



شركة تنميه نفط عُمان  
Petroleum Development Oman

# In-Country Value Monitoring and Reporting Frequently Asked Questions

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# 1. Introduction

PDO aims to share the benefits of the oil and gas industry across Oman delivered through In-Country Value (ICV). PDO committed to maximizing the procurement of local goods and services as well as improving the capacity and capability of Omani people and companies in order to secure sustainable commercial benefits for the Sultanate.

ICV is defined as the total spend retained in country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy.

The purpose and objectives of the ICV M&R system is to track, monitor and report the spend retained in country. The ICV web based monitoring and reporting system (M&R) supports the realization of ICV plans' goals through planning and collection of ICV planned and actual targets against ICV commitments. The O&G industry agreed 7 ICV elements to be utilized in measuring ICV plan per contract, on a periodic basis based on the contract execution period. The main purpose of collecting the 7 ICV elements is to monitor and track ICV compliance related to the actual delivery of the ICV plans' targets.

Since the 1970s, PDO has already started ICV by hiring, training, supporting and investing in Oman but since 2011 ICV became firmly embedded in the Company's business philosophy with the following key aims:

- Investments in Fixed Assets
- Omanisation of the Workforce
- Training of Omanis
- Local Sourcing of Goods
- Local Sourcing of Services
- Development of National Suppliers
- Development of National Training Institutions (Education, Research and Development)

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## Definitions and Abbreviations

**ICV** In-Country Value: is defined as the total spend retained in country that benefits business development, contributes to human capability development and stimulates productivity in Oman’s economy.

<http://www.incountryvalueoman.net/>  
<http://www.pdo.co.om/en/community/in-country-value/Pages/default.aspx>

**SME** Small and Medium sized Enterprises  
SME’s are categorized based on 3 criteria’s as follows;

<b>SME Type</b>	<b>Employees</b>	<b>Yearly Turnover OMR</b>
<b>Micro</b>	1 – 5	100,000
<b>Small</b>	6 – 25	100,000 – 500,000
<b>Medium</b>	26 – 99	500,000 – 3,000,000

<https://riyada.om/en-us/Pages/Home.aspx>  
<http://omansme.gov.om/>

**LCC** Local Community Contractors

- In 1998 launched the Local Community Contractor (LCC) initiative to give people living in our concession area opportunities to establish their own companies that could provide services to PDO and bid for supply contracts.
- LCC means Local Community Contractor(s) who are registered as an LCC and has received a certificate of registration from JSRS in order to work as a Subcontractor

**SLCC** Super Local Community Contractors

- Larger scale operations generating new employment avenues and entrepreneurship opportunities for thousands more Omanis. The SLCCs are businesses, working on hoists, well interventions and flow line replacement, which collectively have around 9,300 shareholders, all from within the PDO concession area.

**JSRS** Joint Supplier Registration System

- The JSRS system addresses the core needs of operators by bringing onboard all the approved suppliers who pass the industry’s validation process and provide for a continuous connectivity between operators and suppliers for ongoing procurement opportunities. This initiative went live on 30 June 2014

<https://businessgateways.com/>

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<b>MOCI</b>	Ministry of Commerce and Industry <a href="https://www.moci.gov.om/">https://www.moci.gov.om/</a>
<b>OCCI</b>	Oman Chamber of Commerce and Industry <a href="https://chamberoman.om/">https://chamberoman.om/</a>
<b>Omani National</b>	Means holder of Omani citizenship
<b>Resident Expat</b>	Means non-citizen resident long-term in Oman
<b>Headcount</b>	Means the number of full-time equivalent employees or in-house individual contractors/agency staff within the 3rd Party Sub-Contractor who will be involved in execution of the Contract.
<b>Involved in Contract Execution</b>	Means that, and only that, labor contributing directly to delivery of the associated contract shall be reported and not all other manpower resource available.
<b>Man-Hours</b>	Means total Man-Hours required for the execution of the contract from the numbers of the Headcount above per job categories.
<b>Compensation</b>	Means the number of full-time equivalent employees or in-house individual contractors/agency staff within the 3rd Party Sub-Contractor who will be involved in execution of the Contract.
<b>All-Inclusive Average Hourly Rate</b>	Means the average hourly rate of pay for a particular category of job position (e.g. skilled, semi-skilled), including: base pay rate/hr, fixed overtime, social taxes, overheads on base rate (or at a flat/fixed rate) and benefits.
<b>Senior Management</b>	Means a member of the decision-making executive of a function within Contractor or sub-Contractor Company. Senior managers would be expected to have at least 20 years relevant work experience.

