Course Program

DAI Local Content Masterclass

Date: Wednesday 15th – Friday 17th May 2019

Location: Hyatt Centric The Woodlands

9595 Six Pines Suite 1100,

The Woodlands,

TX 77380, USA

Please bring: Laptop

The DAI Local Content Masterclass takes place over three (3) days as follows:

Day 1 – Local Content Policy, Regulation and Plans

Day 2 – Local Content Forecasts and Procurement

Day 3 – Local Supplier Development and Local Content Reporting

DAI reserves the right to amend the program as required to deliver the highest quality and most relevant training, and to deploy trainers to best fit the materials and participants.

Lead Trainers

Dr. Michael Warner

One of the world's leading authorities on local content in the context of the oil and gas, mining, and infrastructure sectors.

- Founder and lead trainer of the DAI Local Content Masterclass, where he trained more than 400 professionals in local content.
- Former Local Content Manager for BG Group, and Founder and Director of Local Content Solutions Ltd., a local content advisory and training company acquired by DAI in 2017.
- Radio appearances to discuss business and international development on BBC Newsnight, BBC Radio 4, BBC World Service and CNBC, and has authored articles in Newsweek Magazine and The Guardian Newspaper.
- Author of multiple books and papers on local content business and development, including "Local Content in Procurement" published by Greenleaf Publishing in 2012.

Mr. Zachary Kaplan

Founder and Director of the Sustainable Business Group in DAI, Zach leads activities related to local content, corporate social investment and supplier development.

- Over ten years' experience within the extractives industry, focusing on extensive local content and policy
- Technical Advisor to local content supplier development programs in Zambia, Mozambique, Nigeria, Ghana and Angola
- Spearheaded a Local Content Regime Analysis covering Ghana, Nigeria, Brazil, Trinidad and
- Tobago, Tanzania, Papua New Guinea, and Uganda, to provide an analysis of the impacts of differing local content regimes
- Led the Local Content Strategy Project for ExxonMobil Ghana, which included analysis of the Ghanaian offshore petroleum industry to assess local suppliers, and analysis of Ghanaian regulatory requirements
- Guest panellist and keynote speaker at events such as the Lebanon Oil and Gas Summit 2017 and Mozambique Local Content Policy Options Forum, 2015

Trainer Contact Information:

Throughout the duration of the course, if you have any operational or personal concerns, please contact Jemima Felton on: +44 7548 231206 or via email: jemima_felton@dai.com

If Jemima is unavailable, please contact Dr. Michael Warner: +44 7712 537304 or via email: Michael_Warner@dai.com.

DAY 1	Local Content Policy, Regulation and Plans	
9:00 – 9:15am	**Welcome and Course Objectives** • Introductions • Course Program and Structure	Zachary Kaplan Michael Warner
9:15 – 9:45am	**Definitions and Core Concepts** • Understand why Local Content matters • Understand how Local Content contributes to the economy • Understand how Local Content fills the 'economic benefits gap' • Understand how Local Content fits into the new political, compliance and investment landscape	Michael Warner
9:45 – 10:00am	**Exercise #1: Local Content Definitions** • Develop a definition of Local Content • Develop an understanding of 'optimal' Local Content	Michael Warner
10:00 – 10:45am	**Local Content Policy and Regulations** • Appreciate that Local Content regulation and strategy needs to align with Public Policy • Learn how Local Content regulation can be positioned as a competitive differentiator • Review the pros and cons of a range of local content legislation and regulations: Brazil, Nigeria, Ghana, Canada, Australia, Sierra Leone, Mozambique, Angola, Kazakhstan, Indonesia, Saudi Arabia • Become familiar with extent to which different common Local Content regulations are consistent or not with WTO rules	Michael Warner
10:45 – 11:00am	**Coffee Break**	
11:00 – 12:45pm	**Exercise #2: Stakeholder Dialogue on Local Content Regulations** • Learn different stakeholder issues concerning Local Content: government authorities, operators, primary contractors, local supplier associations • Apply the principles of consensual negotiation • Become familiar with common clauses in local content regulation • Case Study: Ghana Local Content and Local Participation Regulations 2013 (LI 2204) - apply	Michael Warner

	consensual negotiation skills to resolve regulatory design issues	
12:45 – 1:30pm	Lunch	
1:30 – 2:15pm	**Local Content Policy Trade-Offs** • Understand the key Local Content trade-offs • Familiarization with a Local Content optimization modelling • Introduction to Case-Study for exercise	Michael Warner
2:15 – 3:45pm	**Exercise #3: Local Content Policy Trade-Off – Modeling Case-Study** • Learn to optimize Local Content targets to deliver both commercial and national interests: personnel, goods etc. • Appreciate the key trade-offs between Local Content, commercial interests, and government revenues • Learn of other participants' perspectives through presentation of modelling results and plenary discussion	Michael Warner
3:45 – 4:00pm	**Coffee Break**	
4:00 – 5:30pm	**Local Content Plans** • Types of Local Content Plans • Regulatory requirements for Local Content Plans • Typical contents of a Local Content Plan • Application of Forecasting to setting targets in Content Plans and Plan evaluation thresholds	Michael Warner

