



International
Association
of Oil & Gas
Producers



JOINT INDUSTRY PROGRAMME

Standardizing procurement specifications

IOGP JIP33 PROCUREMENT SPECIFICATION IMPLEMENTATION IN SAIPEM - OCTOBER 2023



Memorandum Of Understanding - 2020

Objectives

- Coordinate efforts regarding the specifications developed by the JIP33 programme and **continuous improvement** of such specifications
- **Drive adoption** of JIP33 as the preferred procurement specifications for the Oil & Gas industry
- **Advocate** for the JIP33 programme internally and externally
- **Discuss, share and improve** sector wide value generation from the JIP33 program



Memorandum Of Understanding between

SAIPEM, S.p.A., a company organized and existing under the laws of Italy having its principal office at via Martiri di Cefalonia, 67- San Donato Milanese- Italy (Saipem or 'Company')

And

IOGP JIP33, established under the auspices of the International Association of Oil & Gas Producers having its registered office address at City Tower, Level 14, 40 Basinghall Street, London EC2V 5DE, England ("IOGP")

hereinafter referred to individually as "Party" or collectively as "Parties" -

SAIPEM'S INVOLVEMENT IN IOGP JIP33 - Events



- 2020: Saipem formally becomes a JIP33 **Partner Contractor (MOU)**
- 2020: External **Awareness Event** - Industry Association
- 2020: Kicks off the Internal Cascading Campaign
- 2020: Contribution to IOGP JIP33 **Virtual Industry Day**
- 2021: 1st anniversary and LinkedIn post (+100k visualizations)
- 2021/22 : Webinar on JIP33 Updates with Industry Association
- 2022: Published an **article** dedicated to JIP33 on the **Saipem Blog** as well as on **Industrial Sector Magazine**



- 2022: IOGP Membership
- 2023: Participation to IOGP ELC-EPC **Engagement/Open Feedback**

Ongoing Activities

Contribution of JIP33 Specs (JAMA with Saipem SME)

Participation to EPC Group Quarterly Meetings

Specification **Adoption** on Project in Execution. Purchase Order Placement



IOGP JIP33 Specifications in Saipem Projects - OCT 23

	PLANT TYPE	PROJECT PHASE	STATUS	COUNTRY
1	MARINE TERMINAL	EPC	EXE	Senegal
2	FPSO	FEED	EXE	Angola
3	FPSO	EPC	EXE	Brazil
4	FLNG	FEED	TND	Malaysia
5	FPSO	EPC	EXE	Angola
6	FPSO	FEED	TND	Angola
7	PLATFORM	FEED	TND	Nigeria
8	SUBSEA + PLANT	EPC	EXE	UAE
9	PLANT + PLATFORM	EPC	EXE	Angola
10	FPSO	EPC	EXE	Angola
11	PLANT	EPC	TND	KSA

Advantages

One of the most critical factors of project success involves the wider use of standardized solutions.

- All stakeholders will have common understanding and competence on products requirements.
- Create efficiency instead of managing bespoke design (Standardize Design and vendors Supply Chain).
- Faster and more accurate Bidding phase
- More efficient execution phase by adopting possible Master Agreements set on basis of multiple projects.
- Qualification process homogeneous for Operators and Contractors

Return of Experience

Feedback from Project in Execution - Implementation on Projects in different phases

- **Feed and Tendering Phase (Opportunities)**
 - **Design Advantages**
 - **Set Procurement Strategy (Agreement Vs PO)**
 - **Enhanced Cost Definition**

- **During EPC Phase: (Challenges)**
 - **Design Integration Interfaces (implementation not homogeneous across all disciplines)**
 - **Contractual Implication (Tendering Vs Execution)**
 - **Managing Stakeholders:**
 - **Corporate and Project Execution Team (Flow Down)**
 - **Partners in JV**

Return of Experience

Project and Vendors

- Awareness of IOGP Proc Specification has improved
- Awareness on how to efficiently implement can be improved
- **Structured Vendors** have demonstrated more awareness than smaller suppliers
- Some **overlays** still present with Opco Standards
- The “**Most Stringent Requirement** ” Rule is a risk of debate on issues which have been already closed via JIP33 Reviews

KEY TAKE-AWAYS

Saipem's view on standardization

- Saipem sees **EPC Contractors** as **enablers** who can recommend wider adoption of JIP33 specifications, e.g. to Client JVs, EPC JVs and IOGP and non-IOGP members.
- We see **value creation** in **equipment standardization**, which can be achieved through Client standardization programs or through the contractual application of industry standards.
- The Supply Chain cannot **force standardization**. The driver has to be the End User.
- **Buy-in** from the End User Project Team - and not only the **HQ** - is essential for success.
- Saipem sees **Complex Engineered Packages** as a key area where an EPC Contractor can bring significant Experience and value as Integrator, in terms of Evaluation of **MFR Standard approach** vs **Standardization of base and optional scope**

..Useful Implementation Guideline..



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GUIDE FOR IMPLEMENTATION OF JIP33 PROCUREMENT SPECIFICATIONS

JIP33 standardized procurement specifications implementation guide



Q&A