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<b>Supervisory</b>	Means a worker who manages a team of at least two subordinates (but who is not considered part of the Senior Management team, nor a Professional). Supervisors include construction foreman, equipment overseers, business administration team leaders etc.
<b>Skilled</b>	Means a worker with a high level of technical expertise accumulated over a number of years (but not a member of a recognized 'profession'). A skilled worker may have attended a Technical College or learned their skill via a formal apprenticeship or on-the-job over a number of years. Includes: electricians, scaffolders, welders, crafts, business admin, personnel assistants, computer programmers, and equipment and machinery operators.
<b>Semi-skilled</b>	Mean workers with a skill set acquired in a short space of time (a few weeks or months). Following short periods of training a casual labor may become semi-skilled, thus demonstrating how the Contract has contributed to human capacity in Oman. Semi-skilled positions include secretaries, drivers, meet and greet services, fencing, block laying, basic construction skills etc.
<b>Unskilled</b>	Casual labor with no skills required and not yet trained, other than in initial workplace induction and EHS.
<b>Training</b>	Means both on-the-job and class-room training, e.g. induction, EHS/HSE and technical and professional skills, internships and apprenticeships (scholarships shall not to be included).
<b>Training Man-hours</b>	Means man-hours of training delivered/utilized during the contract execution period. Applies to Omanis only.
<b>Made-in-Oman good</b>	Means a product, material or equipment that is included in the List of goods of Omani origin issued by the Ministry of Commerce.
<b>Sub-Contractor/Supplier</b>	Means a 2nd tier sub-Contractor or supplier, or a partner/alliance Company, who provides services or goods to the Contractor for utilization in Contract execution.
<b>Nationally-Registered Supplier</b>	Means a supplier of goods and services that is a Company, subsidiary or branch incorporated under Omani law in

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Oman and/or registered to operate in Oman under a renewable license; and whose offices or facilities associated with producing manufactured or assembled goods or providing services to the Company are located in the Sultanate of Oman.

**Foreign-Registered Supplier**

Means a supplier of goods or services that is a company, subsidiary or branch not incorporated under Omani law in Oman and/or registered to operate in Oman under a renewable license.

**Short Term Participation**

Means to support the development of 3rd Party National Suppliers during Contract execution.

**Long-Term Support**

Means post contract execution as a long-term programs that contribute to greater levels of in-country value being retained in the Omani economy through expenditures in the oil and gas sector.

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## 2. General

### 2.1. What is Contractor's Responsibilities towards ICV M&R system

Within twenty one (21) Days from the Effective Date of the Contract, Contractor shall submit detailed activities expanding upon the ICV plan that was submitted during the tendering process. All the detailed ICV plan activities for the Contract period shall be submitted at one time for the entire contracting execution period through the ICV M&R System for Company's review and Approval by the Contact Holder.

Contractor shall report the actual ICV performance achieved from the Effective Date of the Contract throughout the Contract period. Contractor shall submit quarterly report on quarterly basis and within no more than two weeks after each quarter.

Contractor is responsible for collecting, processing and storing information related to ICV received from Subcontractors, Service providers, Procurement and manufacturers. Contractor shall keep all relevant documents for a period of 2 year after the expiry of the contract.

### 2.2. How do I register in the ICV system?

Upon contract award, the ICV M&R system will generate and send log in credentials through contracts email registered in PDO vendor master (email shown in vendor registration system, Rabitah) .once contractor log in to the ICV M&R his account will be authenticated.

