

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

GI NUMBER
20.520-1

ISSUING ORG. PROGRAMS, FORECAST & ANALYSIS DEPARTMENT.

ISSUE DATE
01/01/2001

REPLACES
12/01/1997

SUBJECT INSTRUCTIONS FOR PREPARING A PROJECT CHANGE REQUEST
(SAUDI ARAMCO FORM 3000-C)

APPROVAL
MZI

PAGE NO.
1 OF 5

CONTENT: This General Instruction Supplement describes the information required to complete the Project Change Request (PCR) Form. Please refer to the sample on Page 4. Numbers on the sample refer to the following items:

1. ER No. The approved Expenditure Request number. A PCR applies to only one ER. If a change affects multiple ERs, a separate PCR must be prepared for each ER.
2. Related JO No(s). All the Job Order Numbers impacted by the PCR. (While a change might impact several individual JOs, the PCR should describe the total impact upon all JOs in the ER.)
3. Request Date. Preparation date of the PCR.
4. PCR No. The serial number of this PCR. While either the Proponent or PMT may initiate a PCR, the PMT is responsible for assigning PCR numbers. PCRs should be numbered sequentially; however, they need not be processed in serial number order.
5. ER Title. The complete title according to the approved ER Brief.
6. Project Dept. Name of the responsible Project Management Department. Initials, abbreviations or acronyms should be avoided.
7. Proponent Dept. Name of the Department that requested the project. Initials, abbreviations or acronyms should be avoided.
8. Initiated By. The initiator's full name and telephone number. Initials, abbreviations or organization names should be avoided. Omission of name or telephone number may delay processing if more information or clarification is required.
9. Description and Justification of Change. This section provides a full description, analysis and justification of the proposed change. Attach extra pages if necessary. It should include, but is not limited to, the following:
 - a) Description of original scope
 - b) Discussion of intervening factors requiring a change
 - c) Description of proposed scope change
 - d) Cost breakdown of changes with additions and deletions shown separately
 - e) Economic evaluation and analysis
 - f) Schedule analysis
 - g) A discussion of the justification for the scope and/or Onstream Date change
 - h) Indication whether approval of the PCR will result in ER overrun
10. Reason for Project Change Request. Utilizing the classifications identified on the back of the PCR form (Saudi Aramco 3000-C) and repeated on page 5 herein select the item code number(s) which best represents the description, analysis, and justification of the proposal identified in detail in the narrative (section 9), for the PCR's cost and/or schedule change and input it in the appropriate Cost or Schedule box. If there is more than one reason, in either category of cost and/or schedule, input all the corresponding code numbers in the appropriate box. Using code numbers does not eliminate the full description narrative in Section 9.
11. PCR Cost Status (\$000). This section provides an overview of previously approved PCR costs and a detailed cost analysis of proposed scope changes. Positive and Negative Expense and Capital costs components must be shown separately.

* CHANGE

** ADDITION

NEW INSTRUCTION ☐

COMPLETE REVISION ☐

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MZI

PAGE NO.
2 OF 5

Previous Approved Cost of PCRs approved after original ER approval (and subsequent to any Redefinition action) and before this PCR.

Pending Cost of PCRs that have been initiated but have not yet received final approval.

This PCR Engineering, Material, Construction and Total Cost for the PCR being submitted.

Cumulative Total The total cost of all the above categories.

12. ER Cost Status (\$000). This section presents the ER Cost Status as of the PCR Request Date. This governs the approval level required for the PCR. Lower levels of management may approve a PCR when the Current Forecast is at or below Approved Funds. Only Executive Management and above can approve a PCR when the Current Forecast including approved and pending PCRs exceeds Approved Funds. The exception to this is for Projects that are in an ER overrun situation, which have been previously approved by Management, that are processing a PCR for a "schedule only change". The approval authority is based on the Onstream Date delay indicated in block 14B. Any scope changes however, will require Executive Management or above approval for these projects.

Approved Funds The current approved funding according to the original ER and any Supplements and/or Partial Cancellations as approved by the President & Chief Executive Officer, Board of Directors or the Executive Committee of the Board of Directors (EXCOM).

Current Forecast Including PCRs Current ER Cost Forecast for the approved scope of work including all approved PCRs plus the forecast for the PCRs that have been initiated but have not yet received final approval, including the PCR being submitted.

13. ER Onstream Date. This section shows Onstream date status.

Approved For the first date change, this is the Expenditure Request Completion (ERC) Date in the approved ER Brief. This is equivalent to the Onstream Date and the Performance Acceptance Certificate approval date. For subsequent date changes, this is the Onstream Date approved by the most recent PCR.

Forecast The new Onstream Date based upon the PCR under review.

Change +/- Months The number of months added to or subtracted from the Approved Onstream Date to give the Forecast Onstream Date.

14. Approval Levels. This section determines the authority level required for approval of the PCR under review. The level is determined by two factors:

1. The relationship between the Current Forecast including PCRs and Approved Funds (Block 12).
2. The magnitude of the PCR's change in cost and Onstream Date, or both. Larger changes require higher approval levels (Blocks 11 & 13).

The method to determine the required approval level is as follows:

1. Review the ER Cost Status in Block 12.

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APPROVAL
MZI

PAGE NO.
3 OF 5

- a) If the Current Forecast is equal to or less than the approved funding, the approval level will be determined in Block 14A.
- b) If the Current Forecast including PCRs exceeds the approved funding, the approval level for a scope cost change arising from this PCR will be determined in Block 14C.
- c) If the Current Forecast including PCRs exceeds the approved funding and the PCR is for a "schedule only change", the approval authority for PCR is based on the Onstream date delay indicated in Block 14B.

