval
The requested eLDL is exclusive to the firm scope as the reimbursable and optional scopes are not considered and outstanding</td>
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<td>22/05/23</td>
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<td><u>VO3- Part A1 – Turbo Trays Scope</u>
1) Inform MCB of proposed update to the contracting strategy for the procurement and installation of the Shell Turbo Tray (STT) in Gbaran CPF. This follows earlier strategy presented to the MCB award to the lowest or second lower bidder of Uzu Pkg 3 tender, considering the tender discontinuation.
2) Seek MCB approval for the following with respect to the STT installation Project:
a) Licensing Fees and Technical support:
i. Conclude commercial discussions with Shell Global Solutions International (SGSi) for the proprietary technology. NAPIMS will be requested to take the lead role in view of affiliate sourcing considerations.
ii.Effect award and payment to SGSi via CTR process
b) Procurement and installation of two units of STT in Gbaran CPF
i.Vary Seflam SGL Uzu Projects Facilities Contract CW361425 to execute this scope based on schedule considerations and alignment with NAPIMS.
ii. Request for commercial bids from Seflam and proceed with commercial negotiations based on negotiation mandate approval from NLNG Supplies Project Manager and SC Commercial Manager Projects. Revert to MCB with the outcome.
3) To cancel Uzu Pk 3 tendering process for which commercial bids were opened on 11th September 2020 and communicate discontinuation of the tender to the bidders</td>
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<td>Dec 2022</td>
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<td><u>VO4- Part B – Turbo Trays Scope</u>
1. Inform MCB that commercial negotiations have been held between SPDC JV and SGSi on the EUR8mln quote for License Fees and hardware (net of taxes and equipment delivery cost) for deployment of Shell proprietary Turbo Tray technology in Gbaran Trains with the following outcome:
a) EUR500,000 discount
b) Extension of Gbaran License to cover deployment of STT for three additional projects - HI, HA and Soku Train 2.(This excludes equipment, shipping, installation, and onsite support cost). The cost avoidance is ca Eur16m.
2. Seek MCB approval of the following:
a) Outcome of commercial negotiation with SGSi for Gbaran deployment as follows:
<table>
<tr><td>Scope</td><td>EUR (Net of taxes)</td></tr>
<tr><td>Turbo Tray Equipment for two trains at Gbaran [OEM Cost excluding EPC contractor's 12% delivery mark-up]</td><td>715,137.61</td></tr>
<tr><td>License Fee [engineering, warrantees, remote support services at installation and start-up]</td><td>6,784,862.39</td></tr>
<tr><td>TOTAL</td><td>7,500,000</td></tr>
</table>
b) Award Procurement scope (Hardware for Gbaran CPF):
i) Vary Seflam SGL Ltd's Uzu Facilities Contract CW361425 by EUR800,954.12 for procurement and delivery of turbo trays to Gbaran (being the OEM cost plus Seflam's 12% contractual reimbursable delivery markup).Note: Installation scope is subject of a subsequent MCB submission.
ii) Payment of 50% by effective date of the Sale Agreement and 50% on notification of shipment readiness
c) Award License Fees and Technical support scope:
i) Process CTR or FI payment of EUR6,852,711.01 to SGSi (being the negotiated license fee plus 1% NCDF)
ii) Payment of 10% upon the Effective Date of the License Agreement signing; 40% upon written confirmation from SPDC instructing SGSi to place an order for the Turbo Trays; 25% each upon demonstration of Performance of the first train and second trains of the Plant
d) Raise eLDL for full sum of EUR7,653,665.14 or U$ equiv. and proceed with commitments pending NUIMS approval
e) Transaction currency in Euros or USD equivalent at time of CTR /PO placement</td>
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<td>EUR800,954.12 = $881,049.54</td>
<td>March 2023</td>
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<u>VO5a</u>
1. To notify MCB of receipt of three cost escalation requests from the Uzu Project Facility contractor for the total sum of $29,137,657.49 + ₦10,799,434,372.06 (F$41,783,365.19 @₦854/$1 as detailed below
<table>
<tr><td>VP</td><td>Milestone</td><td>$</td><td>NGN</td><td>F$@₦854/$1</td></tr>
<tr><td>2</td><td>Construction+ Precomm+ Com</td><td>116,205.72</td><td>5,920,288,084.45</td><td>7,048,627.36</td></tr>
<tr><td>3</td><td>Mob/Proj Mgt/ DD</td><td>1,749,735.60</td><td>4,879,146,287.61</td><td>7,463,021.65</td></tr>
<tr><td>4</td><td>Procurement</td><td>27,271,716.17</td><td></td><td>27,271,716.17</td></tr>
<tr><td colspan="4">Total</td><td>41,783,365.19</td></tr>
</table>
2. To obtain MCB approval:
a. To aggregate the three variation proposals (VP) and progress discussion with contractor as a Lot
b. For a negotiation mandate within a range of [Aspiration - 90%; Fallback - 95% and Walk Away - 100%] of the assured company estimate for the three variation proposals.
c. To negotiate and update the contract rates for variation within a 90%-100% of the CE as shown in the (2b)range above.
3. To include 3% HCD to the negotiated outcome and transfer to the central account managed by SPDC NC team.
4. To sign off Part-C2 at Line level and award VO to Contractor without recourse to the Board if the negotiation mandate is achieved.
5. To process e-LDL release for the full negotiated sum and Increase ACV to execute the VO pending NUIMS approval.
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<td>41,783,365.19</td>
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<td>Jan 2024</td>
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REASON FOR THIS VARIATION ORDER

