SCHEDULE G

MATERIALS, TOOLS, AND EQUIPMENT

For the purposes of this Schedule “G”, “COMPANY” shall mean the counterparty to the CONTRACTOR executing this Contract as reflected on the Signature Sheet.

1. COMPANY-SUPPLIED MATERIAL, TOOLS AND EQUIPMENT
   1. The Materials listed on Attachment I to this Schedule shall be furnished to CONTRACTOR, by COMPANY, or, if applicable, to the Construction Contractor in Saudi Arabia, during normal working hours from the locations noted on Attachment I to this Schedule, at no cost, and in usable condition subject only to repairs or reconditioning normal to material received at a fabrication yard or construction site.
   2. The tools and equipment listed on Attachment I to this Schedule shall be furnished to CONTRACTOR by COMPANY during normal working hours from the locations noted on Attachment I to this Schedule on an "as is, where is" basis.
   3. CONTRACTOR shall be responsible for safeguarding COMPANY-supplied Materials, tools, and equipment and ensuring that they are treated with due care, properly maintained, and used and operated in a prudent manner.
   4. CONTRACTOR shall be responsible for the preservation of COMPANY-supplied Materials, tools and equipment as specified in all applicable specifications, manufacturer recommendations, and COMPANY standards. If there is any ambiguity, conflict or inconsistency between the applicable specifications, manufacturer recommendations, and COMPANY standards, the highest standard shall apply.
   5. CONTRACTOR shall implement a materials management system acceptable to COMPANY for COMPANY-supplied Materials, tools, and equipment. The materials management system shall provide inventory records, physical location, and reconciliation reports for COMPANY-supplied Materials, tools, and equipment, including quantities received, issued for installation, installed, scrapped, lost, damaged, and available for use.
   6. CONTRACTOR shall issue a COMPANY-supplied Materials report monthly, or as otherwise requested, reporting on the status of COMPANY-supplied Materials, tools, and equipment. The report shall include inventory figures, COMPANY Material Master numbers, physical location (e.g. Job Site, Lay Down Yard, warehouse, etc.) and safety related records for hazardous Materials.  CONTRACTOR shall submit the COMPANY-supplied Materials report using SAUDI ARAMCO Supplier Portal (CPR Tab) or SAUDI ARAMCO Enterprise Project Management (EPM) System, or as otherwise directed by COMPANY.
   7. Upon completion of the WORK, or at any other time as directed by Company Representative, CONTRACTOR shall reconcile, document, and close accounts as required by COMPANY, and shall properly pack, identify and return unused or reusable COMPANY-supplied Materials, tools, and equipment to any COMPANY designated location that shall be no further from the WORK Site than the original delivery point of such items. The condition of all returned COMPANY-supplied Materials, tools, and equipment shall be as good as when received by CONTRACTOR, normal wear and tear excepted.
   8. COMPANY shall be responsible only for loading and unloading COMPANY-supplied items located within a SAUDI ARAMCO-operated Materials Supply facility. CONTRACTOR or the Construction Contractor shall provide ten (10) COMPANY work days’ advance written notice of its marine vessels' arrival at a commercial port or SAUDI ARAMCO wharf facility for receipt of COMPANY-supplied items. CONTRACTOR shall be represented at the loading or unloading for its entire duration, and shall sign a receiving form attesting to the quantity and condition of the COMPANY-supplied Materials, tools, and equipment upon receipt.
   9. All COMPANY-supplied Materials, tools, and equipment deemed by the Company Representative to be unusable shall be documented as required by COMPANY, and transported by CONTRACTOR to any COMPANY designated disposal location, where CONTRACTOR shall make disposal in accordance with instructions received from the Company Representative.
   10. COMPANY reserves the right to perform periodic and random physical inventory checks, site inspections, and/or audits to verify compliance with the obligations stated in this Paragraph 1.0.
2. CONTRACTOR-SUPPLIED MATERIALS, TOOLS AND EQUIPMENT
   1. Except as provided in Paragraph 1, CONTRACTOR shall supply all Materials, tools and equipment, and all else required for the successful completion of the WORK. CONTRACTOR-supplied Materials shall be new and unused, and shall be procured in accordance with this Schedule.
