



**THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED**  
**MAJOR TENDER BOARD SUBMISSION**

**Confidential****Part B – Contract Award****Date: 20/09/2017**

Category	Oil Spill/ Remediation	Contract ID:	NG01018544
Contract Title:	CALL – OFF CONTRACT FOR PROVISION OF CONSULTANCY SUPPORT FOR OIL SPILL/REMEDIALTION SERVICES.		
HSE Mode & Risk	Mode 1 & Medium Risk		
Agenda Item	(TB secretary to complete)		
Proposed Authorized Contract Value (ACV)	USD/Naira/(F\$) USD3,082,760 + NGN 2,724,995,000 (FUSD 12,002,547.23) @ \$1/N 305.5	Segmentation	Tactical
Proposed expenditure while pending NAPIMS approval	USD/Naira (only applicable for MTB Submissions - urgent contracts) N/A		
Start & End dates	Q4, 2017 Q4, 2021	Duration	3 YEARS
		Extension options	1 YEAR

**PURPOSE****To seek approval from MTB to:**

- a) Award 8 contracts at the lowest bidder's rate in line with the approved award strategy for a period of 3 years plus 1 year extension option at a total ACV of \$ 3,082,760 + NGN 2,724,995,000 (F\$12,002,547.23) to:
  - (i) Amazing Environmental (ii) Halden Nig. (iii) Giolee Global (iv) Kemnoulli Nig. (v) Icren Services Ltd, (vi) Sydney Gateway, (vii) Rominos & Sons and; (viii) Geoterrain Nig. Ltd.
- b) Pending NAPIMS formal approval, execute interim agreements with the eight (8) bidders for a period of 3 months at a combined ACV of USD 450,095.52 + NGN 91,669,454.47 (F\$ 750,159.20) as set out herein and subject to eLDL approval.

**Stakeholders Endorsement:**

	<b>Senior Procurement Manager (SPM)</b>	<b>Contract Owner</b>
	<b>Reviewed and approved for SCC/MTB and confirms:</b> <ol style="list-style-type: none"> <li>Alignment with approved Category Strategy (&amp; Global Category Strategy where applicable)</li> <li>Compliance with the NOGICD Act &amp; Community Content commitments.</li> </ol>	<b>Reviewed whole submission and confirms support from:</b> <ol style="list-style-type: none"> <li>Finance [Obiora Aguegbah] - 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)</li> <li>HSSE [Justice Derefaka] - HSSE consideration and requirements are met</li> </ol>
Signature		
Name	SEGUN EDUN	Hirse Pankyes for ROGER DAUKER
Date	10 october 2017   17:19 BST	09 october 2017   14:33 BST
<b>Approval</b>		
	<b>MTB Chairman</b>	
Signature		
Name	Ireti Omotoso for Yakov Kravchenko	
Date	18 october 2017   19:01 BST	

**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.

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

### APPROVAL REFERENCES

**Table A1: Chronology of Approvals**

Tender Activity	Approval Date
MTB approval of strategy and advertisement	04/05/2014
NAPIMS approval of strategy and advertisement	11/11/2014
Advert in NipeX and National Dailies	18/12/2014
Advert closed date	14/01/2015
Technical ITT published via NIPEX	28/07/2015
Technical Bids closing date	18/08/2015
Technical Bids opening date	22/03/2016
Technical Bids evaluation concluded and aligned with NAPIMS	19/08/2016
NCDMB Technical Report	30/03/2016
Part A2 Approval of results of Technical	30/09/2016
NAPIMS approval of technical evaluation results	09/11/2016
NAPIMS approval of Commercial ITT	18/02/2017
Commercial ITT published via NIPEX	24/03/2017
Commercial Bids closing date	18/04/2017
Commercial Bids opening date	24/04/2017
Commercial results reconciliation and alignment with NAPIMS	09/06/2017
NCDMB Commercial Report	18/07/2017

### BACKGROUND

The contract strategy was approved by SPDC MTB and NAPIMS on 04/05/2014 and 11/11/2014 respectively. *Ref. Attachments 1 and 2*

Technical ITTs were issued to the bidders via the NipeX portal on 28/07/2015 with a closing date of 18/08/2015. The Technical evaluations were conducted by SPDC and NAPIMS with a conclusion date of 19/08/2016. Subsequently, the Commercial ITT was also issued via NipeX to the technically qualified bidders on 24/03/2017 with a bid closing date of 18/04/2017. The commercial evaluation result was thereafter reconciled and aligned with NAPIMS on 09/06/2017.