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

The Uzu project is a part of the Gbaran Asset Capacity Maximization (GACM) project aimed at sustaining the SPDC gas supply commitment to NLNG T1-T6 by maximising the installed capacities of Gbaran CPF and Soku Gas Plants with limited Capex exposure. The project aim is to develop 815Bscf (UR) gas and 11.3MMstb (UR) Oil and Condensate from Uzu field, and add approximately 220 MMscf/d of gas production capacity to the NLNG T1-T6 supply. The primary surface scope comprises of: construction and extension of a remote manifold with gathering flowlines; a 16" x 18km bulkline for gas; an oil line (6" x1km); and a tie into existing Zarama oil bulkline and Gbaran CPF.

The project is presently at about 51% completion with procurement of the long lead items presently at 45%. The overall project completion status is depicted in Table 1 below:

Table 1		
MILESTONE	WORK ELEMENT	% COMPLETION
MS 1	Mobilization	92%
MS 2	Project Management	50%
MS 3	Engineering	96%
MS 4	Procurement	45%
MS 5	Shop fabrication works (inc. inspection & testing)	0%
MS 6	Construction and installation (inc. inspection & testing)	6%
MS 7	Pre-commissioning and commissioning	0%
MS 8	Flawless Project Delivery, Asset Management	0%
MS 9	Demobilization	0%
Overall Project Completion		**51%**

CONTRACTOR had initially submitted a cost escalation request in September 2023 (VP 1), which they subsequently withdrew. CONTRACTOR via letters dated 26th October 2023 re-submitted an updated request for increase in CONTRACT Rates based on global inflationary pressures with direct impact on cost of local goods and services. The CONTRACTOR attributed its request for variation to several factors expressed in the three letters covering VPs 2, 3 and 4. The factors and cost impact indicated are highlighted below

VP 2: - <u>Mobilisation, Project Management + Detailed Engineering</u>

1. CONTRACTOR originally submitted a tender for this project in 2019, and was awarded the project in 2022
2. A number of global factors including, but not limited to, rising energy costs across the world, rising labor costs, effects of Ukraine war on steel prices and availability have directly led to significant cost increases that have been passed on by Suppliers.

VP 3: <u>Project Execution and Commissioning Cost</u>

1. Factors 1 and 2 above apply
2. Devaluation of the Naira, fuel subsidy elimination, record inflation of approximately 20% per year, removal of fuel subsidy, massive labor migration

VP 4: - Procurement Cost

1. Factors in VP 2 & 3 above apply
2. CONTRACTOR found the FEED documents provided by COMPANY to CONTRACTOR vastly underestimated the quantities of several critical items. The quantities and technical specifications only became evident after significant progress in detailed engineering design. In fact, quite a number of specifications were completely missing in the FEED documents
3. Stringent requirement of materials/equipment from certain vendors, for example, Solartron that are not on the Technically Approved Manufacturers and Product (TAMAP)
4. Significant additional costs for the procurement of items such as well head control panel, surface hydraulic system, choke valves, shut, valves, duplex stainless steel, and stainless-steel piping materials, all of which have peculiar specifications per COMPANY Design Engineering Practice.