   2. Notwithstanding the requirement of Attachments III, IV and V to this Schedule for COMPANY directed Materials source, CONTRACTOR supplied Materials, its sources and related services shall be selected on the basis of financial, quality, schedule and technical capability, provided that Saudi Manufacturers, vendors and carriers shall be preferred in accordance with Paragraphs 3.0 and 4.0. CONTRACTOR shall obtain COMPANY approval for the recommended bidders list before issuing a Request for Quotation for each Materials requirement for which the value exceeds Ten Thousand U.S. Dollars ($10,000).
   3. CONTRACTOR-supplied Materials shall be standardized, or have interchangeable parts with, other similar Materials being used in the construction of the FACILITIES.
   4. CONTRACTOR-supplied Materials shall comply with Saudi Standards, Metrology, and Quality Organization (SASO) requirements. If a SASO certificate is required for CONTRACTOR supplied Materials, CONTRACTOR shall promptly forward a copy of the SASO approved certificate to the Company Representative.
   5. CONTRACTOR shall supply any special tools needed to install, adjust and maintain CONTRACTOR supplied Materials and ownership of such tools after completion of WORK shall be as set forth in the Job Specification.
   6. CONTRACTOR shall proceed in strict accordance with General Instruction 202.305, which is incorporated by reference in this Contract, to assign plant numbers and affix tags.
   7. COMPANY reserves the right to reject any CONTRACTOR proposed Vendor, if such Vendor does not meet the requirements of Paragraph 1.2 of Attachment III to Schedule “Q” – Supplier and Sub-Supplier Selection.
   8. CONTRACTOR shall be responsible for any delays in provision of any CONTRACTOR-supplied Materials and any consequent impact on the project schedule, including but not be limited to those resulting from Saudi Customs not permitting the import of such Materials. Any such delays shall be solely for CONTRACTOR’s account.
3. PREFERENCE FOR SAUDI VENDORS AND CARRIERS
   1. SAUDI ARAMCO utilizes Saudi vendors and Saudi carriers for procuring and shipping a significant portion of its material requirements, and encourages its suppliers and contractors to utilize the services of these Saudi companies for a significant share of their procurement and transportation requirements for SAUDI ARAMCO projects.
   2. Whenever CONTRACTOR procures Materials or makes transportation arrangements, CONTRACTOR shall contact Saudi national vendors and carriers such as the National Shipping Company of Saudi Arabia (BAHRI), the United Arab Shipping Company (UASC), and Saudi Arabian Airlines (SAUDIA), or their representatives (full details of which may be obtained from COMPANY), and afford them the opportunity to submit bids in respect of CONTRACTOR's requirements.
4. PREFERENCE FOR SAUDI MANUFACTURERS
   1. “Saudi Manufacturers” are industrial establishments within Saudi Arabia that mine, manufacture or assemble products using local raw materials or local manpower in their production, as certified by the Ministry of Commerce and Investment of the Kingdom of Saudi Arabia.
   2. As far as is practicable, CONTRACTOR shall standardize material types, sizes and characteristics so that products of Saudi Manufacturers can be used as standard or acceptable alternative Materials.
   3. For each Material requirement whose value exceeds Ten Thousand U.S. Dollars ($10,000), and for which SAUDI ARAMCO's Approved Local Manufacturers List includes a Saudi Manufacturer, CONTRACTOR shall either directly purchase the Materials from a technically acceptable Saudi Manufacturer or develop competitive quotations including all Saudi Manufacturers. If CONTRACTOR determines to purchase such Materials from a Saudi Manufacturer, CONTRACTOR may place the order without further COMPANY involvement or compensation. Otherwise, CONTRACTOR shall comply with the following:
      1. If there are no technically acceptable Saudi Manufacturers, CONTRACTOR can place the order with a technically approved OOK Manufacturer.
      2. If there are three (3) or more technically acceptable Saudi Manufacturers, CONTRACTOR must place the Purchase Order with a technically acceptable Saudi Manufacturer without further COMPANY compensation.
      3. If there are two (2) or less technically acceptable Saudi Manufacturers, CONTRACTOR must submit to COMPANY a copy of quotations for all technically acceptable Saudi Manufacturers. CONTRACTOR shall also advise COMPANY of:
         1. The lowest technically acceptable Saudi Manufacturer quotation, including the price Ex Works (EXW) Manufacturer's plant or warehouse plus the costs of delivery to the Job Site; and
         2. The lowest technically acceptable OOK Manufacturer quotation, including the price Free on Board (FOB) port of export and a separate delivery cost breakdown of carriage, insurance, and duties from FOB port of export to the Job Site, including identification of relevant Harmonized Codes.

