

ADNOC Group

In-Country Value (ICV) Supplier Guidelines

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SECTION A - COMPANY ICV CERTIFICATE GUIDELINES

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SECTION A - COMPANY ICV CERTIFICATE GUIDELINES

1. INTRODUCTION

In November 2017, ADNOC announced its intention to announce a new In-Country Value (ICV) program for ADNOC Group Companies. The objective of this program is the following:

- (a) Emiratisation: creating additional employment opportunities for Emiratis in the private sector;
- (b) GDP Diversification: supporting UAE GDP diversification through sourcing more Goods and Services within the UAE; and
- (c) Strategic Considerations: localizing strategically critical parts of the value chain for selected Categories.

As part of ADNOC ICV program, Suppliers are required to declare their ICV achievement in the previous financial year. As part of the ICV calculations, following areas are considered:

- (a) Goods Manufactured (For Suppliers engaged in goods manufacturing / production)
- (b) Third Party Spend (For Suppliers who are Service Providers)
- (c) Investment
- (d) Emiratisation
- (e) Expatriate Contribution
- (f) Bonus – i) Exports & ii) Emirati Head count

Supplier's spend that remains within UAE or contributes to the UAE is calculated and considered as In-Country Value.

The calculation details are explained in subsequent pages.

2. GENERAL INSTRUCTIONS

- (a) Suppliers shall possess ICV certificate issued by an ADNOC empaneled Certifying body (details of Certification bodies are available in <https://www.adnoc.ae/en/incountry-value/certifying-bodies>). Suppliers who do not possess the ICV Certificate shall be allowed to participate in the ADNOC Group tenders, however, their ICV score will be considered as “Zero(0)” in the bid evaluation.
- (b) ICV certificate needs to be obtained for each legal entity, which intends to participate in tender with ADNOC or any of its group entities.
- (c) ICV Certificate shall be prepared based on last audited financial statement, which shall not be older than 2 years from the certification year i.e., For ICV certification in 2018, the audited financial statement to be considered shall not be older than 2016. For newly established Companies (less than 10 months old), who do not have audited financial statements, the Management Accounts for a period of up to 9 months can be used for ICV calculations. Any management accounts greater than 9 months will be required to be audited.
- (d) The ICV certificate shall be valid for period of 18 months from the date of initial issue. Supplier can get recertified during the validity of the ICV certificate if he chooses to, using the same audited financial statement, but the validity of 18 months from the first issue will remain. In any case, Supplier shall be responsible to have the revised ICV certificate within 2 months after the new Audited Financial Statement is issued.
- (e) Upon appointing a Certifying Body, Supplier shall report the same to ADNOC and must not change the Certifying Body for that year’s ICV certificate without proper justifications and ADNOC’s prior approval.
- (f) The figures reported in the Supplier submission should relate to the figures in Supplier’s audited financial statements or from the supporting documents used to generate the audited financial statements. The different scenarios with respect to the consideration of financial statements are as per flow chart (Annexure-1) attached to these guidelines.
- (g) The supplier submission should consider all its costs & revenue while providing Goods or Services for all clients (including ADNOC) during the financial year.
- (h) In exceptional cases, when Suppliers do not have “Revenue” in the previous audited Financial year, total “Cost” can be considered instead of “Revenue” and applied in the formula for “Goods Manufacturing” and “Third party cost”.
- (i) The cost figures shall be in USD in the templates unless specified otherwise.
- (j) In case the supplier is unable to provide the consumption details (listing by vendor and by invoice), purchases made during the year can be considered. In such a case, the differential of opening and closing stock should be adjusted as “others” to tie it back to consumption figure in the books of accounts. The “others” shall then be split into the same ratio of ‘total inside UAE costs’ and ‘total outside UAE costs’.
- (k) Assumptions and calculation methodologies utilized in preparing the submission should be consistent with this guidelines provided by ADNOC.
- (l) Supplier should have all documentation supporting the reported cost figures. The numbers will need to stand up to scrutiny by ADNOC empaneled Certification body. ADNOC has the right to conduct a quality review of each of the Certification Bodies’ ICV

engagements and the review reports prepared by them. Suppliers & Certification Bodies will be required to share the required information with ADNOC.

- (m) Any gross negligence or willful default by Suppliers in their submissions will result in appropriate punitive measures by ADNOC including being banned from participating in ADNOC's all future tenders.
- (n) Supplier should strictly follow the Supplier Submission template which can be downloaded from <https://www.adnoc.ae/en/incountry-value/information-for-suppliers> to generate their ICV score / certificate. Supplier needs to fill the figures and other details, in non-shaded areas of the template.
- (o) When the bids are submitted by Agents on behalf of Principal, the Agents shall submit separate ICV Certificates for the Agent and Principal. The combined average ICV Score of Agent and Principal shall be considered for commercial evaluation as under:

$$(\text{ICV Certificate}_{\text{Agent}} + \text{ICV Certificate}_{\text{Principal}}) \div 2.$$

When the bid is directly submitted by the Principal, 100% of Principal's ICV certificate score shall be considered.

