


<h1>Project Navigator</h1>				<b>Guideline</b>			
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				<b>DM # 595437</b>		<b>REV.</b> <b>5</b>	
Effective Date:	Apr 12/16	Revisit Date:	Aug 2018	Prepared By:	A. Zayette M.Nisbet	Approved By:	T.Hirschfeld

## 1.0 PURPOSE

This guideline outlines the monthly procedures for processing ProForma Invoices for contracted work.

## 2.0 REFERENCE DOCUMENTATION

The following documents were used in the development of this document or are related to it. The most recent revision shall be used.

<a href="#">NAV-TP-0036</a>	Invoice Breakdown / Forecast Template
<a href="#">NAV-TP-0030</a>	Outstanding Claims Notice Template
	ProForma Template ( <i>Thompson Only</i> )
<a href="#">NAV-GP-0050</a>	Project Change Management Guideline

## 3.0 APPLICATION


This guideline describes mandatory processes for the ERM Groups.

## 4.0 CONTEXT

While contracted work is being completed on projects, periodic payments are usually made to the Contracting Party to reflect the value of that work. In most cases, invoicing is done on a monthly basis.

The invoicing process described here supports other management routines for project work, to provide timely and accurate payment of vendors, and to ensure forecasted costs align with the progress of project execution.

ProForma invoices are used to ensure that the official Invoices submitted for payment will accurately reflect the value of the work completed in that period, and to verify that the other details are correct (P.O. #, SES #, etc).

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## 5.0 INVOICING PROCEDURE

The invoicing process includes the following steps for ERM personnel:

- Invoicing Schedule Development
- Monthly Forecasting
- ProForma Invoice Submittal with OCN [if Applicable]
- Project Team Invoice Review
- Project Manager Approval
- SES created and approved
- Send email including the SES and P.O. information to the contracting party
- Official Invoice Submittal by Vendor to SSO Finance

### 5.1 INVOICING SCHEDULE DEVELOPMENT

As part of the Requisitioning process, the Project Team must consider invoicing requirements, including progress payments where applicable.

In most cases, the invoicing schedule will simply be monthly invoicing for the value of the completed work, as detailed in PROFORMA INVOICE SUBMITTAL below.


Where progress payments are required, outline the progress payment schedule / invoice schedule within the Purchase Order line items (SRF Form and Appendix III-A-1).

This information must be clearly communicated to Vale Buyer and to the Contracting Party.

### 5.2 MONTHLY FORECASTING

On or before the first business day of each month the Contracting Party is to submit a reasonable invoicing forecast for the month to the designated project team member. This forecast value is to be split between in-scope and out-of-scope costs, when applicable. Where requested, break down the forecast as outlined in the Purchase Order line items (Appendix III-A-1).

The forecast should correspond to the value of the work scheduled for that period, in agreement with the ERM Project Team.

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### 5.3 PROFORMA INVOICE SUBMITTAL

ProForma invoices are to be submitted within five working days of the end of the monthly billing period.

ProForma Invoices shall show:

- Vale Purchase Order and Contract #
- Contracting party's company information including Vale Vendor #
- Contractor's reference # (e.g. their job # and/or Vale project #)
- Description of work (e.g. from the Requisition / Contract)
- Invoice #
- Invoice date
- Invoice billing period
- HST for the current billing period, shown as a separate total

Note: "Pro-Forma" must be clearly shown on all ProForma Invoices.

The ProForma Invoice line items for in-scope work must correspond to the Contracting Party's Proposal (as outlined in Appendix III-A-1, and on the SRF form). For out-of-scope work, FWI or DCR #'s must be listed for those line items on the ProForma Invoice.

For work managed by the ERM Group, the Contracting Party is to submit all ProForma Invoices directly to the ERM Cost Controller. For other contracts, all ProForma Invoices shall be submitted to the Vale Representative for the work, unless notified otherwise in writing by the Vale Representative.


Outstanding Claims Notices (OCN) must accompany each ProForma Invoice when there are outstanding claims and/or injury reports, including where there are outstanding FWIs and/or DCRs. Each OCN must include the following:

- Vale Purchase Order and Contract #
- Contractor company information
- The related Invoice #

Note: OCN's should not be issued under any other circumstances (ie. OCN's should not be issued independently from the related ProForma Invoice).

Where there are no outstanding claims and no injury reports outstanding, the vendor has the option of:

- Continuing to submit a completed OCN with each invoice, or

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- Including the statements “There are NO known outstanding claims for work performed beyond the scope of the contract.” AND “There are NO injury reports outstanding.” on each invoice where these statements are applicable. Where invoices include these statements, an OCN is not required.

Also refer to the Project Change Management Guideline (NAV-GP-0050) for the use of Field Work Instruction (FWI’s) and Design Change Requests (DCR’s). Attach the related FWI’s / DCR’s to the OCN and indicate whether a Contract Change Order (CCO) is pending.

#### 5.4 PROJECT TEAM REVIEW

Progress on each item of the Proposal is to be reviewed by the project team personnel designated by the Project Manager. This will generally include the Construction Manager, the Project Engineer (as required), and the Cost Controller. Each person will review the aspects of the Proforma Invoice that relate to their specific role on the project team.

If requested by the Project Manager, each individual will initial or sign the Proforma to indicate that their review has been completed.

#### 5.5 PROJECT MANAGER APPROVAL

The ProForma Invoice will be signed and dated by the Project Manager, and forwarded to the Cost Controller for filing according to local document management standards.

#### 5.6 RELEASE AND CONTRACTING PARTY NOTIFICATION


SES’s are then created in SAP by the Cost Controller. The Cost Controller will also update the Project Cost Control sheet to reflect the Invoice / SES details.

The SES information is communicated back to the Contracting Party via the Quadrem system or via Email, complete with PO# and SES #.

#### 5.7 OFFICIAL INVOICE SUBMITTAL

The Contracting Party will then submit the official invoice to Vale SSO Finance Team at SSO.FinanceTeam@vale.com for payment, as per instructions included in the Request for Proposal documentation. Refer to the Standard Terms and Conditions.

The SES number must be clearly shown on the official invoice.

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## 6.0 ADVANCED PAYMENTS

Advanced Payments are not normally permitted, but may be under special circumstances for Capital Projects to mitigate risk. See NOR-0002-G Delegation of Authority Norm, appendix 6 for further details on advanced payment requirement.

## 7.0 HOLDBACKS

See NAV-GP-0194 Contract Closeout Guideline for Holdback procedures.

## 8.0 APPENDICES

Appendix A: Revision and Transition Notes

### Appendix A: Revision and Transition Notes

Revision notes describe: what was changed, why it was changed, and the plan to implement the change, including whether changes are retroactive)

### Revision Control Information

Rev #	Date	Nature of Change	Page inserted, replaced, revised or cancelled	Approved by document owner
1	Aug 9/13	Development for Project Navigator	All	T. Hirschfeld
2	Sept 11/13	Updated to include progress payment verbiage	Section 4.0 added bullet "Invoicing Schedule Development", added section 4.1 INVOICE SCHEDULE DEVELOPMENT	T. Hirschfeld
3	Apr 12/16		Updated to reflect changes due to SAP & New Guideline for Capital/R&D Forecast Planning (NAV-GP-0261)	T. Hirschfeld
4	Aug 9/17		Section 5.3 Proforma Invoice Submittal section updated	T. Hirschfeld
5	May 6/18	Minor	Aligned terminology from PMO to ERM	