CONTRACTOR shall separately state the costs comprising each quotation in Saudi Riyals, converted, if necessary, at COMPANY's prevailing currency exchange rates.

* 1. Promptly after receipt of the two quotations described in Paragraphs 4.3.3.1 and 4.3.3.2, CONTRACTOR shall comply with COMPANY's direction and COMPANY shall have the right to direct CONTRACTOR to purchase the Materials from the Saudi Manufacturer. COMPANY's exercise of its right shall have no effect on any of CONTRACTOR's other obligations under this Contract, and the Materials so purchased shall be considered CONTRACTOR-supplied Materials.
  2. If COMPANY exercises its right under Paragraph 4.4, upon receipt of the Materials at the fabrication or construction WORK Site, COMPANY shall pay CONTRACTOR an amount determined by subtracting the price described in Paragraph 4.3.3.2 from the price described in Paragraph 4.3.3.1. Except for this amount, COMPANY shall pay no other compensation of any kind arising out of or as a result of COMPANY's direction.
  3. If CONTRACTOR's records do not establish CONTRACTOR's compliance with this Paragraph 4, CONTRACTOR shall pay COMPANY ten percent (10%) of the purchase price for Materials so procured.

1. ADDITIONAL MATERIALS

Should CONTRACTOR require additional Materials, COMPANY may, at its sole discretion, make available certain Materials for the FACILITIES. Such Materials shall be transferred by a letter, initiated by CONTRACTOR, and signed by both CONTRACTOR and COMPANY, and shall be considered CONTRACTOR-supplied. The price for such Materials shall be established solely by SAUDI ARAMCO at the time of the transfer. COMPANY shall accept the agreed transfer price as full and complete compensation for such transfers. Such Materials shall be made available to CONTRACTOR at a location specified by COMPANY. CONTRACTOR shall be responsible for collecting the Materials from its location and transporting it to the WORK Site. The agreed transfer price for such Materials shall be deducted from CONTRACTOR’s invoices. SAUDI ARAMCO shall not be obligated to accept for return any unused transferred Materials.

1. SAUDI CUSTOMS DUTY FOR CONTRACTOR SUPPLIED TOOLS AND EQUIPMENT

CONTRACTOR shall not include in the Contract Price any Saudi Customs duties for any CONTRACTOR Tools and Equipment to be used in connection with the WORK and then re-exported. If CONTRACTOR re-exports such CONTRACTOR Tools and Equipment and is unable to obtain a refund of Saudi Customs duties deposited with Saudi Customs, COMPANY shall promptly reimburse CONTRACTOR for Saudi Customs duties paid on such CONTRACTOR Tools and Equipment. CONTRACTOR shall submit its invoice to COMPANY for such reimbursement accompanied with proof that CONTRACTOR has deposited the duties, re-exported the CONTRACTOR Tools and Equipment, and failed after a reasonable effort to obtain a refund of deposited duties.

1. CAPITAL SPARE PARTS, START-UP SPARE PARTS, OPERATING SPARE PARTS AND OPERATING MATERIALS
   1. CAPITAL SPARE PARTS: “Capital Spare Parts” are those major replacement parts or complete units essential to continuous operation when long delivery or manufacturing economy is a significant factor. Capital Spare Parts are subject to Start-Up and Operating Spare Parts support the same as Parent Equipment. CONTRACTOR shall procure the Capital Spare Parts listed in Attachment II of this Schedule concurrently with the procurement of Parent Equipment.

Prior to issuing purchase orders CONTRACTOR shall identify and recommend to COMPANY additional requirements for Capital Spare Parts not identified in Attachment II to this Schedule. The recommendations shall also include long lead time, machined, molded or cast parts which can best be supplied when included in the manufacturing schedule of the Parent Equipment, and their quoted material prices and any other information required for their justification. If COMPANY determines that additional Capital Spare Parts are necessary a Change Order will be issued.

