



## THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

## MAJOR CONTRACTS BOARD SUBMISSION

Confidential

Part B – Contract Award

Date: 19/02/2021

Category	Safety and Environment	Contract ID:	CW493027(formerly NG01019615)	
Contract Title:	Provision of Emergency Response to SPDC Facilities			
HSE Mode & Risk	HIGH & MODE-2			
Agenda Item	(TB secretary to complete)			
Proposed Authorized Contract Value (ACV)	FUSD 16,950,994.73(US\$ 2,339,968.20 and NGN 5,544,884,568.76		Segmentation <a href="#">(Click here to access tool)</a>	Operational
Proposed expenditure while pending NAPIMS approval	FUSD 2,825,165.79 (US\$ 389,994.70+ NGN 924,147,428.13)			
Start & End dates	01/04/2021 – 31/03/2023	Duration	2yrs	
		Extension options	1yr	
PURPOSE				

## To seek approval from MCB to award contracts to:

- Award subject contracts to the following bidders based on approved award strategy representing 92.59% of the company estimate as follows:
  - DIAMOND TECHNICAL COMPANY LTD at an ACV of FUS\$6,421,949.51 (US\$828,525.12 and NGN2,122,704,556.77
  - FALCK PRIME ATLANTIC LIMITED at an ACV of FUS\$4,721,012.84 (US\$718,087.50 and NGN1,519,110,166.42
  - FUTURE CONCERNS NIGERIA LIMITED at an ACV of FUS\$5,808,032.38 (US\$793,355.58 and NGN1,903,069,845.57
- Execute Interim Agreements with DIAMOND TECHNICAL COMPANY LTD, FALCK PRIME ATLANTIC LIMITED and FUTURE CONCERNS NIGERIA LIMITED at 16.67% of their respective ceilings (i.e. combined eLDL of FUSD 2,825,165.79 (US\$ 389,994.70+ NGN 924,147,428.13) for a period of 6 months pending NAPIMS formal approval and subject to eLDL approval.

## Stakeholders Endorsement:

	Senior Procurement Manager (SPM)	Contract Owner
	Reviewed and approved for MCB and confirms: 1. Alignment with approved Category Strategy (& Global Category Strategy where applicable) 2. Compliance with the NOGICD Act & Community Content commitments.	Reviewed whole submission and confirms support from: Finance [Opeyemi Adepolu] - for the financial aspects of the submission, including adequate budget cover/JV Partner approval to ensure full cost recovery/approved GIP in place (if applicable) HSSE [Temitope Ajibade] - HSSE consideration and requirements are met
Signature		
Name	Chioma Okpoechi	Chukwujindu, Kingsley
Date		

Approval	
	MCB Chairman
Signature	
Name	
Date	

## Declaration:

Signatories to this submission acknowledge that they have read and understood the Conflict of Interest Policy in SEPCiN and that they do not have any direct or indirect arrangement or relationship with any other person or company that breaches the requirements of that Conflict of Interest Policy, or that they have fully disclosed any potential Conflict of Interest to the Contract Owner, CP Manager and the Supply Chain Council/Tenders Board.

## SECTION A: CONFORMANCE TO CONTRACT PLAN (PART A)

### APPROVAL REFERENCES

Tender Activity	Approval Date
MCB Approval of strategy Part A1 Addendum 01	11/03/2019
MCB Approval of strategy Part A1 Addendum 02	14/03/2019
NAPIMS approval of revised strategy and advertisement	27/06/2019
NCDMB Technical Report	19/02/2020
Technical Bids evaluation concluded and aligned with NAPIMS	12/05/2020
Line/CP Approval of Technical Evaluation	08/06/2020
NAPIMS approval of Technical Evaluation/Draft Commercial ITT	10/07/2020
Commercial Bids evaluation concluded and aligned with NAPIMS	12/11/2020
NCDMB Commercial Report	09/12/2020

### BACKGROUND

The contract strategy Part A1 Addendum for revised tender strategy to double envelope tender process was approved by SPDC and NAPIMS on 11/03/2019 and 27/06/2019 respectively. **See Attachment 2 & 3.**

Technical ITT was published to 452 (four Hundred and fifty-two) bidders with a bid close date of 27/12/2019. The joint (SPDC/NAPIMS) Technical evaluation was finalised on 12/05/2020.