- (p) For Joint Ventures or consortia following shall be considered :

Joint Venture / Consortium (Only in case the JV/Consortia is not a legal entity in itself; and is formed for a specific tender)

The ICV Score for the JV or Consortium shall be calculated based on ICV Scores of the partners calculated in proportion to their equity share in the Joint Venture or Consortium, as set out in the JV or Consortium agreement. eg:

with equity stake of 70%, 20% and 10% respectively, the ICV of the JV will be calculated as - $ICV_{JV} = 0.7 \times ICV_A + 0.2 \times ICV_B + 0.1 \times ICV_C$

when equity stake of partners is not available, the ICV of the JV will be calculated as - $ICV_{JV} = (ICV_A + ICV_B + ICV_C) \div 3$ (no. of partners)

The template for the same is attached as Annexure – 2

- (q) For the purpose of ICV calculations, following shall be considered for different type of Companies:

Type of Company	Consideration for ICV
LLC in main land UAE (Limited Liability Company)	Within UAE
Free Zone companies	<u>Goods Manufacturer</u> - Within UAE <u>Service Providers</u> - All attributes except Investment will be considered with in UAE
Offshore Company	Outside UAE
Representative Office	based on parent company
Branch Office in main land UAE	Within UAE

- (r) Suppliers are encouraged to amend their existing trial balance codes appropriately to separately capture specific costs required by ICV. This will ensure that the certification is smooth and cost effective for the future years. For example, the suppliers could have a separate code for Emirati payroll costs, training costs, manufacturing costs – overseas, etc.

3. ICV CALCULATION FORMULA

- (a) Goods Manufacturer – Supplier who manufactures and supplies a finished product to an external customer. A Supplier holding the Industrial License in Abu Dhabi (or equivalent license in other Emirates) shall be considered as Goods Manufacturer.

For a Supplier who is a Goods Manufacturer, the following attributes will be considered:

- (i) Goods Manufacture cost
- (ii) Investment in UAE
- (iii) Emiratization, spend on training (development) and
- (iv) Expatriate contribution
- (v) Bonus – Exports & Emirati Head counts.

- (b) Service Provider – Any Supplier who is not a Goods Manufacturer is considered as “Service Provider”. A Supplier who has license other than “Industrial License” or equivalent shall be considered as Service Provider

For a Supplier who is a Service Provider the following attributes will be considered:

- (i) Third Party Spend cost
- (ii) Investment in UAE
- (iii) Emiratization, spend on training (development) and
- (iv) Expatriate contribution
- (v) Bonus – Exports & Emirati Head counts

- (c) Supplier, engaged in both “Goods Manufacture” and “Services”, will have two ICV certificates; one as “Goods Manufacturer” and the other as “Service Provider”.
- (d) A Supplier who is an Agent / Trader will be considered as “Service Provider”. However, Agent for only one Principal Goods Manufacturer in UAE, shall be considered as Goods Manufacturer.
- (e) Supplier shall submit the relevant certificate (i.e., either Goods Manufacturer or Service Provider) in the commercial bid, as requested in the tender by the ADNOC Group Company.
- (f) The formula for calculation of ICV component along with the weightage for each of the attribute is detailed below:

ICV ENHANCED FORMULA



		GOODS	SERVICE	FORMULA		Bonus (Maximum up to 5%)
Goods / Services	(GM) Goods Manufacturing	50%	N/A	Total cost incurred with in UAE+ Emirati Cost + 0.6* Expat cost Total Revenue		Total Annual revenue from outside UAE (Export Revenue) Total Annual revenue from UAE (revenue from inside + outside customers) Excluding Re - Exports
	(TPS) Third Party Spend	N/A	50%	∑ Value of good & services procured per vendor & subcontractor x ICV of the vendor & subcontractor + Emirati Cost + 0.6* Expat cost Total Revenue		
plus						
Company	(I) Investment	25%	25%	Net Book Value of Assets in UAE Net Book Value of Total Assets Basic 10%	Top up 15% on progressive basis (USD 5M - USD 50M) Top Up 15%	No. of Emiratis 100
	(E) Emiratization	15%	15%	Up to AED 200K Salary & benefits – 2% Above AED 200K till AED 20M –progressive Above AED 20M – 15%		
	(EC) Expat contribution	10%	10%	In terms of head counts, progressive increase as follows: a) 1 to 5- 1 to 3% b) 6 to 50 – 4 to 6% c) 51 to 200 – 7 to 9% d) Above 200 – 10%		

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- (g) The Excel template issued by ADNOC for Supplier Submission consists of tabs dedicated to each of these attributes, wherein the Supplier has to fill the figures as explained in subsequent pages of this guidebook.
- (h) Throughout this Supplier guidelines, the Page Number headings corresponds to the separate tabs which have been incorporated into the "Supplier Submission Template" Excel sheet tool that is used to calculate the ICV% of Supplier.