### 2.3. What is my user ID for ICV M&R system?

User ID will always be the contract number. Examples

1. CPAXXXXXX
2. CXXXXXX
3. 11XXXXX
4. SXXXXXX

### 2.4. How do I reset my password?

Access log in page, under **Login Here** tab, click **forgot password** (highlight in Green) and a new password will be sent to your email address as listed in vendor registration system, Rabitah.(the same email address you have received with your log in credentials).

In case new password not received within one hour, user should approach system helpdesk to rectify issue.

Helpful links:

<https://mus-ws-255/ICV/UserManagement/frmForgotPassword.aspx>

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## 2.5. If my account becomes locked, how do I unlock it?

User cannot unlock the account. the user should request the account to be unlock by sending an email along with login ID (Contract number) to PDO ICV M&R system helpdesk through below email ID: [ICVHelpdesk@pdo.co.om](mailto:ICVHelpdesk@pdo.co.om),

## 2.6. What are the ICV system modules and their status

The system consists of 4 modules to capture the 7 ICV elements Registration, ICV Plan, ICV Actual Reporting and Reports.

ICV system Status means the status of the contracts within the system modules from the registration stage to the approval of the reporting data stage, and status will indicate stakeholder's workflow actions required to complete their tasks.

### 1: Manage Contract:

After the contract is awarded to the successful bidder the Contractor will receive an auto email with the system link to register and provided with access details as username and password once contractor enters user name and password account will be activated, see below Managed Contract status and action against.

Manage Contracts		
Status	Definition	Action
Sent	Login credentials sent to contractor for respective contracts.	Contractor to login to the system using the credentials to become a registered user.
Registered	Contractors logged in with credentials and have become registered users of ICV tool.	Contractors can start entering ICV plan of the respective contract once they are registered.

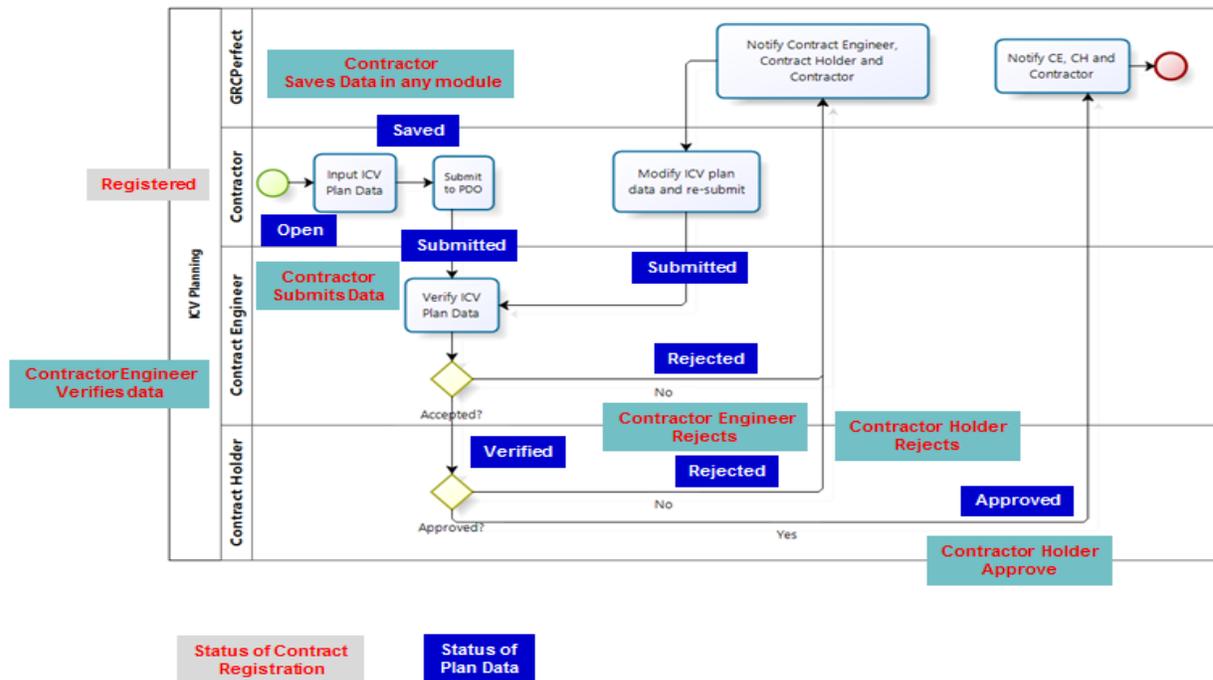
### 2: ICV Plan:

After contractor registration in system, plan module will open to enable contractor to enter their plan and submit it, see below Plan status and action against.