Commercial bid was opened and downloaded on 28/08/2020.

Commercial evaluation was completed and finally reconciled with NAPIMS on 12/11/2020.

### CHANGES FROM STRATEGY

- The contract was originally scheduled to commence in 1st December 2019, however as a result of delays encountered during the tendering process, the contract is now to commence in 01<sup>st</sup> April 2021.
- Reimbursable line was introduced in the Commercial ITT prior to publication to cater for emerging work scope/services not covered in the contract scope before strategy approval.
- Revision of in ECV from F\$ 22,481,971.04 to F\$18,308,320.92 as a result of change in exchange rate from NGN303.03= 1\$ to NGN 379.50 = 1\$

### SUMMARY OF VALUE CONTRIBUTION

	Benefit	Losses
Safety	N/A	N/A
Production – Oil ('000 b/d)	N/A	N/A
Production – Gas (mscf/d)	N/A	N/A
Reserves (mboe/d)	N/A	N/A
Flares reductions (mscf/d)	N/A	N/A
Cost Saving	FUSD 1,357,326.19	

#### Savings recorded:

Company estimate	Total Award Value	Savings
FUSD 18,308,320.92	FUSD 16,950,994.73	FUSD 1,357,326.19

## SECTION B: RESULTS AGAINST AGREED CRITERIA

### TECHNICAL EVALUATION

The joint (SPDC/NAPIMS) Technical evaluation was finalised on 12/05/2020 (**Attachment 5**). Line/CP approval of the Technical Result was achieved on 08/06/2020 (**Attachment 6**). NAPIMS approval of the Technical evaluation was received on 10/07/2020- (**Attachment 7**). NCDMB approval of the Technical evaluation was received on 19/02/2020- (**Attachment 8**).

Out of the 452 (four Hundred and fifty-two) bidders invited in NipeX, only 45 (forty-five) bidders responded.

A total of 3 bidders (listed below) passed the joint NAPIMS & SPDC technical evaluation. These bidders were consequently recommended to proceed to the commercial stage of the Tendering process.

**Table A1- Summary of Technical Evaluation Results**

S/N	RECOMMENDED BIDDERS	TECH. EVAL. SCORE %	NCDMB TECH RESULT	VENDOR IDD STATUS AS AT 30/12/2020	PREVAILING INFLUENCE AS AT 30/12/2020
1	FALCK PRIME ATLANTIC LIMITED	77.80	COMPLIED	28/02/2021	Mode 2
2	FUTURE CONCERNS NIGERIA LIMITED	61.60	COMPLIED	31/10/2021	Mode 2
3	DIAMOND TECH CO. LTD.	60.40	COMPLIED	31/08/2021	Mode 2

### COMMERCIAL EVALUATION

The commercial bids were opened and downloaded from NIPEX on 28/08/2020. The SPDC/NAPIMS commercial evaluation Team signed off the Commercial evaluation criteria - **See attachment 9**.

#### Note

- Bare bone comprises of Salaries and 50% of fire appliances (truck & pump) maintenance cost. MU (Overhead cost) comprises of MU on salaries, cost of specialised Training and certification, PPE, Boarding Cost and 50% of fire appliances (truck & pump) maintenance cost.

From the commercial evaluation, the following were observed:

- Three (3) bidders submitted bids that ranged from 90.41% - 118.74% of company estimate for the different bucket.
- In line with the signed Commercial evaluation criteria, all three (3) bidders placed responsive (acceptable) bids with contract values ranging from 90.41% - 118.74% of the company estimate.
- The commercial result from the joint SPDC/NAPIMS evaluation is as follows:

S/N		QUOTE (FUSD)	% of CE	Comment/ Rank	NCDMB Commercial Result
	<b>Company Estimate (Cumulative)</b>	<b>18,308,320.92</b>			
	<b>Bucket 1 (Land East HUB (IA PHC, RA PHC, OKGP &amp; EPC))</b>				
	<b>Company Estimate</b>	<b>6,805,687.90</b>			
1	Diamond Tech Co. Ltd.	6,421,949.51	94.36%	1	Complied
2	Falck Prime Atlantic Limited	7,790,215.62	114.47%	2	Complied
3	Future Concerns Nigeria Limited	7,794,497.35	114.53%	3	Complied
	<b>Bucket II (Central HUB (BOGT, Soku &amp; GU))</b>				
	<b>Company Estimate</b>	<b>5,078,434.98</b>			
1	Diamond Tech Co. Ltd.	4,721,012.84	92.96%	1	Complied
2	Falck Prime Atlantic Limited	6,030,083.88	118.74%		Complied
	<b>Negotiated Quote</b>	<b>4,721,012.84</b>	<b>92.96%</b>	3	
3	Future Concerns Nigeria Limited	5,845,346.76	115.10%	2	Complied
	<b>Bucket III (Swamp West HUB (FOT &amp; Ogunu))</b>				
	<b>Company Estimate</b>	<b>6,424,198.04</b>			
1	Diamond Tech Co. Ltd.	5,808,032.38	90.41%	1	Complied

2	Falck Prime Atlantic Limited	7,373,779.89	114.78%	3	Complied
3	Future Concerns Nigeria Limited	7,202,231.18	112.11%		Complied
	<b>Negotiated Quote</b>	<b>5,808,032.38</b>	<b>90.41%</b>	2	

DIAMOND TECH CO. LTD emerged the lowest (responsive/acceptable) bidder for all the bucket with a quote of 94.36%, 92.96% and 90.41% of company estimate for bucket I, II and III respectively.

#### Proposed Post Tender negotiation:

In line with the strategy approval, negotiation was held with the second and third lowest bidders and all bidder's accepted proposed applicable rates. **Attachment 11**

NCDMB commercial result was obtained on 09/12/2020. **Attachment 10**

Table A2 below summarises the outcome of the Commercial evaluation showing the bidders with their respective ranking (Overall Assessment).

**Table A2- Summary of Commercial Evaluation Results including NC percentages**

S/N	RECOMMENDED BIDDERS	Total ACV (2 years + 1- year extension option)	% of Company Estimates	Work Category	Schedule Target (%) Spend	Vendor's NC Pledge (%)
	SPDC (Cumulative)	18,308,320.92	N/A		100	100
	Bucket I- Land East HUB (IA PHC, RA PHC, OKGP & EPC)	6,805,687.90				
1	DIAMOND TECHNICAL COMPANY LTD	6,421,949.51	94.36%		100	100
	Bucket II- Central HUB (BOGT, Soku & GU)	5,078,434.98				
2	FALCK PRIME ATLANTIC LIMITED	4,721,012.84	92.96%	Safety and Environment	100	100
	Bucket III- Swamp West HUB (FOT & Ogunu)	6,424,198.04				
3	FUTURE CONCERNS NIGERIA LIMITED	5,808,032.38	90.41%		100	100

#### BASIS OF AWARD & RECOMMENDATION

Award is made based on lowest acceptable estimated contract value derived by applying rates to notional quantities. No bidder is awarded more than one contract.

#### Award Recommendation:

In line with the Part A strategy approved by SPDC/NAPIMS, three (3) contracts are proposed to be awarded.

Based on the foregoing, award is thus recommended as follows: -

- Award subject contracts to the following bidders based on approved award strategy representing 92.59% of the company estimate as follows:
  - DIAMOND TECHNICAL COMPANY LTD for bucket 1 (Land East HUB (IA PHC, RA PHC, OKGP & EPC) at an ACV of FUS\$6,421,949.51 (US\$828,525.12 and NGN2,122,704,556.77
  - FALCK PRIME ATLANTIC LIMITED for bucket II (Central HUB (BOGT, Soku & GU) at an ACV of FUS\$4,721,012.84 (US\$718,087.50 and NGN1,519,110,166.42
  - FUTURE CONCERNS NIGERIA LIMITED for bucket III (Swamp West HUB (FOT & Ogunu) at an ACV of FUS\$5,808,032.38 (US\$793,355.58 and NGN1,903,069,845.57

The total contract award value is FUSD16,950,994.73 (US\$ 2,339,968.20 and NGN 5,544,884,568.76) for the three (3) buckets

- Execute Interim Agreements with DIAMOND TECHNICAL COMPANY LTD, FALCK PRIME ATLANTIC LIMITED and FUTURE CONCERNS NIGERIA LIMITED at 16.67% of their respective ceilings (i.e. combined eLDL of FUSD 2,825,165.79 (US\$ 389,994.70+ NGN 924147,428.13) for a period of 6 months pending NAPIMS formal approval and subject to eLDL approval.