4. ICV TEMPLATE INSTRUCTIONS

4.1 ICV Summary

Applicability – Applicable for all Suppliers

**Page-1
ICV Summary**

The Supplier is required to fill the following:

(a) Section A – Company General Information

The screenshot of Company General Information are as under:

COMPANY GENERAL INFORMATION			
Name		Commercial License No.	ADNOC Vendor ID (For Registered Suppliers with ADNOC only)
Address	Contact Person Details		
	Name		
	E-mail		
	Office		
	Mobile		
Company Type (Select from drop down list)		Company based in (Select from drop down list)	
Financial Year			
Company Business			

Supplier is required to add the following details in the template:

- (i) Name of the Supplier (Legal entity) as per the Chamber of Commerce License
- (ii) Industrial license/ Commercial License Number
- (iii) ADNOC Vendor ID (if registered with ADNOC Commercial Directory)
- (iv) Address of the Legal entity
- (v) Contact Person details:
 - Name
 - E-mail
 - Office Tel number
 - Mobile number
- (vi) Company Type - choose the appropriate type from the drop down list:
 - Small Medium Enterprises (SME) in UAE
 - Non-SME in UAE
 - International Company

For selection of SME/Non SME, please be guided by as per SME definition in website of National Program for Small and Medium Enterprises and Projects (www.uaesmes.ae/About/SMEDefinition).
- (vii) Company based in - choose the appropriate type from the drop down list:
 - Within UAE
 - Outside UAE

Note – Goods Manufacturers in Free Zone should choose “Within UAE” and Service Providers in Free Zone should choose “Outside UAE”
- (viii) Financial Year – Supplier shall fill the Financial year based on which the Supplier Submission has been based upon.

- (ix) Company Business - choose the appropriate type from the drop down list:
- Good Manufacturer
 - Service Provider
- (Refer to section 3. a and 3.b above for guidance)

(b) Section B – In-Country Value details

This Section is protected and Supplier is not required to enter any information in this Section.

The results are auto-calculated based on the figures entered by the Supplier in subsequent Pages (Page 2 through Page 7)

The Certification Body shall indicate the validity date of the ICV score as per Section 2. d) above.

This page shall bear the signature of Suppliers' Power of Attorney or any senior / authorized signatory, designation. Company stamp and date; and Certifying Body representative's signature, Designation, Company Stamp and date.

This Page duly signed by the Supplier's POA or authorized executive and Certifying Body representative shall be considered as Supplier's Company ICV Certificate. This certificate shall be submitted by the Supplier along with the commercial bid of a tender in ADNOC or it is Group of companies; or when requested by any of the Supplier's client.

4.2 General Questionnaire

Applicability – Applicable for all Suppliers

**Page-1 A
General
Questionnaire**

All Suppliers are required to fill in the questionnaire based on the reported financial year.

The below questionnaire duly filled shall be submitted along with Page 1 (certified ICV summary sheet) in the commercial bid of any tender.

The details provided in the Questionnaire will not be considered for ICV calculation or evaluation.

4.3 Goods Manufacturing

Applicability – Applicable only in case Goods Manufacturers

**Page-2
Goods
Manufacturing**

(a) Below is the extract of Supplier submission template Excel sheet:

S.No	Goods Description	TOTAL COST											
		WITHIN UAE						OUTSIDE UAE					
		Third party cost					Internal cost (US\$)	Third Party Cost				Internal cost (US\$)	TOTAL ICV (US\$)
		Goods Manufacturer		Service Provider				Name	Procured Cost (US\$)	ICV%	ICV value (US\$)		
		Name	Procured Cost (US\$)	Name	Procured Cost (US\$)	ICV %							
							-				-		-
							-				-		-
							-				-		-

The Supplier is required to fill the following:

(i) Goods Description

Supplier has to list out all the Goods manufactured by the Supplier in the previous financial year in broad categories. If there are multiple goods falling under same or similar category, it can be combined together as one line item in the template.