Cost Impact:

The three cost escalation requests submitted by Seflam amounted to an additional $29,137,657.49 + ₦10,799,434,372.06 (F$41,783,365.19 @₦854/$1 and represents a 171% increase over the original ACV of F$24.380m for the corresponding work elements

Table 2				
s/n	**Milestone**	**$**	**NGN**	**F$@₦854/$1**
VP2	Construction+ Precomm+ Commissioning	116,205.72	5,920,288,084.45	7,048,627.36
VP3	Mob/Proj Mgt/DD	1,749,735.60	4,879,146,287.61	7,463,021.65
VP4	Procurement	27,271,716.17		27,271,716.17
Total – Contractor's VP		**29,137,657.49**	**10,799,434,372.00**	**41,783,365.19**
Company Estimate		**14,112,239.00**	**8,034,568,302.00**	**23,520,399.00**

<u>Negotiation Mandate and Post MCB Update</u>

Premised on the foregoing, MCB was engaged, and approval received on 10th January 2024 :

a. To aggregate the three variation proposals (VP) and progress discussion with contractor as a Lot
b. For a negotiation mandate within a range of [Aspiration - 90%; Fallback - 95% and Walk Away - 100%] of the assured company estimate of FUS23,520,399@₦854/$1) for the three variation proposals

On the 26th January 2024, the negotiation was held with Seflam with NUIMS in attendance. Following protracted discussions, the session closed with Seflam offering F$28m to JVs F$23.5m and request by NUIMS for Seflam to conduct a detailed review of their cost basis with a view to converging and revert with a final position.

Seflam reverted to the JV on the 29th January 2024 advising that the offer of F$28m remains unchanged and this is their final position – ref Attachment 2. This reflects a F$13,783,365.19 (33%) reduction against the original variation request, but is 19% (F$4.48m) above the negotiation mandate

Table 3				
Seflam's Cost Escalation Request (VP 2 to 4)	**FUS@N854**	**Reduction post Negotiation**	**% of CE**	**US$: NGN split**
Company Estimate (November 2023)	23,520,399.00		100%	60% : 40%
Initial Cost Escalation request (October 2023)	41,783,365.19		178%	70% : 30%
Revised Offer (Jan 2024)	28,000,000.00	33%	119%	70% : 30%

The CMT requests MCB approval to progress with awarding the VPs to Seflam at their last stated offer of F$28m noting that:

a. The company estimate (CE) was built on cost escalation index applied to the balance of the scope without consideration for some procurement items for which by Company instruction, the OEM was changed thereby leading to cost increase not compensated for by an escalation. e.g Wet Gas Meter from F$652,500 to F$4,153,745.91 (F$3,501,245.910 increase). This is noting that the overall variance in procurement related items highlighted by contractor is F$14,458,979.52 from an initial F$6,849,466.48 to F$21,308,466.00 and supported by the open book costing done with the contractor reflected in table 4 below
b. The company estimate (CE) did not consider the gaps in the FEED which inadvertently introduced scope increase hence, the escalation prices of outstanding works is insufficient to cover the cost of these gaps
c. The CMT hadn't factored the impact of delayed processing of the VPs arising from additional storage costs. Contractor had in their response of 29th January 2024 shown email evidence of accruing storage cost on account of incomplete/delayed payment of procurement packages held in OEM facilities. (See attachment 2)
d. Further negotiation or price drop may prove counter-productive as the contractor may become constrained in delivering the scope with a potential fall-back to company for further cost review and escalations to compensate for the passage of time

e. Volatilities in the market persists. Early commitment is a potential hedge against further price increases due to exchange rate /naira devaluation.
f. Seflam had indicated insufficiency of the rates for variation in the contract hence, a proposed adoption of 57.5% for the Naira element and 10.2% for the dollar uplift in the rates for variation as per the CE and to reflect market realities in subsequent variations if any.

s/n	Cost Estimate (CE)			Other Costs Not Considered By CE			Table 4
	NGN	USD	FUSD				Comment
1	8,034,568,302.00	14,112,239.00	23,520,399.00				Based On Cost Escalation
				Cost At Tender	Cost Post Award	Variance	
2				652,500.00	4,153,745.91	3,501,245.91	Wet Gas Meter As Per PMT Specs
3				1,676,923.10	4,818,949.30	3,142,026.20	Neway Valves
4	Sub-Total		23,520,399.00		-	6,643,272.11	Sum of Row 4
5	Total		30,163,671.11		-		
6	Total			4,520,043.38	12,335,750.79	7,815,707.41	Aggregated cost of procurement items not considered (Surface Hydraulic System/Piping/Well Head Control Panel/FAR/Choke Valves)

NB. As per point 1 above, the company estimate at F$23.52m plus 2 areas of procurement variance (Wet Gas Meter/Manual &SD Valves) at F$6.64m brings the value to F$30.16m which is above the contractor final offer of F$28m hence, the MCB ask to approve the negotiation outcome.

JUSTIFICATION

Value proposition:
1) Contract execution continuity enabling project delivery and production of circa 220mmscf/d from Uzu
2) Schedule slippage risk containment as contractor has highlighted constraints with meeting its payment obligation to its procurement vendors.
3) Value retention of already sunk cost as timely resolution will enable value release within the negotiated and agreed variation sum
4) Cost avoidance related to claims arising from OEMs and vendors awaiting payment obligations by contractor.
5) From the discussions held with the contractor, further reduction on their current offer appears unlikely.