### CHANGES FROM STRATEGY

The contract was initially scheduled to commence in Q2 2015 (as approved in the PART A), however as a result of delays in receiving external approvals, the technical stage commenced later than scheduled. In addition to being stalled at the reconciliation stage owing to a non-alignment of results between SPDC/NAPIMS on the technically qualified bidders albeit now resolved. This contract is now expected to commence in Q4, 2017.

### SUMMARY OF VALUE CONTRIBUTION

	Benefit	Losses
Safety	Improved HSE Management and Site Supervision, increased speed of Oil Spill Response and Remediation execution on site. Minimizing environmental impacts.	N/A
Production – Oil ('000 b/d)	Indirect	N/A
Production – Gas (mscf/d)	Indirect	N/A
Reserves (mboe/d)	N/A	N/A
Flares reductions (mscf/d)	N/A	N/A
Cost Saving	Community costs from repeated entries to same site, transportation, security, laboratory costs from repeated site visits by regulators etc.	N/A

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**SECTION B: RESULTS AGAINST AGREED CRITERIA**

**TECHNICAL EVALUATION**

**Table B1: Summary of Technical Evaluation Results**

S/NO	RECOMMENDED BIDDERS	TECH. EVAL. SCORE %	NCDMB TECH RESULT	VENDOR IDD STATUS	OVERALL
1	GIOLEE GLOBAL RESOURCES LTD	75	COMPLIED	GREEN	PASS
2	ICREN SERVICES LIMITED	68.5	COMPLIED	GREEN	PASS
3	DELTAAFRIK ENGINEERING LIMITED	68	COMPLIED	GREEN	PASS
4	ENTON OILFIELD SERVICES LIMITED	66.5	COMPLIED	GREEN	PASS
5	GEOTERRAIN NIGERIA LIMITED	64	COMPLIED	GREEN	PASS
6	SYDNEY GATEWAY LIMITED	64	COMPLIED	AMBER	PASS
7	LASER ENGINEERING & RESOURCES CONSULTANT LTD.	64	COMPLIED	GREEN	PASS
8	HALDEN NIG. LTD	62	COMPLIED	GREEN	PASS
9	AMAZING ENVIRONMENTAL SOLUTIONS INTERN. LTD	61.5	COMPLIED	GREEN	PASS
10	DILEX LIMITED	61	COMPLIED	GREEN	PASS
11	ROMINOS & SONS LTD	61	COMPLIED	GREEN	PASS
12	ENVIRONMENTAL ACCORD	60	COMPLIED	GREEN	PASS
13	KEMNOULLI NIGERIA LIMITED	60	COMPLIED	GREEN	PASS

**Technical Evaluation Notes**

- The Technical ITT was published on NipeX on 28.07.2015 with a submission deadline of 18.08.2015
- 174 bidders downloaded from the NJQS product groups (30202 Safety, Health and Environmental) and (30305 Safety and Environmental) were invited to submit their technical bids.
- Only 74 bidders responded by the bid due date, and they were all evaluated.
- A total of 13 bidders (listed above) passed the joint NAPIMS & SPDC technical evaluation and complied with NCDMB requirements and were thus, progressed to the Commercial stage.

*Ref. Attachment 3 (Approved Part A2) & 4 (NCDMB technical evaluation report)*

**COMMERCIAL EVALUATION**

**Table B2: Summary of Commercial Evaluation**

S/N	COMPANY	ACV USD	ACV NGN	ACV F\$	% OF CE	RANKING
	<b>COMPANY ESTIMATE</b>	<b>4,011,350.00</b>	<b>4,510,089,550.00</b>	<b>18,774,327.25</b>		
1.	AMAZING ENVIRONMENTAL SOLUTIONS INTERN. LTD	3,082,760.00	2,724,995,000.00	12,002,547.23	63.93%	1st
2.	HALDEN NIG. LTD	3,366,540.00	2,855,607,000.00	12,713,862.42	67.72%	2nd