(ii) Total cost

Supplier shall provide the breakdown of total cost for each goods listed in the table. The breakdown shall be as under:

➤ Level -1

Total cost will be split into:

- With in UAE cost – All costs incurred with in UAE
- Outside UAE cost – All costs incurred outside UAE

S.No	Goods Description	TOTAL COST												
		WITHIN UAE						OUTSIDE UAE						
		Third party cost						Internal cost (US\$)	Third Party Cost				Internal cost (US\$)	TOTAL ICV (US\$)
		Goods Manufacturer			Service Provider									
		Name	Procured Cost (US\$)	Name	Procured Cost (US\$)	ICV %	ICV value (US\$)		Name	Procured Cost (US\$)	ICV%	ICV value (US\$)		
							-				-		-	
							-				-		-	
							-				-		-	

➤ Level -2

“With in UAE” & “Outside UAE” cost shall be further split into:

S.No	Goods Description	TOTAL COST												
		WITHIN UAE						OUTSIDE UAE						
		Third party cost						Internal cost (US\$)	Third Party Cost				Internal cost (US\$)	TOTAL ICV (US\$)
		Goods Manufacturer		Service Provider										
		Name	Procured Cost (US\$)	Name	Procured Cost (US\$)	ICV %	ICV value (US\$)		Name	Procured Cost (US\$)	ICV%	ICV value (US\$)		
							-					-		-
							-					-		-
							-					-		-

- Third Party Cost – All cost paid to third party companies
- Internal Cost – All cost incurred internally (not incurred on Third parties)

➤ Level-3

S.No	Goods Description	TOTAL COST												
		WITHIN UAE						OUTSIDE UAE						
		Third party cost						Internal cost (US\$)	Third Party Cost				Internal cost (US\$)	TOTAL ICV (US\$)
		Goods Manufacturer		Service Provider					Name	Procured Cost (US\$)	ICV%	ICV value (US\$)		
		Name	Procured Cost (US\$)	Name	Procured Cost (US\$)	ICV %	ICV value (US\$)							
							-				-		-	
							-				-		-	
							-				-		-	

Third party cost under “With in UAE” - This shall be further split into:

- Goods Manufacturer – Company holding Industrial license
Supplier to enter the name of the Manufacturer and the procured cost from the Manufacturer in USD.
The procured cost from UAE Manufacturer will be considered as 100% incurred ‘within UAE’
- Service Provider – Company holding a license other than Industrial license.
Supplier to enter the name of the Agent/Service Provider, Procured cost and ICV% of the Service Provider.
In case of “Within UAE” cost will be calculated by multiplying procured cost from the Agent/Service Provider with ‘50%’ or ‘ICV% of the Agent/Service Provider’ whichever is higher.

For Third party Service Providers for Utility and other Services in UAE, following can be considered:

Services	ICV%
Water / Electricity	80%
Fuel	ICV of the provider
Rent paid for Property/Land	80%
Telecom Providers	As per the ICV of the provider

UAE Government charges – Directly paid to Government	100%
UAE Government charges – Through agents/service providers	ICV of the Agent/Service Provider
ADNOC Group Companies except ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	80%
ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	ICV of the Company

The following costs shall not be included in the costs:

- Sponsorship fees
- Penalties imposed by the Government

Third Party cost under “Outside UAE” -

In this Section, Supplier shall provide the name of the Manufacturer/ Agent/Service Provider, Procured cost and ICV% of the Manufacturer/ Agent/Service Provider.

(iii) ICV Calculation

The ICV is calculated as under:

$$\left[\frac{(\text{Total ICV value}) + \text{Emirati cost (Page-5)} + 0.6 \times \text{Expatriate cost (Page-6)}}{(\text{Total Revenue})} \right] \times 0.5$$

4.4 Third Party Cost

Applicability – Applicable only in case of Service Providers

**Page-3
Third Party Cost**

- (a) Below is the extract of Supplier submission template Excel sheet:

Goods / Services Description	Vendor Name	Cost of Procurement (US\$)	Vendor ICV%	In Country Procurement Value (US\$)
				-
				-

- (b) Goods/Services Description

Supplier has to list out all the Goods/Services procured by him in the previous financial year in broad categories. If there are multiple goods falling under same or similar category, it can be combined together as one-line item in the template. For example – different specifications of valves procured could be combined as one-line item titled “Valves”.

Although, it is recommended that all Goods/Services procured should be listed to achieve higher ICV scores, Supplier may provide the details of selected Goods procured with rest of the Goods procured included as “others” with zero (0) ICV score.

- (c) Supplier Name

Supplier shall indicate the “Vendor name” who has supplied the goods

- (d) Cost of Goods purchased

Supplier shall provide the Cost of Goods (Cost of Sales) purchased from the Vendor.

- (e) Vendor ICV%

Supplier shall indicate the ICV% of the Vendors. This should be backed up with ICV certificates of Vendors issued by one of the ADNOC empanelled Certification Body. Vendors ICV% shall be considered as zero(0) if they do not have valid ICV certificate.