* 1. START-UP SPARE PARTS: “Start-Up Spare Parts” are parts or components required during construction, Pre-Commissioning, and commissioning. CONTRACTOR shall provide the Start-Up Spare Parts associated with all CONTRACTOR-furnished Materials and specifically identified COMPANY-furnished Materials. CONTRACTOR shall provide for COMPANY’s Approval list with full details of Start-Up Spare Parts to be provided by CONTRACTOR at the time the Purchase Order is issued.
  2. OPERATING SPARE PARTS: “Operating Spare Parts” are spare parts or components that are required for continuous operation of the plant, equipment, or system after commissioning of the FACILITY. COMPANY shall purchase and ship all Operating Spare Parts for all CONTRACTOR-furnished Materials, COMPANY-furnished Materials, and Capital Spare Parts. CONTRACTOR shall provide for COMPANY’s Approval all Operating Spare Parts required data as stated in SAEP-3101.
  3. OPERATING MATERIALS: “Operating Materials” are consumable materials that are required for the continuous operation of the facility and are consumed in the normal course of operations and, therefore, require periodic replenishment. CONTRACTOR shall supply all required quantities of chemicals, filtration materials, lubricants, desiccants, industrial gases, emulsifiers, batteries, transformer oils, and any other catalysts, operating fluids, consumable, and materials required for the initial charge, pre-commissioning and Start-Up, and commissioning of the FACILITIES. All unused materials provided in accordance with this Paragraph shall be properly packed and documented by CONTRACTOR and shall become the property of SAUDI ARAMCO. CONTRACTOR shall also provide a forecast of the initial charge and Start-Up quantities of all items referenced in this Paragraph to COMPANY no later than twelve (12) months prior to Mechanical Completion of the FACILITIES, or each separable portion thereof, achieving partial Mechanical Completion. The forecast shall include quantities expected during Start-Up and normal maximum and minimum operating conditions as well as during summer and winter operating conditions, and any other limiting conditions. CONTRACTOR shall identify the cataloged Material Master numbers (9CAT’s) for the same or equivalent bulk chemicals and lubricants that are in COMPANY Material Master Catalog and include these in the applicable Project Record Books.

1. PROVISION OF VENDOR DATA FOR OPERATING SPARE PARTS AND OPERATING MATERIALS

CONTRACTOR shall provide to COMPANY all Vendor and Sub-Vendor data on Operating Spare Parts and Operating Materials in strict accordance with the instructions contained in SAEP-3101. For the purposes of establishing Contract payments pursuant to Schedule “C”, procurement of Materials shall not be considered complete unless the CONTRACTOR has submitted, and COMPANY has approved, the Operating Spare Parts Data and Operating Materials Data required per SAEP-3101.

1. LIFE CYCLE COSTING (LCC)
   1. CONTRACTOR shall obtain competitive quotations from at least three manufacturers for the Materials identified in Attachment VI in this Schedule, and ensure that each quotation includes the specific LCC data elements as required by Equipment Life Cycle Cost Procedure SAEP-341 Paragraph 2.
   2. CONTRACTOR shall technically evaluate the quotations received, by ascending commercial value, until three or more are considered acceptable or until all quotations received have been evaluated, and provide COMPANY a copy of each technically acceptable quotation. The quotation shall identify the specific LCC data elements required for the Materials listed in Attachment VI to this Schedule, the price FOB port of export, and a separate delivery cost breakdown of carriage, insurance, and duties from FOB port of export to the Job Site, including identification of relevant Harmonized Codes. CONTRACTOR shall identify CONTRACTOR’s proposed source of supply, and separately detail any additional costs that would be incurred should COMPANY direct CONTRACTOR to purchase the Materials from another source. All cost or price information shall be converted to US Dollars at COMPANY’s prevailing currency exchange rates.
   3. Within ten (10) working days after receipt of acceptable quotation copies and the price and cost information described in Paragraph 9.2, COMPANY shall have the right to direct CONTRACTOR to purchase the Materials from any manufacturer technically qualified by CONTRACTOR other than the CONTRACTOR’s proposed source of supply. CONTRACTOR shall comply with COMPANY’s direction. If COMPANY exercises its right, it shall compensate CONTRACTOR for any difference between the total delivered Materials cost (as determined pursuant to Paragraph 9.2) of CONTRACTOR’s proposed source of supply and that of the COMPANY directed manufacturer. COMPANY’s exercise of its right shall have no effect on any of CONTRACTOR’s other obligations under this Contract, and the Materials so purchased shall be considered CONTRACTOR-supplied Materials.
   4. If the Materials purchased fails to meet the efficiency warranty set forth in the applicable SAUDI ARAMCO Materials System Specifications (SAMSS) as stated in SAEP-341, CONTRACTOR shall pay COMPANY in accordance with the penalty provisions included in the Guarantee and Warranty section of that applicable SAMSS.
   5. If CONTRACTOR’s records do not establish CONTRACTOR’s compliance with these Life Cycle Costing Requirements, CONTRACTOR shall pay COMPANY ten percent (10%) of the purchase price for Materials so procured.
2. CONTRACTOR's PROCUREMENT PROCEDURE