Plans		
Status	Definition	Action
Open	Plan available in ICV tool for the contractor to start entering data, the contractor has not yet started inserting plan records.	Contractor to start entering plan.

Saved	ICV plan is with contractor and contractor is in the process of inserting plan records.	The contractor to complete the plan and submit.
Submitted	ICV Plan Submitted by the Contractor.	CE to verify the ICV Plan
ICV Plan CE Rejected	CE rejected the submitted ICV plan.	CE/CH to follow up with the Contractor. Plan is available with the contractor to edit the plan as per rejection comments.
ICV Plan CH Rejected	CH Rejected the submitted ICV Plan.	CE/CH to follow up with the Contractor. Plan is available with the contractor to edit the plan as per rejection comments.
Verified	ICV Plan Submitted by the Contractor and verified by CE.	CH to approve the ICV Plan
Approved	CH approved the ICV plan verified by the CE.	Contract has moved to Actuals Reporting and contractor can start entering actuals information.
Nothing to Report	This status is currently not part of the application,	

Below is an illustrates the process flow for ICV Plan submission



### 3: ICV Actual

After approval of the plan in the ICV system, ICV Actual Reporting module will open to enable contractor to submit the actual performance data quarterly as per the schedule of reporting frequency to CH for approval of the submitted data.

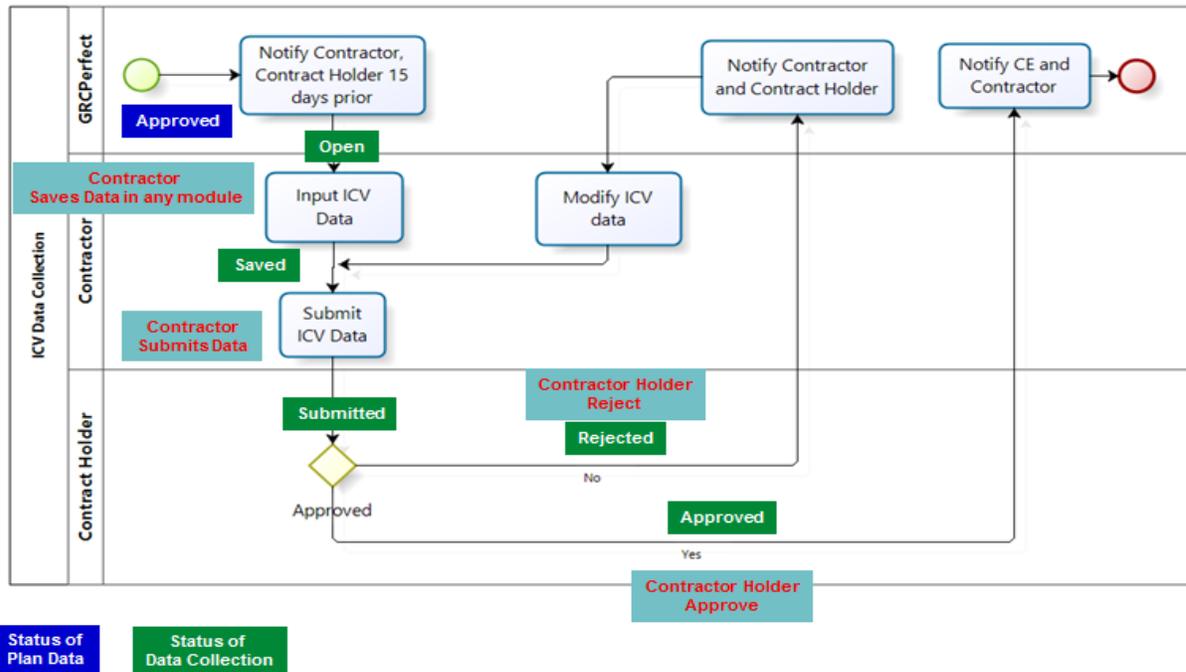
The actual ICV data collection will be reported by contractor in the ICV monitoring and reporting system according to the Table D below;