All operating costs like Water / Electricity, Fuel, Rentals of property/equipment, Telecom and Government charges shall be considered in the Third Party spend. Vendors from whom such services are procured will have their ICV's as under:

Services	ICV%
Water / Electricity	80%
Fuel	ICV of the provider
Rent paid for Property/Land	80%
Telecom Providers	ICV of the provider
UAE Government charges – Directly paid to Government	100%
UAE Government charges – Through agents/service providers	ICV of the Agent/Service Provider
ADNOC Group Companies except ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	80%
ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	ICV of the Company

The following costs shall not be included in the costs:

- Sponsorship fees
- Penalties imposed by the Government

The following Internal Cost can be inserted in the table with ICV as 100%:

- Depreciation cost

(f) ICV Calculation

The ICV is calculated as:

$$\left[\frac{[\text{Goods/Services 1} \times \text{ICV\% of Vendor 1} + \text{Goods/Services 2} \times \text{ICV\% of Vendor 2} + \text{Goods/Services 3} \times \text{ICV\% of Vendor 3} + \dots \text{Goods/Services } n \times \text{ICV \% of Vendor } n] + \text{Emirati cost (Page-5)} + 0.6 \times \text{Expat cost (Page-6)}}{\text{Total Revenue}} \right] \times 0.5$$

Applicability– Applicable for all Suppliers
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Page-4 Investment

- (a) Below is the extract of Supplier submission template Excel sheet:

Owned Assets Description	Net Book Value (US\$)	Location

- (b) Assets Description

Fixed Assets **owned** by Supplier as per the Audited Financial Statement along with the location (i.e., Inside UAE or Outside UAE) should be reflected in Page – 4.

Fixed Assets will include the following categories:

- (i) Property, Plant and Equipment (including any ERP costs)
- (ii) For IT companies, software development costs will also be included
- (iii) Capital Work in progress
- (iv) Investment Property

All other intangibles must be excluded from investments

The investments outside the UAE should also be reflected appropriately in the Supplier Submission Template.

In case the supplier has revalued their Property, Plant and Equipment, the value of the Property, Plant and Equipment shall be reduced by the extent of the balance in the revaluation reserve at the Balance Sheet date.

- (c) Net Book Value

For all the assets listed, Supplier shall provide the Net Book Value as per the Audited Financial Statements.

- (d) Location

Supplier shall select one of the location from value list – “Inside UAE” or “Outside UAE”

- (e) ICV Calculation:

The ICV is calculated as under:

Net Book Value of Assets in UAE
 ----- x 0.1 (weightage 10%)
Net Book Value of Total Assets

plus

15% on progressive basis from Asset NBV of USD 5 Million to USD 50 Million.

4.6 Emiratization

Page-5
Emiratization

Applicability – Applicable for all Suppliers

(a) Below is the extract of Supplier submission template Excel sheet:

Direct Staff	Number	ANNUAL Salary + Benefits (AED)	ANNUAL Training Expenditure (AED)	TOTAL EXPENSES IN US\$
Emiratis				

(b) Supplier has to fill the following for direct staff Emiratis, who are on Supplier's payroll:

- (i) Total Number of Emirati employees in Supplier payroll (WPS where applicable) in UAE as at the date of the audited financial statement.
 - (ii) Salary + Benefits as per the Financial Statements (Includes all benefits paid to direct Emirati staff including salaries, allowances and other benefits). Only salary and benefits of those Emiratis who are included in the Wage Protection System (WPS) are considered in the ICV.
 - (iii) Training Expenditure (includes spend by Supplier on external training provided to direct Emirati staff. Cost incurred on internal training courses should not be included). Only expenditure included in Audited Financial Statement shall be considered for ICV
- (c) Any sponsorship / management fees paid to Emiratis outside of WPS shall not be considered.
- (d) Free Zone companies who are not registered in the WPS system, shall provide documentary evidence from Free Zone authority on the details of employees, in order to consider the number and salary / benefits in the calculations.
- (e) Suppliers shall register their respective company with Human Resources Authority (HRA) portal to obtain the unified HRA number. Suppliers who have not yet been registered will be given a grace period of 18 months from the date of issuance of the ICV certificate to register with HRA. In case of failure to do so, Supplier's score for Manpower will be considered zero(0) in the next ICV certificate till the Company gets registered with HRA.
- (f) Shared employee costs shall be considered as per the financial statements. Where an Emirati's cost is being charged off by a group entity, consider these costs as part of the overall manpower cost. However, this Emirati shall not be considered for calculation of total number of manpower (therefore, it shall not affect the Emirati bonus element of the ICV).
- (g) Training for Emiratis (non-employees) shall be counted if it donations are made through Sondoq Al Watan. The donations made to following government universities, but not limited to, shall also be considered as training for Emiratis:
 - (i) Emirates University
 - (ii) Higher Colleges of Technology
 - (iii) Zayed University
 - (iv) Khalifa University
 - (v) Petroleum Institute