CONTRACTOR shall submit for COMPANY's review a Procurement Procedure within thirty (30) days after the effective date of this Contract. At minimum, the Procurement Plan shall cover the following:

* 1. Description of the procurement process and the way procurement information will flow from quotation development through delivery to the fabrication or construction WORK Site.
  2. Description of engineering/procurement/purchasing interfaces, corrective actions, and procedures for COMPANY review of documents when required.
  3. Description of all periodic reports to be produced and their scheduled issue dates, which reports shall include a Monthly Materials Procurement Status Report.
  4. Procedure for accomplishing the standardization of Materials pursuant to this Schedule and detailed procedures for control of all Materials substitutions.
  5. Procedure for safeguarding and controlling all CONTRACTOR-supplied and COMPANY-supplied Materials at the WORK Site, including the continuous maintenance and control of records of identification, receipt and issuance and all other materials control and materials management procedures required to ensure the uninterrupted flow of Materials.

1. CONTRACTOR PROCUREMENT DOCUMENTS
   1. CONTRACTOR shall analyze all bids and, if requested by COMPANY, provide the technical and scheduling details of any proposed placement.
   2. For any CONTRACTOR issued Purchase Order with a value exceeding Ten Thousand U.S. Dollars ($10,000), CONTRACTOR shall obtain COMPANY Approval prior to placing the Purchase Order.
   3. All CONTRACTOR’s requisitions and purchase orders shall also be numbered using the COMPANY’s purchase order numbering system. The COMPANY number shall be used on all documentation and shall be listed in CONTRACTOR reports as directed by the COMPANY.
   4. CONTRACTOR's Purchase Orders and quotation requests shall include the following requirements:
      1. Applicable SAMSSs, SAUDI ARAMCO Engineering Standards (SAES), SAUDI ARAMCO Standard Drawings (SASD) and project specifications. Where a sub-vendor will be involved, the CONTRACTOR shall require the Vendor to distribute these attachments to the sub-vendor as part of the order to sub-vendor.
      2. Inspection and testing requirements per SAUDI ARAMCO Form SA-175’s.
      3. Listing of Vendor Non-Material Requirements (NMR’s), referencing SA-7900 Series forms.
      4. Listing of Vendor Quality Assurance (QA) records to be prepared, submitted, or made available for CONTRACTOR's and COMPANY's Approval. (e.g. refractory installation, welding, repair, heat treatment procedures, welder qualifications, hydro-testing, coating and Non-Destructive Testing [NDT] procedures).
      5. Provision for COMPANY's and CONTRACTOR's right of access to the Vendor’s facility and WORK documents for inspection and audit per Paragraph 1.5 of Schedule “Q”.
      6. CONTRACTOR supplemental technical specifications.
      7. Capital Spare Parts per Attachment II of this Schedule or as otherwise required by COMPANY.
      8. Spare parts data requirements per this Schedule.
      9. Operating and maintenance manuals requirements.
      10. Special tools to install, adjust and maintain equipment during Start-Up. Special tools needed for subsequent maintenance shall be provided and turned over to SAUDI ARAMCO at Project Completion.
      11. Vendor representatives necessary for a safe Start-Up.
      12. All information submitted shall be in the English language and units of measure as indicated in the job specification.
   5. Further to the requirements of this Schedule, the CONTRACTOR Purchase Orders shall include the following language:
      1. Non-Material Requirements (NMR item 601, 602, and 603 on SAUDI ARAMCO 7900 Series Forms) are an integral part of this requirement as are the complete spare parts packages as such, notwithstanding the terms of payment provisions in the applicable conditions of purchase, purchase order payment up to the full purchase order price may be withheld until all Non-Material Requirements and spare parts data packages are delivered and accepted by COMPANY.
      2. Vendor shall provide original manufacturer source information for all Materials and spare parts supplied on each Purchase Order including, but not limited to, manufacturer’s name, address, sales order number, sales contact name, telephone number, fax number and e-mail address.