<b>Actual Reporting Schedule</b>	<b>Reporting Due Date</b>
1 <sup>st</sup> Quarter	15 <sup>th</sup> April
2 <sup>nd</sup> Quarter	15 July
3 <sup>rd</sup> Quarter	15 <sup>th</sup> Oct
4 <sup>th</sup> Quarter	Jan 15 <sup>th</sup>

See below Plan status and action against.

<b>Actual</b>		
<b>Status</b>	<b>Definition</b>	<b>Action</b>
Open	The actuals quarters are available in the ICV tool for the contractor to start entering data, the contractor has not yet started inserting actuals records.	Contractor to start entering actuals.
Saved	The actuals reporting quarters are available for contractor and contractor is in the process of inserting actuals records.	The contractor to complete the actuals for specific quarter and submit.
Submitted	ICV Actuals submitted by the Contractor.	CH to approve the actuals of the specific quarter.
ICV Data Collection CH Rejected	CH Rejected the submitted ICV Actuals.	CE/CH to follow up with the Contractor. Rejected quarter actuals is available with the contractor to edit the actuals as per rejection comments.
Approved	CH approved the ICV plan verified by the CE.	Contract has moved to Actuals Reporting and contractor can start entering actuals information.

Below is an illustrates the process flow for ICV Actual Performance submission



## Reports

This module provides the following built-in reporting functionality which summarizes the ICV performance of contractor:

1. Consolidated Plan Summary Report.
2. Consolidated Actuals Summary Report
3. ICV Summary Report
4. ICV Status Report
5. Contract History Report.
6. System History Report.

## 3. ICV Plan

### 3.1. What is an ICV plan?

ICV Plan shall mean a plan produced by the Contractor setting forth the strategy and actions aimed at the development and use of goods and services produced in Oman and the development and employment of Omani Nationals for the entire Contract.

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### 3.2. What is the difference between C7 and an ICV plan?

C7 is the ICV governing document of the set of contract documents, and an ICV plan is part of C7 which is the ICV elements mandates for that specific contract.

### 3.3. What is the difference between a master plan and an approved plan

A Master plan is the plan which is submitted during the tendering stage that is providing the overall ICV commitments for the full contract duration, whereas Approved plan is the plan which is submitted in the ICV M&R system after award of the contract which is providing ICV commitments during the contracting period but instead of reporting for the entire period of the contract it is divided into quarterly periods.

### 3.4. I can't see one of the contracts under my portfolio in ICV Plan module.

If the plan status is Open or Saved, the Plan will not be seen by PDO contracting team, the plan will be seen after the contractor have submitted the plan in the ICV M&R system.

### 3.5. How a contractor can make change in the plan after its being approved?

Contractor cannot make any changes after submitting plan, contractor shall contact Contract holder if changes are required after submittal or approval.

### 3.6. If the contract scope is changed for a certain contract how is it going to be reflected in the system?

Any variance in scope should be discussed with PDO contracting team, if there will be changes then plan will be rejected and updated accordingly.

### 3.7. Why the system does not show the analysis of the planned Vs Actual and do a check to see if the contractor's plan is matching with the Actual before submitting the actual data?

ICV M&R system is not an analyses tool but a reporting tool, user is able to download reports to do necessary analyses, In the **reporting** tab contractor is able to see consolidated summary report for plan separately and for actual separately and for both for comparison.

### 3.8. If the contractor submitted a plan to develop a supplier A, after sometime the supplier A has shut down its business, how the contractor will report?

Contractor should develop other supplier in replacement of the closed-out supplier.

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## 4. ICV Reporting

### 4.1. How is the percentage of Made in Oman goods calculated?

If the seller holds a **Made in Oman Certificate** from Ministry of Commerce and Industry (MOCI), their products and / or services are considered to be 100% made in Oman.