(h) ICV Calculation:

With regards to Annual Salary, benefits & training for total Emirati employees, the ICV is calculated as under:

Up to 200K AED – 2%

and

Progressive up to 20 M AED Annual Salary – 15%

4.7 Expat Contribution

Applicability – Applicable for all Suppliers

**Page-6
Expat Contribution**

- a) Below is the extract of Supplier submission template Excel sheet:

Direct Staff	Number	ANNUAL Salary + Benefits (AED)	ANNUAL Training Expenditure (AED)	TOTAL EXPENSES IN US\$
Expats				-

- b) Supplier has to fill the following for direct staff Expats, who are on Supplier's payroll:
- (i) Total Number of Expatriate employees in Supplier payroll (WPS where applicable) in UAE, as at the date of the audited financial statement.
 - (ii) Salary + Benefits (Includes all benefits paid to direct Expatriate staff including salaries, allowances and other benefits) included in Audited Financial Statement. Only salary and benefits of those Expats who are included in the Wage Protection System (WPS) are considered in the ICV.
 - (iii) Training Expenditure (includes spend by Supplier on external training provided to direct Expatriate staff. Cost incurred on internal training courses should not be included). Only expenditure included in Audited Financial Statement shall be considered for ICV.
- c) Free Zone companies who are not registered in the WPS system, shall provide documentary evidence from Free Zone authority on the details of employees, in order to consider the number and salary / benefits in the calculations.
- d) ICV Calculation:

The ICV is calculated as under for Expat contribution is calculated as under:

Number of Expats	ICV %
1 to 5	1 to 3%
6 to 50	4 to 6 %
51 to 200	7 to 9%
Above 200	10%

4.8 Revenue

Applicability – Applicable for all Suppliers

**Page-7
Revenue**

(a) Below is the extract of the Supplier Submission template:

S.No.	Revenue in last financial year	USD
1	From UAE Customers	
2	From Outside UAE Customers	
a.	✓ Re-Exports (export of goods without value addition)	
b.	✓ Exports excluding re-exports.	
Total		-

- (b) Supplier needs to indicate the Revenue “from UAE Customers” and “from Outside UAE Customers” in USD.
- (c) Revenue from Free Zone companies will be considered as “from UAE Customers”.
- (d) With regards to “from Outside UAE Customers”, Supplier shall provide the breakdown as under:
- Re-Exports – Revenue earned from re-exports i.e., when the imported goods are sold to outside UAE customers without any “value addition”
 - Exports excluding Re-exports – Revenue earned from outside customers after value addition within UAE by Supplier.

4.9 Bonus

Applicability – Applicable for all Suppliers

**Bonus
(maximum upto 5%)**

Suppliers are eligible for bonus as under:

a) Exports

Only the Supplier legal entities who are based in UAE are eligible for this bonus:

$$\frac{\text{Total Annual Revenue from outside UAE customers excluding Re-exports}}{\text{Total Annual revenue (from inside + outside UAE)}} \times 5\%$$

Note- The revenue earned through exports - without any value addition; shall not be considered in Export bonus. Trading and commission earnings by agencies will not be considered as Export revenue.

b) Emirati Head count

Number of Emiratis who are enrolled in the WPS will be considered for bonus. It is calculated as under:

$$\text{Number of Emiratis} / 100 \times 5\%$$

The total of (a) Export Bonus and (b) Emirati Headcount shall not exceed 5%.

Final checks by Supplier

After filling in the templates, Supplier is advised to verify all the details and ensure that it is aligned to audited financial statements.

It is recommended that Suppliers engage their Finance and other concerned staff to verify the figures.

In case of any queries, Supplier can contact the Group Company Focal point; and if further clarification is required email can be sent to icv@adnoc.ae

Submission by Supplier

On request from ADNOC Group Company against any tender, Supplier shall submit the 1st page of Supplier Submission template to ADNOC Group Company along with Commercial bid:

- a) duly signed and stamped by the company's Power of Attorney or senior / authorized signatory

And

- b) duly verified and endorsed by one of the ADNOC empanelled Certifying Body.