      3. Material delivery shall not be considered complete until two (2) complete original sets and one (1) electronic copy of Vendor Equipment Operating Instructions and Equipment Maintenance Manuals have been transmitted to COMPANY and receipt of Instructions and Manuals has been acknowledged by COMPANY.
2. MATERIALS PROCUREMENT STATUS REPORT
   1. CONTRACTOR shall issue a Materials Status report monthly, or as otherwise requested, reporting on the status of each requisition and order. The report shall identify and track the procurement of all Materials, including schedule, forecast and actual procurement milestone dates, and specifically identify all long lead items, vessels, heavy lift/oversized equipment items, specialized installation equipment, and special fabrication items. Standard CONTRACTOR reports may be used if such reports are acceptable to COMPANY. For all purchases the report shall include information on at least the following:
      1. Quotation/requisition number and date issued for bid
      2. Identify if Saudi Manufacturer Equalization may be required
      3. CONTRACTOR Order number and date placed
      4. Corresponding COMPANY Order number
      5. Vendor and country of manufacture
      6. Change Order/revision number and date
      7. Brief description
      8. Item and tag number
      9. Required delivery date of design drawings/data for approval
      10. Delivery date for Materials
      11. Receipt Date
      12. Receiving Inspection Results
      13. Non-Material Requirements received or missing
      14. Preservation Requirements received and implemented.
   2. Identification of Source of Material

CONTRACTOR shall provide information to COMPANY on the source of all Materials provided by CONTRACTOR.

* + 1. The source of Materials shall be identified as one of the following:
       1. “Saudi Manufacturer” as defined in Paragraph 4.0 above. This category applies regardless of whether a Purchase Order has been placed directly with the Saudi Manufacturer or with a third party agent or vendor.
       2. “OOK Manufacturer” which means a company that manufactures or assembles material or equipment outside of Saudi Arabia.
       3. “Saudi Vendor” which means a Saudi registered company that acts on behalf of an OOK Manufacturer and is party to the Purchase Order executed by CONTRACTOR.
    2. List of Purchase Orders
       1. CONTRACTOR shall prepare and provide to COMPANY a list of all Purchase Orders for Materials that indicates the actual or, for unplaced Purchase Orders, the likely source of the Materials (“Purchase Order Source of Material List”). The Source of Material List shall identify the portion of the Material Price associated with each Purchase Order. The sum of the amounts for all Purchase Orders shall be equal to one hundred percent (100%) of the Material Price.
       2. To the extent that a list of Purchase Orders has been included in Schedule “C” and/or a list of Purchase Orders is required for and has been prepared for determining progress payment for the Material Price, the Purchase Order Source of Material List shall be consistent with such other lists in respect to the items listed and portions of the Materials Prices associated with each item. Subject to the concurrence of the Company Representative, a single list may be used to determine progress payments for the Material Price and to serve as the Source of Material List.
       3. In addition to the source of Materials and associated portion of the Material Price, the Purchase Order Source of Material List shall include:
          1. The actual or forecast dates for PR issue, PO placement, shipment, and arrival at the site.
          2. For placed Purchase Orders, the name of the Saudi Manufacturer or OOK Manufacturer and, if applicable, the name of the Saudi Vendor.
       4. The Purchase Order Source of Material List shall be provided to COMPANY by CONTRACTOR at the end of every month every month from the month in which the first Purchase Order is placed until the month in which all Materials have been received at the WORK Site. All invoices for portions of the Material Price shall include an attachment that breaks down the portion of the Material Price being invoiced into separate amounts for each source of Materials. Progress Payments for portions of the Material Price will not be made until an up-to-date and compliant Purchase Order Source of Material List and the breakdown of the amount being invoiced has been received by COMPANY.
    3. CONTRACTOR Procurement Report

