Title of Article : *Project Management, Local Content and Value Delivery.*

Author(s): Idachaba F.E and Wokoma E.
Outlet : Offshore Technology Conference Houston OTC 2014 USA

Abstract: The local content policy is enforced by Governments to get local contractors more involved in the supply of services to the Oil industries in their countries so that funds spent on foreign companies for the provision of these services can be retained in the country. This increases the capacities of these companies at providing jobs and reducing unemployment in their countries. The Oil industry in Nigeria spends over $15Billion annually for services such as fabrication, procurement and engineering. These services can be provided by local companies. The main issue with the implementation of the local content policy is in the quality of services rendered by local companies which raises the question as to whether the value delivered is commensurate with the funds spent. Other issues include: Do these companies possess the required expertise to enable them deliver to the required standards? Are these companies being run in such a manner as to grow them into multinational companies capable of providing service to the global oil and gas companies? With the discovery of oil in other African countries, Nigeria should be a source of high quality and low cost alternative for the supply of the required technical expertise in these countries. The local content bill can only be successful if the benefitting local companies grow in terms of technical, financial and managerial capacities to be able to compete globally. For this to happen, the companies must be made to conform to international best practices, the scope of projects to be delivered must be thoroughly understood and the contract terms should include incentives for timely delivery of projects and services within the cost, schedule and quality. The contract terms should also include penalties for slippages by either party and these terms should be adhered to very strictly.