SECTION B - ICV IMPROVEMENT PLAN GUIDELINES

1. Pre- Award Process

- (a) When the ADNOC tender requires, the Supplier shall submit an ICV Improvement Plan along with the commercial bid,. The template for ICV Improvement Plan can be downloaded from <https://www.adnoc.ae/en/incountry-value/information-for-suppliers>.
- (b) The ICV Improvement Plan will be a contractual commitment linked to a payment against the achievement of actual ICV achieved vis-à-vis the ICV committed as per the ICV Improvement plan.
- (c) Based on the requirements specified in the tender, Supplier shall fill either the “Company Specific” or “Agreement specific” ICV Improvement plan template.
- (d) Company Specific ICV - In case of “Company specific” template, Supplier shall:
 - (i) In Section A, fill the following information:

➤ Tender Number ➤ Agreement Value ➤ Agreement Type <i>Select from the value list –</i> ▪ LTPA ▪ Contract ➤ Total Duration (years)	➤ Group Company ➤ Supplier Name ➤ Supplier Type <i>Select from the value list –</i> ▪ Goods Manufacturer ▪ Service Provider ➤ Agreement Description
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- (ii) The extract of the ICV Improvement Plan Sections B is as under:

ICV Plan Proposed by suppliers	
Upon completion of (Agreement Year)	Planned ICV % (expected as per ICV certificate)
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
AVERAGE	

Actions proposed by suppliers to achieve committed ICV	
Sr. No	Description
1	
2	
3	
4	
5	

- (iii) In the above, Supplier shall fill the ICV% planned for the Company during each year of the Agreement. Supplier shall also provide the Actions proposed by Supplier to achieve the planned ICV% for the Agreement.
- (iv) The ICV% planned shall be calculated based on the ICV formula as published in the ADNOC ICV website. Supplier may use the Supplier Submission Template to calculate the Planned ICV% in the Section B. All attributes i.e, Goods Manufacturing (only for Goods Manufacturer), Third Party cost (only for Service Provider), Investment, Emiratization, Expat contribution & Bonus shall be on the Company level.
- (v) The Average of the Planned ICV% in Section B along with ICV certificate score shall be considered to arrive at the ICV ranking of the Bidder during commercial evaluation.

(e) Agreement Specific ICV - In case of “Agreement specific” template, Supplier shall:

(i) In Section A, fill the following information:

- | | |
|---------------------------------------|---------------------------------------|
| ➤ Agreement Number | ➤ Group Company |
| ➤ Agreement Value | ➤ Supplier Name |
| ➤ Agreement Type | ➤ Supplier Type |
| ➤ <i>Select from the value list –</i> | ➤ <i>Select from the value list –</i> |
| ▪ <i>LTPA</i> | ▪ <i>Goods Manufacturer</i> |
| ▪ <i>Contract</i> | ▪ <i>Service Provider</i> |
| ➤ Total Duration (years) | ➤ Agreement Description |

(ii) The extract of the ICV Improvement Plan Sections B is as under:

Section B: In-Country Value Committed (To be filled by the Supplier and submitted with the bid)					
ICV Plan Proposed by suppliers				Actions proposed by suppliers to achieve committed ICV	
Upon completion of (Agreement Year)	Phased Revenue from the Agreement (USD)	Planned ICV % (expected as per ICV certificate)	ICV Value in USD	Sr. No	Description
Year 1			-	1	
Year 2			-	2	
Year 3			-	3	
Year 4			-	4	
Year 5			-	5	
TOTAL	-		-	6	
ICV % COMMITTED FOR AGREEMENT			0.00	7	

(iii) In the above, Supplier is required provide the following:

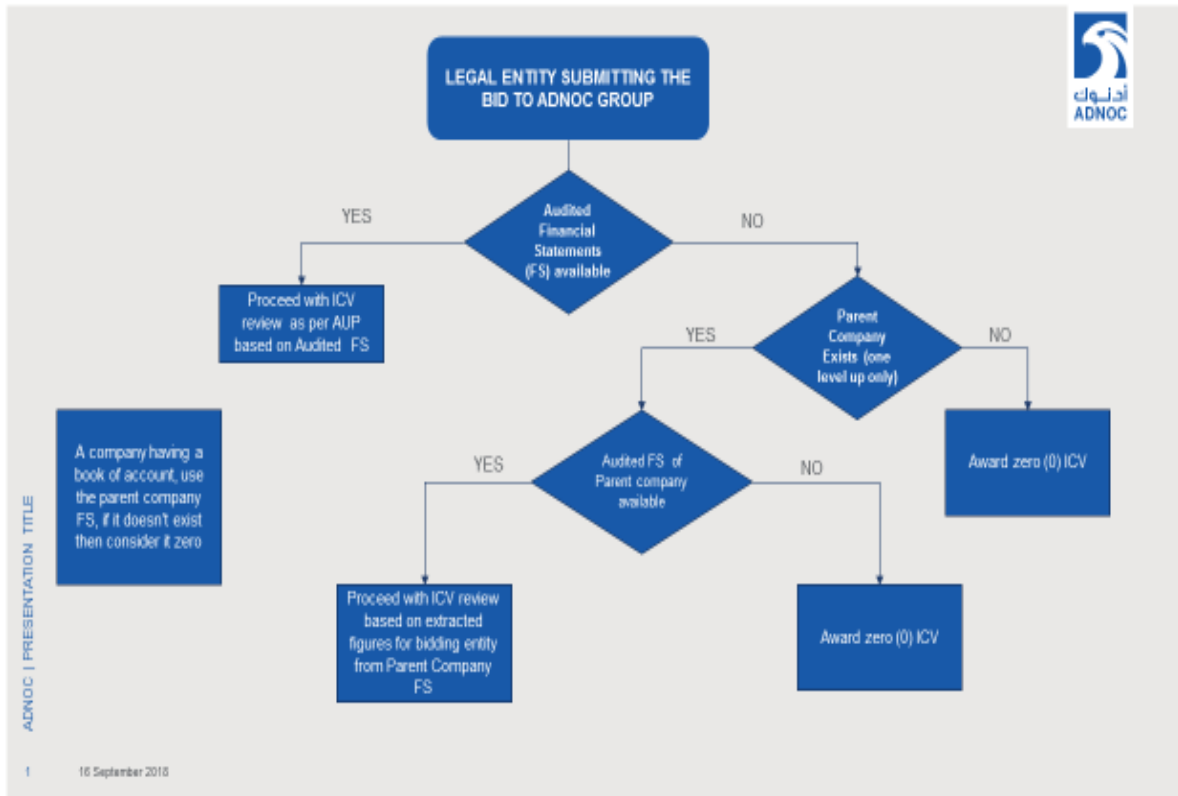
- Revenue expected from the Agreement per year which shall add up to the total Agreement Value (USD).
- Yearly Planned ICV% during the Agreement - Supplier shall consider the Agreement level ICV% for planning the ICV progress during the Agreement duration. During the Agreement duration, the successful Supplier shall be obliged to engage an independent audit firm (from ADNOC Group prequalified list of companies) to conduct an Agreement specific audit of the ICV spend and overall expenditure incurred.
- The Planned ICV% shall be calculated based on the ICV formula as published in the ADNOC ICV website. Supplier may use the Supplier Submission Template to calculate the Planned ICV% in the Section B.
- All components to calculate the Goods Manufacturing (only for Goods Manufacturer) or Third Party cost (only for Service Provider) , shall be at the Agreement level.

- Investment, Emiratization & Expat contribution shall be on the Company level. Further the Bonus component (Export & Emirati Headcount) will not be included in the Planned ICV% calculation.
 - Provide the Actions proposed by Supplier to achieve the committed ICV% for the Agreement.
- (iv) The ICV% committed for the Agreement in Section B along with ICV certificate score shall be considered to arrive at the ICV ranking of the Bidder during commercial evaluation.

2. Post Award Monitoring and Payment

- (a) For monitoring of the ICV actual achieved vis-à-vis the ICV planned as per the ICV Improvement plan, the Supplier shall provide the latest Company level / Agreement level ICV certificate (as applicable) from the Supplier upon completion of each Agreement year.
- (b) If the Agreement requires Suppliers to consider the Company level ICV , during the Agreement duration, the successful Supplier shall be obliged to submit the latest Company ICV certificate after completion of each Agreement year in order to monitor the actual ICV achievement vis-à-vis the ICV committed for the Agreement.
- (c) If the Agreement requires Suppliers to consider the Agreement level ICV for the ICV Improvement Plan, the awarded Supplier shall be obliged to engage an independent audit firm (from ADNOC Group prequalified list of companies) to conduct an Agreement specific audit of the ICV spend and overall expenditure incurred. The third party audit firm shall issue Agreement specific ICV report to ADNOC reflecting the actual ICV achievement vis-à-vis the ICV committed for the Agreement . Based on the audited report, Supplier shall get the Agreement specific ICV certificate from one of the ADNOC empanelled Certifying bodies.
- (d) A Milestone towards achievement of ICV for an amount of 5% of the Agreement value shall be included in the Contract.
- (e) The payment towards achievement of ICV shall be released to the Supplier after completion of each year from the commencement date of the Agreement in proportion to the actual ICV achieved (as per the last Company level ICV/ Agreement level certificate).
- (f) For Agreements which have partial commitments/ no commitments, ADNOC Group shall assign 5% out of Work Order / Call Off Order value towards ICV achievement. The payment towards achievement of ICV shall be released to the Supplier after completion of each year from the commencement date of the Work Order/Call off order (or completion date of the Work Order / Call off order, whichever is earlier) in proportion to the actual ICV achieved (as per the last Company level ICV certificate).
- (g) Section C of the ICV Improvement Plan template shall be used to calculate the actual payment to be released towards the ICV achievement progress.

Annexure -1



Annexure -2

ICV SCORE CALCULATION FOR JV/CONSORTIUM

[refer Section 2.(p) of the guideline]

(Please upload the template from <https://www.adnoc.ae/en/in-country-value/information-for-suppliers>)