CONTRACTOR shall complete and provide to COMPANY at the end of every month, from the month in which the first Purchase Order is placed until the month in which the last Purchase Order is placed, the CONTRACTOR Procurement Report (CPR), which is a detailed report including all Purchase Orders issued by CONTRACTOR, its Subcontractors, and Novated Purchase Orders with a value exceeding ten thousand U.S. Dollars (US$10,000). The value of line items shall be calculated as portions of the Material Price associated with each Purchase Order.

CONTRACTOR shall submit the CPR using SAUDI ARAMCO Supplier Portal (CPR Tab) or SAUDI ARAMCO Enterprise Project Management (EPM) System as directed by COMPANY.

1. PROCUREMENT CORRESPONDENCE

All correspondence, specifications, drawings, or other papers pertaining to procurement shall bear the following references:

* 1. Name of FACILITIES and location
  2. Symbol or code of FACILITIES
  3. CONTRACTOR Quotation request or purchase order number
  4. Equipment plant tag numbers, if any
  5. COMPANY Contract number
  6. Corresponding SAUDI ARAMCO Order number

1. SHIPPING AND HANDLING
   1. CONTRACTOR shall be responsible for shipping, export customs duties, storage and care and protection of Materials to be imported into Saudi Arabia.
   2. CONTRACTOR shall arrange for all In-Kingdom heavy lifts including all coordination activities with Saudi traffic authorities and Saudi Electricity Company (SEC). CONTRACTOR shall provide equipment necessary to offload at the port, transport to WORK Site, offload and position the Materials at the WORK Site.
2. SAUDI ARAMCO DIRECTED SOURCING OF MATERIALS
   1. CONTRACTOR Materials sourcing directed by SAUDI ARAMCO Standards:
      1. CONTRACTOR shall solicit quotations and purchase Materials from only the sources identified for Materials listed in the SAUDI ARAMCO’s Regulated Vendor List (RVL) provided with the Invitation for Proposal (IFP) package, and in compliance with the SAUDI ARAMCO Engineering Standards listed on Attachment III to this Schedule, unless otherwise approved by COMPANY per Paragraph 15.1.2 below.
      2. CONTRACTOR is encouraged to propose vendors other than those identified pursuant to Paragraph 15.1.1 of this Schedule for the cases described in 15.1.2.1 and 15.1.2.2 below.
         1. To capture technical advantages where:
3. vendor bid is found to meet specific WORK requirements, and
4. proposed new proposed technology is confirmed by or established by the COMPANY to be superior to the technology currently available from the technically acceptable Vendors from the sources identified in Paragraph 15.1.1 of this Schedule.
   * + 1. To capture Materials pricing advantages where:
5. vendor bid is found to meet the specific WORK requirements, and
6. there is no technically acceptable Saudi Manufacturer from the sources identified under Paragraph 15.1.1 of this Schedule, and
7. the difference between the proposed vendor’s price and the lowest price obtained from a competitive development with vendors from the sources identified in Paragraph 15.1.1 is equal to or exceeds Five Hundred Thousand U.S. Dollars ($500,000).

If such a vendor as described in this Paragraph 15.1.2.2 is considered qualified by COMPANY, then COMPANY and CONTRACTOR shall equally share any Materials pricing benefit as follows:

CONTRACTOR shall submit a Change Order request crediting COMPANY for fifty percent (50%) of the difference between the proposed vendor’s price and the lowest price obtained from a competitive development with all vendors from the sources identified under Paragraph 15.1.1. Copies of all applicable vendor proposals shall be included in CONTRACTOR’s submittal. COMPANY’s decision to adopt or reject the proposal shall be final and binding on both parties.