### 4.2. If there are no data to report for a ICV actual quarter Reporting, what contractor shall do.

Contractor to report zero value when there is no data applicable to be reported for that quarter.

### 4.3. If a contractor rents accommodation from an individual or a company, under which table contractor shall report?

Contractor to report under services.

### 4.4. (not a company), how should this be reported?

Rent / accommodation should be reported in remuneration when it is associated with staff engaged in the contract.

Office space for which rental charges are incurred while delivering a service for which it is engaged qualifies to be reported under services.

It's unlikely that an individual (*the renter*) will have a JSRS or CR registration number so, when reporting this information If you do not have the JSRS # of the SME/LCC/Sub-Contractor then enter the CR # in this format: CR-#### where #### = CR Number of the SME/LCC/Sub-Contractor).

### 4.5. If a PO for stationary has 50 lines with small amounts, shall the contractor report as lump sum?

Yes

### 4.6. Is there is a way to write a comment for each element?

Writing comments are available only in the summary report when stakeholder wants to submit, verify and approve a report.

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#### 4.7. Why a contractor does not have the option to enter categories and or sub-categories by them self

Categories and sub-categories are managed / controlled by Admin level for standardized reporting, If everyone made their own categories it would be difficult to compare them.

#### 4.8. If the contractor is dealing directly from outside of Oman, the company name will not have JSRS number nor Oman CR number, how the contractor will report?

For PDO all contractor must have a JSRS of a CR number (confirms with C&P).

## 5. ICV 7 Elements

### 5.1. What are the ICV elements?

There are 7 seven ICV elements:

- Investments in Fixed Assets (Table A)
- Omanisation of the Workforce (Table B)
- Training of Omanis (Table C)
- Local Sourcing of Goods (Table D)
- Local Sourcing of Services (Table E)
- Development of National Suppliers (Table F)
- Development of National Training Institutions (Education, Research and Development) (Table G).

## 6. Investments in Fixed Assets

### 6.1. What is the aim in reporting Investments in Fixed Assets

The Company aims to maximize ICV during the execution of the Contract and beyond. The contractor shall submit all the Investments made by the Contractor in relation to the development of the Oman petroleum industry.

Contractor shall include in Table A only those past or planned investments in fixed assets made directly by the Contractor from its own, or raised, capital, and that are included or to be included in the Contractor's Balance Sheet.

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6.2. If a Company has more than one contract with PDO, in Capital Investment section shall the contractor report the same investment the company did for all contracts? Or contractor should divide the investment for each contract?

Investment for fixed assets is non contract specific and should reflect all company spend for all contracts.

6.3. If the contractor is investing in construction project but leasing the land from different supplier, shall the contractor record in capital investment the total amount of construction & lease?

Whatever assets payed by PDO on a monthly, daily or hourly rate is considered as a service and should not be captured in investment in fixed assets.

Leases are not considered as investments but are services.

6.4. Contract awarded for 2-3 years, contractor buy new equipment for the job cost i.e. 100k. Life time of this equipment is 10 years. How the contractor shall report equipment as whole value in a single entry when purchased or depreciated value across 10 years

The reporting shall be as depreciated value.

## 7. Omanisation of the Workforce

### 7.1. How to calculate Workforce head count.

It is calculated as follows;

You will enter the number of people expected in every quarter

Senior Management / Omani

Q1 2

Q2 2 No additional hire

Q3 2 No additional hire

Q4 3.....You hired one person so  $1 + 2 = 3$

### 7.2. How to calculate workforce man-hours.

It is calculated as follows;

Total number of Hours worked in a day x Number of Days Worked in a month (Excluding weekends) x 3

(One quarter is equal to three months) x N.O of people in this category

For office based =  $8 \text{ hrs} \times 24 \text{ days} \times 3 \text{ (One quarter)} \times \text{N.O of people (For example Senior Management)}$

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For Field = 12 hrs x 14 days shift x 3 (One quarter) x N.O of people (For example Skilled)  
For Field = 12 hrs x 28 days shift x 2 (One quarter) x N.O of people (For example Skilled)

