



## MINUTES OF MEETING

### SSAGS - CEIP BENISEDE NODE NEGOTIATION/CLOSE OUT MEETING

**Date:** 31<sup>st</sup> January 2023

**Venue** Sapphire Hall – Eko Hotel Lagos

**Time:** 14.30 -17.30 Hrs

**Attendees:**

No	NAMES	COMPANY
1	Tiamiyu Bashir	NUIMS
2	Nuruddeen Yusuf	NUIMS
3	Onyebuchi Ogbuiké	NUIMS
4	Sebastian Eze	NUIMS
5	Olalekan Olaniyan	NUIMS
6	Abdullahi Umar	NUIMS
7	Priscilla Okwosha	NUIMS
8	Pendo Lawani	SPDC
9	Peter Oluwatumise	SPDC
10	Ahmed Abubakar	SPDC
11	Chinasa Ajaero	SPDC
12	Ali Kadafur	SPDC

No	NAMES	COMPANY
1	Samuel Odikpo	INCOME
2	Oluwaseun Taiwo	INCOME
3	Anderson Agbonkhese	INCOME

1.0	<b>AGENDA</b> 1. Welcome/ Introduction & Presentation of Contractor's proposals - By Contractor. 2. Questions/clarifications - NUIMS/SPDC JV. 3. Negotiation. 4. Resolutions & Closeout out.
2.0	<b>WELCOME/INTRODUCTION &amp; PRESENTATION OF VP</b>
2.1	Meeting started at 14.45 hrs with the introduction of attendees. Thereafter, NUIMS gave a welcome note followed by opening remarks by SPDC and INCOME ELECTRIX LTD (CONTRACTOR).  <ul style="list-style-type: none"> <li>NUIMS welcomed all to the meeting having introduced their team, implored all to be objective with a view to closing out the negotiation promptly to enable return to site. The JV expressed dismay over CONTRACTOR's decision to leave site in contravention of the provisions of the Contract on variation request. It is expected that the Contractor will continue with the works while its submitted variations are addressed in line with the Contract.</li> <li>SPDC (the Operator) introduced its team, thanked NUIMS for making out time for the meeting and commended CONTRACTOR for the timely and safe delivery of the pre-construction survey scope, and for the offsite works executed in 2022 which contributed to overall progress of the project. SPDC expressed optimism for a successful negotiation.</li> </ul>

	<ul style="list-style-type: none"><li>• CONTRACTOR after introducing its team, requested the JV to consider the numerous challenges highlighted in its variation proposals.. CONTRACTOR further informed of its effort to progress other offsite works like pre-cast foundations in Warri and the implementation of HCD training despite negative cash flow on the project.</li></ul>																														
3.0	<p><b>QUESTIONS/CLARIFICATION</b></p> <p>In response to questions on the basis for the variation and cost build-up, Contractor clarified as follows:</p> <ul style="list-style-type: none"><li>• Major cost drivers are escalation in the cost of marine equipment lease, and the associated fuelling requirements (diesel and petrol).</li><li>• Contractor had shared details and evidence with the Operator showing cost pressure from its sub-contractors and suppliers</li><li>• Contractor has factored all risk (schedule, weather, etc.) into this variation proposal hence no future variation will be entertained on this project.</li></ul>																														
4.0	<p><b>NEGOTIATION</b></p> <p>Contractor declined the JV’s proposal to negotiate the Variation Proposal (VP) and claim as a combined lumpsum, preferring separate negotiation given that the claim represents sunk cost.</p> <ul style="list-style-type: none"><li>• Contractor’s ACV increase VP: NGN 2,295,861,380.73</li><li>• Contractor’s aborted mobilisation claim: NGN47,856,000.00</li></ul> <p>Table 1: ACV Increase VP offers/counteroffers:</p> <table><tr><th>OFFERS</th><th>INCOME (NGN)</th><th>JV (NGN)</th></tr><tr><td>1<sup>st</sup></td><td>2,181,068,311.69</td><td>Nil</td></tr><tr><td>2<sup>nd</sup></td><td>2,066,275,242.66</td><td>1,276,346,541.17</td></tr><tr><td>3<sup>rd</sup></td><td>2,000,000,000.00</td><td>1,800,000,000.00</td></tr><tr><td>4<sup>th</sup></td><td>1,950,000,000.00</td><td>1,800,000,000.00</td></tr><tr><td>Closing</td><td>1,950,000,000.00</td><td>1,800,000,000.00</td></tr></table> <p>Aborted Mobilisation Claim offers/counteroffers:</p> <table><tr><th>OFFERS</th><th>INCOME (NGN)</th><th>JV (NGN)</th></tr><tr><td>1<sup>st</sup></td><td>47,856,000.00</td><td>Nil</td></tr><tr><td>2<sup>nd</sup></td><td>47,856,000.00</td><td>40,585,500.00</td></tr><tr><td>Final</td><td>40,585,500.00</td><td>40,585,500.00</td></tr></table>	OFFERS	INCOME (NGN)	JV (NGN)	1 <sup>st</sup>	2,181,068,311.69	Nil	2 <sup>nd</sup>	2,066,275,242.66	1,276,346,541.17	3 <sup>rd</sup>	2,000,000,000.00	1,800,000,000.00	4 <sup>th</sup>	1,950,000,000.00	1,800,000,000.00	Closing	1,950,000,000.00	1,800,000,000.00	OFFERS	INCOME (NGN)	JV (NGN)	1 <sup>st</sup>	47,856,000.00	Nil	2 <sup>nd</sup>	47,856,000.00	40,585,500.00	Final	40,585,500.00	40,585,500.00
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5.0	<p><b>RESOLUTIONS &amp; CLOSE OUT</b></p> <ul style="list-style-type: none"><li>• The ACV increase VP negotiation was deadlocked with Contractor’s closing offer of NGN1,950,000,000 as against the JV’s NGN1,800,000,000. Contractor was however requested to present the JV’s closing offer to its (Income Electrix’s) management for consideration and communicate decision through the operator (SPDC) within 48 hours.</li><li>• There was convergence on the aborted mobilization claim between Contractor and the JV at N40,585,500.00.</li><li>• The meeting was adjourned to enable further consultations and alignment between the Contractor and the operator.</li></ul>																														




In closing NUIMS thanked the Contractor for their openness and clear presentation at the meeting and requested for continuous collaboration on the CEIP.  
CONTRACTOR thanked the JV for the opportunity and requested for every support possible to enable seamless delivery of the project.

#### POST NEGOTIATION

Contractor after consultation with its management reverted the operator with a revised offer of **NGN1,900,000,000.00** on the 6th of February 2023 which is acceptable to the JV.

NUIMS Team Lead:

  
BASHIR TIAMIYU (Feb 14, 2023 13:32 GMT+1)

Tihamiyu Bashir

Date: 14/02/2023

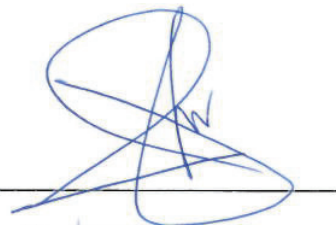
SPDC Team Lead:



Pendo Lawani

Date: 14/02/2023

INCOME Team Lead:

  
Samuel Odikpo

Date: 14-02-2023

**Note: All Resolutions and Contents agreed are subject to NUIMS Management approval.**