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3.	GIOLEE GLOBAL RESOURCES LTD	3,192,400.00	2,951,555,000.00	12,853,791.16	68.46%	3rd
4.	KEMNOULLI NIG.	3,191,300.00	3,225,403,000.00	13,749,083.96	73.23%	4th
5.	ICREN SERVICES	3,517,480.00	3,147,956,863.23	13,821,757.78	73.62%	5th
6.	SYDNEY GATEWAY	3,930,583.60	3,399,744,240.00	15,059,042.65	80.21%	6th
7.	ROMINOS & SONS	3,795,900.00	3,513,980,000.00	15,298,289.53	81.49%	7th
8.	GEOTERRAIN NIG.	4,040,717.50	3,899,887,317.50	16,806,306.10	89.52%	8th
9.	DILEX LTD.	3,337,500.00	4,297,675,000.00	17,405,175.94	92.71%	9th
10.	ENTON	13,080,754.25	20,915,221,471.00	81,543,017.66	434.33%	10th
11.	ENVIRONMENTAL ACCORD	SUBMITTED INCOMPLETE BIDS				
12.	LASER ENGINEERING	SUBMITTED INCOMPLETE BIDS				
13.	DELTA AFRIK	DID NOT SUBMIT BIDS				

**Commercial Evaluation Notes**

- The Commercial ITT was published to the 13 technically qualified bidders on 24/03/2017 with a submission deadline of 18/04/2017. The bids were opened on 24/04/2017 and the commercial evaluation outcome was concluded, reconciled and aligned with NAPIMS on 09/06/2017.
- Only 12 bidders responded with Delta Afrik Engineering Limited not submitting any bids.
- Of the 12 bidders who responded by the due date, two of the contractors, Environment Accord and Laser Eng. submitted incomplete bids and thus came in contravention of the pre-approved JV bidding conditions.
- The NCDMB commercial report was also issued on 18/07/2017, certifying all 12 contractors.

*Ref. Attachment 5 for the detailed commercial evaluation outcome & Attachment 6 NCDMB commercial report*

**BASIS OF AWARD & RECOMMENDATION**

The approved strategy is to split the contract award among the eight (8) ranked bidders, based on the technically acceptable lowest bidder's quoted rates. In line with this strategy, award is proposed at the lowest bidder's rate USD 3,082,760 + NGN 2,724,995,000 (FUSD 12,002,547.23); with the ascribed individual ACVs detailed in the table below marked "Approved Contract Value".

All the contractors' have communicated their written acceptance to deliver the contract scope for the contract duration and at the lowest bidders' rates. *Ref. Attachment 7 – Should Cost Analysis & Attachment 8 Acceptance letters from the contractors*

Contract Rates Breakdown for the 8 contractors as stated above is provided in table B3 below

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

N/A

**APPROVED CONTRACT VALUE**

The total ACV for the 8 contracts to be awarded out of this tender, post outcome of the commercial evaluation is:  
USD 3,082,760 + NGN 2,724,995,000 (**FUSD 12,002,547.23**) broken down as follows:

**Table B3: ACV Break down Per Bidders (2years +1):**

S/N	VENDOR	USD	NGN	F\$
1	AMAZING ENVIRONMENTAL SOLUTIONS INTERN. LTD	385,345.00	340,624,375.00	1,500,318.40
2	HALDEN NIG. LTD	385,345.00	340,624,375.00	1,500,318.40
3	GIOLEE GLOBAL RESOURCES LTD	385,345.00	340,624,375.00	1,500,318.40
4	KEMNOULLI NIG.	385,345.00	340,624,375.00	1,500,318.40
5	ICREN SERVICES	385,345.00	340,624,375.00	1,500,318.40
6	SYDNEY GATEWAY	385,345.00	340,624,375.00	1,500,318.40
7	ROMINOS & SONS	385,345.00	340,624,375.00	1,500,318.40
8	GEOTERRAIN NIG. LTD	385,345.00	340,624,375.00	1,500,318.40
	<b>ACV FOR 3+1 YEARS</b>	<b>3,082,760.00</b>	<b>2,724,995,000.00</b>	<b>12,002,547.23</b>

Exchange Rate - \$1 / ₦ 305.5

**Table B4: Interim agreement breakdown for 3 months**

S/N	VENDOR	ACV 3 +1 YRS F\$	3 months ACV F\$	3 months ACV USD	3 months ACV NGN
1	AMAZING ENVIRONMENTAL SOLUTIONS INTERN. LTD	1,500,318.40	93,769.90	56,261.94	11,458,681.81
2	HALDEN NIG. LTD	1,500,318.40	93,769.90	56,261.94	11,458,681.81
3	GIOLEE GLOBAL RESOURCES LTD	1,500,318.40	93,769.90	56,261.94	11,458,681.81
4	KEMNOULLI NIG.	1,500,318.40	93,769.90	56,261.94	11,458,681.81
5	ICREN SERVICES	1,500,318.40	93,769.90	56,261.94	11,458,681.81
6	SYDNEY GATEWAY	1,500,318.40	93,769.90	56,261.94	11,458,681.81
7	ROMINOS & SONS	1,500,318.40	93,769.90	56,261.94	11,458,681.81
8	GEOTERRAIN NIG. LTD	1,500,318.40	93,769.90	56,261.94	11,458,681.81
	<b>ACV FOR INTERIM</b>	<b>12,002,547.23</b>	<b>750,159.20</b>	<b>450,095.52</b>	<b>91,669,454.47</b>

