



EXHIBIT VIII
CONTRACT EXPENSE REPORT

**EXHIBIT VIII
CONTRACT EXPENSE REPORT**

	FINANCE & ACCOUNTING DEPARTMENT ARP PROCEDURE CONTRACT EXPENSE TRACKING	ARP-6
<p>Scope This procedure covers the mandatory use of a Contract Expense Report (CER) copy attached for each Contract that requires more than one drawing. The CER will include a cumulative listing, and total of all invoices submitted against that Contract. The PETCO Contract will include the requirement for this form to be submitted by the Contractor with each invoice. ARP will maintain a file for each such Contract so as to validate each billing.</p> <p>Purpose To ensure that all disbursements are covered by a valid, current Contract prior to any work being performed. To better control amounts and time spent on each Contract by monitoring total cumulative spending. To ensure the proper level of approvals for, not only the individual invoices, but for the total amount of the Contract. To enable PETCO to secure services at competitive and reasonable prices. To enable better control of small amounts but, perhaps, significant Contractor volumes. To ensure the invoice is charged against valid, current Contract. To pay contractors on a more timely basis through streamlining of the approval of such invoices. To provide comfort to the signing officers that the disbursement is properly within the time and amounts authorized in advance. To warn the user departments when amendments are required, if needed.</p> <p>Responsible The Procurement department is responsible for ensuring that a valid Contract exists or is created, which clearly includes the requirement for the Contractor to submit a CER with each invoice. The Contractor is responsible for submitting an updated, current CER with each invoice. The User department is responsible for requesting Contract amendments when time or money runs out. ARP will ensure the attachment of the CER with each invoice, and the accuracy of that CER. ARP will notify User Dept & Procurement when the total amount spent reaches a pre-determined portion (80%) of the total Contract, or when it is obvious that Contract amendment is needed, to thus ensure that Contract are reviewed and renewed as required.</p>		
Responsible Procurement Contractor	 1 2	Task Creates Contract as per Procurement procedures, but now includes the requirement for the Contractor to submit a CER with each invoice. Provides soft and hard copy to Contractor. Attaches a copy of the updated, current CER with each invoice. Completes the form fully, ensuring that each invoice is included, and that a cumulative total is maintained.

	FINANCE & ACCOUNTING DEPARTMENT ARP Procedure CONTRACT EXPENSE TRACKING		ARP-6
Responsible ARP Contracts Administrator User Department/ Verifier User Department/ Verifier	 3 4 5 6	Task Verifies the CER against previous CER. and against the invoice to ensure there are no adding errors or omissions. Signs form as verified. Keeps a copy of the CER in Contractor file for future reference. Forwards the invoice, with CER attached, to the appropriate line dept. verifiers and approvers. Ensures appropriate notice is given to both the line department and Contracts Administrator, if the expiry date of the Contract is near or if the cumulative total has reached 80% of the estimated Contract value. Responsible to monitor the status of the Contract and to initiate amendment or renewal. Verifies and approves the invoice, as per Invoice Processing Procedure, after review of the CER. Signs and uses stamp as evidence of verification. Addresses the issue of approaching expiry date or approaching Contract value with Procurement department, by either renewing Contract or going to tender. NOTE: Invoice is processed as per Invoice Processing Procedure #ARP-4.	

A sample of the Contract Expense Report tracking format is attached as Appendix 1 to this Exhibit VIII. Contractor is hereby required to adhere to the format set forth in this Appendix 1 in submitting invoices. Any subsequent changes to this format will be notified by PETCO to Contractor.

APPENDIX 1 TO EXHIBIT VIII

PETROLINES FOR CRUDE OIL LIMITED CONTRACT EXPENSE REPORT (CER)					
Effective with Contract commencement date, Contractor shall provide this fully completed reconciliation of expense tracking on the approved Contract or when presenting an invoice for payment. One copy must accompany invoice.					
DATE OF REPORT			(MMDDYY)		
CONTRACT NO.AND TITLE					
CONTRACTOR NAME - AS ON CONTRACT					
ESTIMATED CONTRACT VALUE					
PERIOD OF CONTRACT					
TERM OF CONTRACT (from, to)					
ITEM NO.	MONTH OF WORK	INVOICE DATE	INVOICE No.	INVOICE AMOUNT	TOTAL CUMULATIVE COST (show currency clearly)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
CUMULATIVE TOTAL					
TOTAL OF CONTRACT VALUE					
REMAINING FUNDS OF CONTRACT					
REMARKS			Verified by: <i>PETCO ARP staff</i>		Reported by: <i>Contractor</i>
			Affix Stamp		Name :
					Title :
			Date:		Date :
CC: Contracts Administrator, PETCO Procurement Department CC: End User dept., PETCO CC: PETCO ARP vendor file					

- END OF EXHIBIT VIII -