**Table A3- Summary of Contracts being awarded:**

S/N	Item	Remark
1	Contract Duration and Extension Options	2 years + 1-year extension option
2	Payment Terms	Z-45
3	Contract Mode	2
4	Contract HSSE Risk	High
5	Segmentation	Operational

**Table A4- Contract Management Team:** Contract will be managed post award by the CMT using the CMP as a compass.

S/N	Designation	Name
1	Contract Owner	Chukwujindu, Kingsley
2	Contract Holders	Adieze, Ugochukwu
3	Contract Manager	Kelechi Onukagha
4	Business Finance Manager	Opeyemi Adepoju
5	HSSE Advisor	Temitope Ajibade

**TRANSITION PLAN / COST OF IMPROVEMENTS (IF APPLICABLE)**

Not applicable

**APPROVED CONTRACT VALUE**

The proposed total ACV for the three (3) contracts for a period of 2 years + 1-year extension option based on the outcome of this tendering exercise is **FUSD 16,950,994.73 (US\$ 2,339,968.20 and NGN 5,544,884,568.76** broken down as follows:

**Table C1: Computation of Proposed ACV**

S/N	BIDDER	Total ACV (NGN)	Total ACV US\$	TOTAL ACCV FUS\$ (exchange \$1=N379.50)
1	DIAMOND TECHNICAL COMPANY LTD	2,122,704,556.77	828,525.12	6,421,949.51
2	FALCK PRIME ATLANTIC LIMITED	1,519,110,166.42	718,087.50	4,721,012.84
3	FUTURE CONCERNS NIGERIA LIMITED	1,903,069,845.57	793,355.58	5,808,032.38
	<b>TOTAL</b>	<b>5,544,884,568.76</b>	<b>2,339,968.20</b>	<b>16,950,994.73</b>

**Table C2: Interim Agreement ACV**

S/N	BIDDER	Total ACV (NGN)	Total ACV US\$	TOTAL ACV FUS\$ (exchange \$1=N379.50)
1	DIAMOND TECHNICAL COMPANY LTD	707,568,185.59	276,175.04	2,140,649.84
2	FALCK PRIME ATLANTIC LIMITED	506,370,055.47	239,362.50	1,573,670.95
3	FUTURE CONCERNS NIGERIA LIMITED	634,356,615.19	264,451.86	1,936,010.79
	<b>TOTAL</b>	<b>1,848,294,856.25</b>	<b>779,989.40</b>	<b>5,650,331.58</b>

**COMPLIANCE TO MODEL TERMS & CONDITIONS**

MCL based and localised standard terms and conditions were used for the specimen contract document attached to the commercial ITT. No issues noted in the commercial bids of the bidders recommended for award.

**GOVERNMENT INTERMEDIARY (GI) ELEMENT**

GI elements present in work scope?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
If yes, GI terms & conditions included in contract?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

**IDD & HSE CAPABILITY ASSESSMENT STATUS**

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED  
Major Contracts Board Submission

The IDD and HSE Capability Assessment status of the recommended bidders is as follows:

Vendor	Status	IDD Valid till	HSE Capability
DIAMOND TECHNICAL COMPANY LTD	Green	31/08/2021	Amber - 07/07/2023
FALCK PRIME ATLANTIC LIMITED	Green	Cleared	Green - 16/07/2022
FUTURE CONCERNS NIGERIA LIMITED	Green	31/10/2021	Amber - 07/07/2023