FINANCIAL STATUS

Consolidated view for UZU+EPU phase 2+STT scope:

Original ACV (a)	Total value of all previous VOs (b)	Commitments to date	ACV for this VO (c)	Total value of all previous VOs + this VO/Original ACV (b+c)/a
F$	F$	F$	F$	(%)
38,361,383.71	0.00	26,382,369.43	67,201,383.71	175%

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)

- ACV increase to cover the negotiated sum for execution of this VO
- Schedule protection as timely resolution will negate need to revise RFSU/MC dates
- An updated and unified contract rates for variation enabling ease of usage and transparency in determining subsequent variation scopes.
- This variation is covered by the GIP. PMT will continue to monitor the EAC and report immediately to the DRB if delivery within the GIP is threatened

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 negotiation team, shall at the minimum consist of the Contract Holder, CP support and NUIMS nominee
Pricing structure will be consistent with the structure of the contract

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
Good	Good	Good	Good	Good

Approval to use DDP incoterm had been obtained and subsist for the earlier scopes in this contract.

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.

Business performance reviews, Management meetings and weekly review meetings are being held to manage all the issues related to the project for effective execution and progress. The existing reviews and structure will cover this variation cope.

There is presently a risk management plan in place as per the DDP incoterm however, the required actions are still pending as no materials have arrived in Nigeria yet.

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%		N/A
Award recommendation	Fabrication/ Construction - Pipeline Systems	 100%	 100%		
Award recommendation	Installation, Hook-up, and Commissioning - Welding and Jointing - Pipe/ cable laying services - Trenching & Excavation	 60% 100% 90%	 100% 100% 100%		
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	Same as the Award Recommendation / Base Contract – No Change				

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.***

b. Confirm NCDMB directives in Commercial Evaluation Report (if any) have been closed? Commercial report was approved in Oct 22 with all directives closed. The contract NCCC was approved for sign-off by NCDMB for Uzu and EPU2. The NC plan and the Commercial report has been approved for the Turbo Tray while the NCCC is being developed and approval with be sought from NCDMB thereafter.

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	Not applicable	Not applicable
2	Human Capital Development (HCD)***	Not Compliant yet	The HCD plan is being reviewed by the NCD team, CMT and the contractor. As at 28th Nov,23 the NC team has requested the contractor to make further updates to enable review/closure.
3	Capacity Development Initiative (CDI)	Not Applicable	Not applicable
4	Technology Transfer	Not Applicable	Not applicable
5	Marine Vessel Utilization	Not Applicable	Not applicable
6	Nigerian Content Equipment Certificate (NCEC)	NCEC is in place and valid till Sept 2024 as per NCEC/FC-C-3/0911	Not applicable
7	Expat Quota (EQ)	Not Applicable	Not applicable

NIGER DELTA CONTENT /COMMUNITY CONTRACTING EXECUTION PLAN

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

No Change to the existing plan as per the frame wok below. Remains the same as for Uzu conditions. Contractor is expected to honour subsisting GMOUs, new PGMoUs and NCD Plan within the project area. NCCC is approved.

Provide evidence of

S/N	Compliance Requirement	Provide evidence (as applicable)	Describe actions to address compliance gaps (if applicable)
1	Community Content & Involvement	Describe subcontract and employment opportunities ring-fenced to host communities. Several contracts which include surveillance, cleaning and horticulture, Community trust and support/man-power contract, minor civil works in progress	

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	CMT/BR
Cost Escalation / Inflation	M	H	Timely reviews, agreement, and issuance of PO	CMT
Resource /capacity overstretch	M	H	Monitor to ensure adequacy of resource planning/loading for execution of the full project scope	CH/PS
Schedule Slippage	H	H	Timely reviews, agreement, and issuance of PO	CMT/BR

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 Green July 2024.**
iv) *Contract HSSE Action Plan OR HSSE Plan – State:* ***Remains valid.***
v) ***Seflam is IDD cleared on tier 3 till September 2024***

Attachments

1. Company Estimate

   Uzu Facilities Contract Cost Escalati

2. **Delayed payments and additional costs arising from storage**

   commercial Invoice for storage cost from SSGL-UZU-MS-0001 | RE Seflam PO SSGL-UZU-MS-0001 | Fwd_ Seflam PO_ SSGL-UZU-MS-0001

3. **Feedback from Seflam on Negotiation**

   Re_ Uzu Facilities Project (Negotiation M

4. Last MCB Feedback

   RE_ SPDC MCB MoM_ Item 3 - EPC fo