Sharing the pricing benefit is applicable whenever CONTRACTOR procures same or similar Materials from the same proposed vendor during execution of this Contract.

In any case, for proposed Vendors as described in Paragraphs 15.1.2.1 and 15.1.2.2 CONTRACTOR shall qualify such proposed vendors as per Paragraph 1.2 of Attachment III to Schedule “Q”. CONTRACTOR’s submittal shall include the date by which a decision to adopt or reject the proposal must be made so that, in the event of rejection, an order could be placed with one of the vendors already included on the applicable Regulated Vendors List without adversely affecting the WORK Schedule. COMPANY may reject a proposal for any reason, including but not limited to, COMPANY’s determination that there is insufficient time for a comprehensive review of a proposed vendor’s qualifications.

* 1. CONTRACTOR shall solicit quotations and purchase requirements only from the single sources identified for the Materials listed on Attachment V to this Schedule.
  2. Novated Purchase Orders
     1. In order for certain long-lead Materials to be available at the Job Site to support the Scheduled Mechanical Completion Date, Purchase Orders for these Materials were developed and placed and will be subsequently novated to CONTRACTOR (“Novated Purchase Orders”). Materials purchased under the Novated Purchase Orders shall be considered to be CONTRACTOR-supplied Materials. CONTRACTOR shall be responsible for all work and services required to complete the scope of supply for such Novated Purchase Orders. The Novated Purchase Orders are listed in Attachment VII to this Schedule.
     2. CONTRACTOR shall procure all Materials specified in the Novated Purchase Orders in accordance with the terms and conditions of the respective Purchase Orders and agrees to Novation of these items and all consequent liabilities and risk attached thereto pursuant to terms and conditions substantially similar to those contained in Attachment VII - Exhibit A (Draft Novation Agreement) of this Schedule. The Materials referenced in the Novated Purchase Order shall be referred to as “Novated Materials”.
     3. The total costs for all Materials covered by the Novated Purchase Orders including, but not limited to, engineering, materials, fabrication, shipping and administration, is included in Schedule “C”.
     4. CONTRACTOR shall provide the required Start-Up Spare Parts associated with all Novated Purchase Orders.
     5. CONTRACTOR shall update the Vendor drawings and all other design documentation into the required formats and electronic versions in accordance with the Job Specification and the SAES-A-202.
     6. Unit rates identified in Novated Purchase Orders shall be in accordance with the pricing outlined in Schedule “C”, Attachment I.
     7. For each Novated Purchase Order, CONTRACTOR shall make payment to the Vendor in accordance with the payment schedule detailed in the Novated Purchase Order following receipt of an auditable and verifiable invoice from the Vendor.
     8. Any amounts paid by COMPANY for each Novated Purchase Order, as indicated in Attachment VII of this Schedule, shall be credited to COMPANY by CONTRACTOR, or may be deducted by COMPANY from its total payment obligation to CONTRACTOR.
  3. For Materials listed in Attachment IV of this Schedule, CONTRACTOR shall solicit quotations and purchase requirements from Vendors on the applicable Mandated Vendor List included in Attachment IV to this Schedule.

In addition to soliciting quotations from Vendors on the applicable Mandated Vendor List included in Attachment IV to this Schedule, CONTRACTOR may solicit quotations (concurrently or otherwise) from Vendors listed on the RVL or proposed Vendors per Paragraph 15.1.2., subject always to the following:

* + 1. The award of the Purchase Order shall be restricted to the technically acceptable Vendors listed in Attachment IV.
    2. In the event that only one of the Vendors listed in Attachment IV to this Schedule is technically acceptable, the award shall be restricted to such technically acceptable Vendor.
    3. In the event that none of the Vendors listed on Attachment IV to this Schedule are technically acceptable, CONTRACTOR shall provide adequate justification and obtain COMPANY’s Approval to award such Purchase Order to another RVL Vendor or a Vendor proposed by CONTRACTOR in accordance with Paragraph 15.1.2.

For the avoidance of doubt, the final decision as to whether any Vendor is or is not technically acceptable for the purpose of this Paragraph shall be made by COMPANY.

END OF SCHEDULE G