Note: Approval of the PCR does not change approved ER funding, nor does it approve a cost overrun.

2. Determine the magnitude of cost changes arising from the PCR under review.

- a) Add Capital positive plus Expense positive of the PCR; then, divide this sum by Approved ER Funds to determine change percentage.
- b) Add Capital Negative plus Expense Negative; then, divide this sum by Approved ER Funds to determine change percentage.

The larger absolute value of either of the two cost changes or the two percentages, which ever is greater, determines approval level based on the cost basis. Place an "X" at the approval level Block 14A corresponding to the magnitude of the change as described above.

- c) If the Forecast Onstream date changed from the Approved Onstream Date, place an "X" at the approval level(s) corresponding to the magnitude of the delay in Block 14B.

The highest level of approval indicated in Block 14A, B or C shows the approval authority required for the PCR under review. For Project Management, the approval authority of General Manager has been delegated to Department Head. However, the General Manager will review all items that require Vice President approval. For Proponent Organizations, if the General Manager position does not exist, PCRs requiring General Manager approval are routed to the Admin. Area Head for approval.

15. Approval. This section provides signature blocks.

Refer to General Instruction 20.520, Paragraph 3.3 for routing instructions.

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APPROVAL
MZI

PAGE NO.
4 OF 5

PROJECT CHANGE REQUEST

Saudi Aramco 3000-C (9/92) GI 20.520

ER No. 1 2 Related JO No.(s)

Request Date 3 PCR No. 4

ER Title 5 Project Dept. 6 Proponent Dept. 7 Initiated By 8

Description and Justification of Change:

9

REASON FOR PROJECT CHANGE REQUEST

Cost: 10

Schedule:

PCR COST STATUS (\$000)

APPROVAL LEVELS

				FORECAST ≤ ER AMOUNT		ER ONSTREAM DATE CHANGE	
CAPITAL		EXPENSE					
POS	NEG	POS	NEG				
Previous Approved	_____	_____	_____	(1) _____	Cost Deviation less than 1% of ER or or \$250,000 whichever is lower.	(2) _____	1 Month or less
Pending	_____	_____	_____	(2) _____	Cost Deviation less than 2.5% of ER or \$500,000 whichever is lower.	(3) _____	2 Months
This PCR:						(4) _____	3 Months
Engineering	_____	_____	11	(3) _____	Cost Deviation less than 5% of ER or \$1,000,000 whichever is lower.	(5) _____	More than 3 Months
Material	_____	_____	_____				
Construction	_____	_____	_____	(4) _____	Cost Deviation less than 5% of ER or \$5,000,000 whichever is lower.		
Total	_____	_____	_____	(5) _____	Cost Deviation less between 5% and 10% or \$5,000,000 and \$10,000,000 whichever is lower.	(4) _____	Increased cost less than 5% of ER or \$5,000,000 whichever is lower.
Cumulative Total	_____	_____	_____			(5) _____	Increased cost less than 10% of ER or \$10,000,000 whichever is lower.
ER COST STATUS (\$000)				Mgr., Facilities Planning		Capital Programs – Finance	

ER COST STATUS (\$000)

		APPROVAL LEVELS	
		PROPOSER	PROJECT
Approved Funds	12 _____	(1) Div. Head	(1) Div. Head
Current Forecast Including PCRs	_____	(2) Dept. Head	(2) Dept. Head
ER ONSTREAM DATE		(3) Gen. Mgr. 15	(3) Gen. Mgr. (AA)
Approved	13 _____	(4) Admin. Area Head	(4) Admin. Area Head
Forecast	_____	(5) Business Line Head	(5) Business Line Head
Change +/- Months	_____		

* CHANGE

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APPROVAL MZI	PAGE NO. 5 OF 5

REASON FOR THE PROJECT CHANGE REQUEST

1. SCOPE

- 1.1 Safety & Security
- 1.2 Standards & Specifications Updates
- 1.3 Maintainability, Reliability or Operability
- 1.4 Design/HAZOP Review Changes
- 1.5 Preferential (Beneficial) Design Changes
- 1.6 Differing Site Conditions
- 1.7 Existing As-Built Drawings Discrepancies
- 1.8 IFB to IFC Changes
- 1.9 Other

NON-SCOPE

2. Contractor

- 2.1 Inadequate Contractor Planning
- 2.2 Design Errors & Omissions
- 2.3 Contractor Mobilization Delays
- 2.4 Inadequate Contractor Performance
- 2.5 Insufficient Contractor Resources
- 2.6 Substandard Construction Work
- 2.7 Contractor Supplied Material Delays
- 2.8 Inadequate Contractor Experience
- 2.9 Inadequate Contractor Supervision
- 2.10 Multiple Contractor Interface or Interference

3. Saudi Aramco

- 3.1 Inadequate Project Planning
- 3.2 Plan Deviations & Omissions
- 3.3 Ordered Work Acceleration of Partial Facility
- 3.4 Saudi Aramco Supplied Material Delays
- 3.5 Contract Development/Award Delays
- 3.6 Extended Review Duration
- 3.7 Imposed Schedule Deviations
- 3.8 Approval Delays

4. Shutdown & Commissioning

- 4.1 Shutdown Timing Changes
- 4.2 Startup & Commissioning Delays

5. Other Organizations/Miscellaneous

- 5.1 Government Reviews & Approvals
- 5.2 SCECO Delays
- 5.3 Other BI Interfaces
- 5.4 Miscellaneous Other