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**LDL Justification**

- Proposed LDL of ~ F\$750K is required to enable execution of the OP16 activities pending NAPIMS approval of contract award
- In the alternative, minor contracts could be in place for these activities; although this would mean not getting the full benefits of the tendered rates for the services, and may lead to cost recovery exposure, the services executed through the medium.
- NAPIMS have also been supportive of the entire process of this contract development and has been involved in all stages of the contract and are very likely to support the contract.
- Contract is required for critical environmental protection activities that hinge on our Corporate image with a reputational exposure in the case of not carrying out activities.

**Potential Savings/ Cost Improvement**

There is a potential savings of F\$6,771,780.02 as computed in Table C2 below:

**Table C1: Computation of Savings**

		<b>Amount (FUSD)</b>
<b>Company Estimate</b>	<b>A</b>	<b>18,774,327.25</b>
<b>Proposed Contract ACV</b>	<b>B</b>	<b>12,002,547.23</b>
<b>Potential Savings</b>	<b>C = A - B</b>	<b>6,771,780.02</b>

**COMPLIANCE TO MODEL TERMS & CONDITIONS**

The Model Contract Library (MCL) for Goods and Services generic will be adopted.

**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 STATUS**

Of the 8 bidders proposed for the contract award – all contractors have their IDD status as Green except for Sydney Gateway whose IDD status is Amber

\*\*\* Contract award will only be made to the IDD cleared contractors.

**SECTION C: POST AWARD CONTRACT MANAGEMENT**
**KEY PERFORMANCE INDEX (KPI)**

<b>Business Objective</b>	<b>KPI</b>	<b>Measure</b>	<b>2017 Target</b>	<b>Frequency Measured</b>
Project Delivery	Tier 1 Assessment Including Documentation, Mobilization and Execution	Per Project	24 Days	Quarterly
Project Delivery	Tier 2 Assessment Including Documentation, Mobilization and Execution	Per Project	30 Days	Quarterly
Project Delivery	Chemical Testing - Post Completion of Site Activities	Per Project	14 Days	Quarterly
Project Delivery	Site Certification - Post Completion of Remediation	Per Project	20 Days	Quarterly



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Timely Report Submission	Submission of Closeout Reports (Timeliness) - Post Activities Completion	Per Project	14 Days	Quarterly
Quality of Closeout Reports (Specification Requirements)	Quality of Closeout Reports (Specification Requirements)	Per Project	Zero Rework	Quarterly
HSSE	Total Recordable Case Frequency (TRCF)	Per million man hours	Prompt	Monthly cumulative
HSSE	Lost Time Incident Frequency (LTIF)	Per million man hours	Prompt	Monthly cumulative
Responsiveness to HSE shortcomings	Responsiveness to HSE shortcomings	EA	Prompt	Weekly
HSSE	Toolbox talk	Per Day	100%	Daily
HSSE –Life Saving Rules	Adherence to Life Saving Rules	Per Day	100%	Daily

### CONTRACT MANAGEMENT PLAN (CMP)

List main activities, action parties and target date (attach CMP **For Strategic Contracts Only**)

N/A – However the following will be monitored:

Sign Contract/Input in SAP/Issue PO	Q4 2017	SPDC
Contract/Kick Off Meeting	Q4 2017	SPDC/Contractors
Premobilization	Q4 2017	SPDC/Contractors
PO Issue as per Request	As Required	SPDC
HSE Meetings/Audits	Quarterly	SPDC/Contractors
Contract Progress Review	Quarterly	SPDC

### HSE PLAN

Applicable for High/Medium HSE risk and mode 1 & 2. Please attach Plan

Ref. Attachment 9 – HSE plan

### NIGERIAN CONTENT EXECUTION PLAN

State the Nigeria Content Schedule A target(s) in contract, describe the main activities and training plan proposed.