### 7.3. How to calculate Workforce compensation.

It is calculated as follows;

Let's assume you have two people as Senior Management

Employee A is paid 1000 Riyal

Employee B is paid 1500 Riyal

To calculate average pay per hour;

Employee A's salary / Number of days worked in a month/ Number of Hours worked in a day  
 $1000/24/8 = 5.2$

Employee B's salary / Number of days worked in a month/ Number of Hours worked in a day  
 $1500/24/8 = 7.8$

For Average Pay per Hour

$(\text{Pay Per Hour A} + \text{Pay Per Hour B}) / 2 \dots\dots\dots$  To calculate Average  $(5.2+7.8)/2 = 6.5$

### 7.4. Driver option being in unskilled category? Shouldn't be in semi-skilled?

Workforce Categories and sub-categories vary from a contract to a contract and dependent on the contract requirement, in case a sub-category is not available in the designated area it should be sent to ICV M&R system administrator and it will be updated accordingly.

### 7.5. if the Job position has a backup (working in rig, 2 weeks and 2 weeks backup) the staff is Omani and the backup is Expat what to record as headcount (0.5 Omani / 0.5 Expat)?

Head count should be one for Omani and expat is one. For man-hours as per spend.

### 7.6. IF the SME or LLC are being engaged in Q10, how the contractor reports the workforce in previous periods?

Contractor to report SME & LCC actuals as per plan submitted I,e if Q1 & Q2 ICV plan submitted as 0 it should reflect the same.

### 7.7. How to Report partially utilized staff in workforce?

Partially utilized staff is shown as 1 head under count while you report actual hours under man-hours while planning his allocation to the contract. Example 1 Resource is allocated partially a week then we report as 1 Headcount and 20 hours assuming 40 hours of reporting per week.

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7.8. When entering the actual data in the workforce the position category "forklift driver" why it is consider as a unskilled? Should be under skilled?

Workforce categorization is based on OPAL specifications.

Contractor should discuss their requirements with contract Holder who will align with ICV team

## 8. Training of Omanis

8.1. How to calculate on the Job training cost?

You can add up the cost of delivering the training by including other costs like facility cost mentor cost and any other expenses incurred over the same along with direct expenses related to training.

All records submitted by contractor should be auditable.

## 9. Local Sourcing of Goods (Table D)

9.1. There are goods supplied by PDO to contractor, Shall the contractor record them in the GOOD element?

PDO supplied goods are not part of contractor spend and should not be reflected in system.

9.2. If the Agent of the Good is Omani and the good is coming from outside, does the good in this case considered as Omani origin or foreign?

The report will be under national supplier

9.3. In Goods element > in sub Category> "others" option is available

Others in all category is being phased out, because it is not auditable.

9.4. How to calculate the percentage made in Oman goods?

Made in Oman goods is referred to a company who is holding made in Oman certificate from Ministry of Commerce and Industry (MOCI) then they are deemed as 100% MiO goods and are to be reflected as such in the system.

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## 10. Local Sourcing of Services

### 10.1. What is meant by Local Sourcing of Services

Services that are to be sourced from Nationally-Registered Suppliers or Foreign Suppliers for utilization in execution of the Contract.

### 10.2. What should I input in this element

Direct Services related to the scope execution should only be listed in this element.

## 11. Development of National Suppliers

### 11.1. What is meant by development of national supplier

Contractor shall develop the capabilities of National Suppliers including SME's of goods and services, such as:

1. Communication of information,
2. Upgrading standards for capability, capacity and quality through improvements in operational process, efficiency and quality assurance.
3. Skills training and competency development of employees of National Suppliers and SME's.
4. Collaboration with other organizations, such as other operators and contractors, public institutions and non-governmental organizations

### 11.2. Is the development related to the contract or not?

The element is reported in two parts;

1. During contract execution period which is contract specific.
2. After contract execution period which is not related to contract.

## 12. Development of National Training Institutions (Education, Research and Development)

### 12.1. If I pay money to a training institute is that supporting them

It is not the value of the product or service provided but it is the monetized support value