## SECTION C: POST AWARD CONTRACT MANAGEMENT

### KEY PERFORMANCE INDEX (KPI) (FROM PART A)

Business Objective	KPI	Measure	2021 Target	Frequency Measured
HSSE	Total Recordable Case Frequency (TRCF)	Per million-man hours	0	Monthly cumulative
HSSE	Year to Date Total MHrs	MHrs		Monthly cumulative
HSSE	Achieve Zero LTI/RTA. (year to Date)	365 days	0	Monthly
HSSE	Report at least 5 UA/UC reports/month	Monthly	5	
HSSE	Provide competent Fire Truck drivers and pump operators	Personnel	10	
HSSE	Turn-out times to Ogunu IA/RA, MOA, Edjeba – 10 minutes max	Minutes	10	Monthly
HSSE	Fire engines and pumps availability of not less than 95%/month	Percentage	95%	
HSSE	Set-out time of 45secs, not more than a minute	Seconds	45 Seconds	Monthly
HSSE	Total Recordable Case Frequency (TRCF)	Per million-man hours	0	Monthly cumulative

### CONTRACT MANAGEMENT PLAN (CMP)

Not applicable for Operational contract, however, the CMT will implement a light-CMP Post Contract Award

### HSE PLAN

Contract HSE plan will be finalised post award.

### NIGERIAN CONTENT EXECUTION PLAN

a. Applicable NOGICD Act - Schedule target(s), current in country capacity and plan to close gap if any.

Table below illustrates required information for this section.

*Work Category	Schedule Target	Current In- Country Capacity	Measurement Metrics	Proposed Action to close gaps
Safety/Fire/Security/Fire Fighting System Services	90%	95%	Man-hr	Training of unskilled support personnel from the host communities

\*

### b. Nigeria Content Plan

- i. Research & Development Plan - N/A
- ii. Technology Transfer Plan - N/A
- iii. Training Plan

Training Type	No of Trainees	Total Man-hours	Name / Level of Certification
Basic Fire Fighting	40	1,280	NFPA
Medical/First Aid (DFA)	132	5,280	DFA Certification

*c. Global Sustainable Sourcing plan (outline plan to utilise global sourcing opportunity to support attainment of Nigerian Content targets)*

#### COMMUNITY CONTENT NIGER DELTA CONTENT EXECUTION PLAN

These services are currently being provided in the Niger Delta areas. However, vendor shall be expected to source minimum of 40% skilled personnel and 100% unskilled & semi-skilled from the respective host community.

#### RISK ASSESSMENT

##### 1. Contract Risk Assessment:

Risk Description	Likelihood (H / M / L)	Impact (H / M / L)	Mitigating Actions	Action Owner
Awarding contract to vendor without relevant expertise	L	M	Ensure vendors covered have executed similar service by deploying watertight Technical Evaluation Criteria	CH/CP
Delay in payment of vendors' personnel salaries	L	M	CMP shall hold quarterly contract performance review meeting	CH
Delay in maintenance of fire trucks and portable fire pumps	M	M	CH to communicate PM plans to contractor a month to due date	CH
Quality of spares and firefighting materials	L	M	Carryout acceptance test of materials and spares before they are deployed	CH
Depletion of crew members as a result of ill health, failure of FtW or annual leave	M	M	Vendor is to develop and implement personnel absence management plan	CH

##### 2. HSE Risk Assessment:

Contract is Mode 2 High Risk. See Contract HSE Risk Assessment - **Attachment 12**

#### ATTACHMENT:

- Attachment-1- [MCB Approved Part-A](#)
- Attachment-2- [NAPIMS Approval of Strategy](#)
- Attachment 3 - [MCB Part A1 Addendum](#)
- Attachment 4- [MCB Part A1 Addendum 02](#)
- Attachment-5- [SPDC + NAPIMS Signed Technical Evaluation Results](#)
- Attachment-6- [Approved Part-A2](#)
- Attachment-7- [NAPIMS Approval of Technical Evaluation Results](#)
- Attachment-8- [NCDMB Approval of Technical Evaluation Results](#)
- Attachment-9- [NAPIMS Approval of Commercial Evaluation Results \(Joint Sign-Off\)](#)
- Attachment 10- [NCDMB Approval of Commercial Evaluation Results](#)
- Attachment 11- [Bidder's acceptance of applicable rates](#)
- Attachment-12- [Risk Assessment Matrix](#)
- Attachment-13- [IDD Clearance for falck](#)