**\*If winning vendors are more than one, 'a- c' information below should be completed for each vendor.**

**a. Indicate Schedule target(s) and vendors Nigerian Content pledge (s) e.g.**

Work Category	Schedule Target	**Vendor's NC Pledge	Measuring Metrics	Agreed actions including authorisation to import
Health Safety and Environment	65%	100%	Spend	N/A for Amazing Environmental Solution
Health Safety and Environment	65%	100%	Spend	N/A for Halden Nigeria Limited
Health Safety and Environment	65%	100%	Spend	N/A for Giolee Global Resources Limited
Health Safety and Environment	65%	97%	Spend	N/A for Kemnoulli Nigeria Limited
Health Safety and Environment	65%	100%	Spend	N/A for Icren Services Limited
Health Safety and Environment	65%	80%	Spend	N/A for Sydney Gateway Limited

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Health Safety and Environment	65%	100%	Spend	N/A for Rominos and Sons Limited
Health Safety and Environment	65%	100%	Spend	N/A for Geoterrain Nigeria Limited

**b. Nigeria Content Summary Work scope.**

**\*\* Describe all the proposed Nigerian Content activities in the ITTs for inclusion in proposed contracts.**

**Vendor's training plan in alignment with pre-approved Project's Nigerian Content Plan and also in line with the human development capacity guide 2014**

	Training Type	No of Trainees	Total Man-hours/man-years	Name / Level of Certification
1	Groundwater Assessment & Remediation Training	10 for Amazing Environmental Solution	400	Knowledge
2	Groundwater Assessment & Remediation Training	10 for Halden Nigeria Limited	400	Knowledge
3	Groundwater Assessment & Remediation Training	10 for Giolee Global Resources	400	Knowledge
4	Groundwater Assessment & Remediation Training	10 for Kemnoulli Nigeria limited	400	Knowledge
5	Groundwater Assessment & Remediation Training	10 for Icren Services Limited	400	Knowledge
6	Groundwater Assessment & Remediation Training	10 for Sydney Gateway Limited	400	Knowledge
7	Groundwater Assessment & Remediation Training	10 for Rominos and Sons Limited	400	Knowledge
8	Groundwater Assessment & Remediation Training	10 for Geoterrain Nigeria Limited	400	Knowledge

*Training is for National Skill pool per NCDMB database. All training must be certifiable and in line with NCDMB training guidelines.*

**c. Global Sustainable Sourcing opportunity (provide details of the global sourcing opportunity utilised and capacity gap addressed).**

Not Applicable for all successful bidders

**d. Nigerian Content Compliance Certificate required prior to award approval recommendations to NAPIMS**

**\*\*Where the NC pledge falls short of set minimum targets by law an authorisation to import may be required for these categories.**

**COMMUNITY CONTENT NIGER DELTA CONTENT EXECUTION PLAN**

Contractors will ensure that 100% of unskilled labour to be used in the contract will be from the communities where the site activities will be carried out.



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RISK ASSESSMENT				
Risk Description	Likelihood (H / M / L)	Impact (H / M / L)	Mitigating Actions	Action Owner
HSE Risks	L	L	Site Assessment work and environmental consultancy services are in general low risk activities. The use of professional HSE consultants to execute site assessment should ensure residual risks are minimized. All equipment's shall be pre-mobbed.	CH
Community Related Risks	L	L	Site assessment and environmental consultancy services are not currently being provided by Community based contractors. Thus, there is no increased exposure to SPDC by moving to an external Major Contract for these services.	CH
Financial Risk/Bankruptcy Risk	L	L	Nominated Vendors will be competent International/Large National Companies with sound financial standing. Also, during the execution period examine their financial accounts.	CH
Regulatory Authorities	L	L	Change in status quo may be viewed negatively and impact NOSDRA Certification process, but DPR likely to be supportive. Proposal is for early engagement with Regulatory bodies to advise of change of strategy and seek feedback.	CH
SPDC Major Contractor Management Skills	M	M	Administration/Management of Major Contract will be new to SPDC Oil Spill Response and Remediation team. Risk of poor execution due to lack of experience. Training of Contract holders in Major Contract Management.	CH
ATTACHMENTS/ SHAREPOINT LINKS:				
<ol style="list-style-type: none"> <li><a href="#"><u>MTB strategy Approval</u></a></li> <li><a href="#"><u>NAPIMS strategy Approval</u></a></li> <li><a href="#"><u>Part A2 – Technical Evaluation outcome</u></a></li> <li><a href="#"><u>NCDMB technical Evaluation Report</u></a></li> <li><a href="#"><u>Commercial Evaluation Outcome</u></a></li> <li><a href="#"><u>NCDMB commercial report</u></a></li> <li><a href="#"><u>Should Cost Analysis</u></a></li> <li><a href="#"><u>Acceptance letters from the Contractors</u></a></li> </ol>				

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9. [Contract HSE PLAN](#)