DAY 2	Local Content Forecasts and Procurement	
9:00 – 9:30am	**Basic Concepts** • Basic Concepts of Local Content in Project Forecasts, Planning and Procurement	Zachary Kaplan
9:30 – 10:00am	**Local Content Forecasting: Industrial Baseline Studies** • Understand the demand side of assessing local market capability • Understand the supply side in assessing local market capability	Zachary Kaplan
10:00 – 10:30am	**Exercise #4: Industrial Baseline Studies** • Understand the cost side of major projects • How to survey local supplier market for competitiveness • Different metrics for forecasting Local Content • Matching demand to local supply • Interpreting the results of forecasting	Zachary Kaplan
10:30 – 11:30am	**Roaming coffee** (whilst completing exercise)	
11:30 – 12:00pm	**Exercise #4 Debrief**	Zachary Kaplan
12:00 – 12:30pm	**Contracting Strategy** • Learn the pros and cons of work scope bundling and unbundling • Through a Worked Example, learn of the different strategic options to control the risks of Local Content through contracting	Michael Warner
12:30 – 1:30pm	**Lunch**	
1:30 – 2:30pm	**Leveraging Local Content in Major Contract Tenders** • Familiarization with a common framework for tendering • Understand the common barriers to local vendor tendering for minor contracts • Learn how to integrate Local Content considerations into Pre-Qualification processes for major contracts • Learn of the choices for integrating Local Content into major contract Invitations to Tender (ITTs)	Michael Warner

	• Learn what to include on Local Content in a dedicated questionnaire as part of an ITT for major contract tenders • Learn how to weight and score Local Content Plans	
2:30 – 2:45pm	**Exercise #5 – Weighting Local Content in Tender Evaluation** • Learn how to weight Local Content in bid evaluation for different types of major contracts	Michael Warner
2:45 – 3:15pm	**Factoring Local Content into the Award Decision** • Understand the critical importance of the method chosen to integrate the scoring of Local Content within the final award decision • Learn of the common clauses in Pro-Forma Terms & Conditions	Michael Warner
3:15 – 3:30pm	**Coffee Break**	
3:30 – 5:00pm	**Exercise # 6 Evaluation of Local Content in Major Contract Tenders** • Experience the reality of evaluating and scoring a Local Content Tender • Plan within a bid from both the client and tenderer perspective • Simulation #1 – tender for Waste Water Storage Pond (construction) • Simulation #2 – tender for Food and Facilities Management contract for remote site (operations)	Michael Warner
5:00 – 5:30pm	**Exercise #6 Debrief** • As the client - be able to make informed judgements about how to establish the scoring and weighting of Local Content in major contract tenders • As the bidder – be able to structure bids to meet client expectations and maximize competitive advantage	Michael Warner

DAY 3	Local Supplier Development and Local Content Reporting	
9:00 – 9:30am	**Local Supplier Registration and Pre-Qualification** • What makes a successful local supplier • Barriers to local suppliers • Restrictive tenders • Registration vs Pre-Qualification • On-line portals and systems • Features of registration • Features of pre-qualification	Michael Warner
9:30 – 10:00am	**Writing a Winning Bid as a Local Supplier** • Learn key strategic and tactical success factors for local suppliers to bid a wining tender • Review a tender evaluation of local suppliers	Michael Warner
10:00 – 10:30am	**Local Supplier Development and EDCs** • Key principles of EDCs • Case Studies/Videos	Zachary Kaplan
10:30 – 11:00am	**Coffee**	

11:00 – 12:30pm	**Exercise #8: Designing Local Supplier Program/EDC**
	
	• Set up a program to analyze competitiveness gaps in local manufacturing capability:
	   o Access to markets
	   o Access to finance
	   o Business technology and processes
	   o Management and skills
		Zachary Kaplan

12:30 – 1:00pm	**Exercise #8: Group Pitches and Debrief**	Zachary Kaplan
1:00 – 2:00pm	**Lunch**	
2:00 – 3:15pm	**Local Content Reporting and Metrics** • Learn of the building blocks for developing Reporting Systems • Understand some of the myths around reporting Local Content • Understand the difference between build-down and build-up methods for measuring Local Content	Michael Warner

- Learn about how IncoTerms are used to measure Local Content
- Understand the methods for calculating Rules of Origin and their use in measuring and reporting Local Content

3:15 – 3:30pm	**Coffee**	
3:30 – 4:45pm	**Exercise #9: Local Content Performance Reporting**	**Michael Warner**

- Importance of configuring local content metrics to policy and regulation, example of Sierra Leone
- LCPR Simulation - Regulatory review of Local Content Reporting and Scorecard
- Analysis of the performance data from the Local Content reports received by regulators

4:45 – 5:00pm	**Wrap Up**	**Michael Warner** **Zachary Kaplan**