



## MAJOR TENDER BOARD SUBMISSION

Confidential

Part A1- Strategy &amp; Contract Plan

Date: 14/03/2014

Category	Oil Spill / Remediation	Contract ID	TBA
Contract Title	Call-Off Contract for Provision of Consultancy Support for Oil Spill/Remediation Services.		
HSE Mode & Risk	Mode – 1 and Medium		
Agenda Item	(TB secretary to complete) SPDC-MTB-14-10		
Estimated Contract Value (ECV)	USD/Naira USD3.82M + NGN4.5B (F\$32.1M). Exchange rate based on NGN161 - USD1.00		
Proposed Contract Start / End dates and Extension options	Start Date: 01 April 2015 End Date: 31 March 2018 with an extension option of additional 1 year (3+1 year).		

**PURPOSE**

To seek approval from MTB for:

- Placement of 8 nos Call-off Contracts for Provision of Consultancy Support for Oil Spill/Remediation Services.
- Competitive Tendering Contract Strategy.
- Newspaper Advertisement for the provision of subject services.
- Select pre-qualified Contractors from NIPEX –NIQS Product Groups – 30202 (Safety, Health and Environmental) and 30305 (Safety and Environmental).
- The basis of award (including technical & commercial evaluation models)
- To issue Technical ITT based on agreed criteria.

**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.

**Stakeholder Endorsement:**

	Senior Procurement Manager	Contract Owner
	Reviewed and approved for SCC/MTB and confirms: 1. Alignment with approved Category Strategy (& Global Category Strategy where applicable) 2. Compliance with the NC Act & Community Content commitments.	Reviewed whole submission and confirms support from: 1. Finance [Okinedo (C), Victor SPDC-FUI/OG] - adequate budget cover/JV Partner approval to ensure full cost recovery/approved GIP in place (if applicable) 2. HSSE [Chikere, Blaise – UIG/S/HPP] - HSSE consideration and requirements are met.
Signature		
Name	Faba, Olawale	PRAGER, RIK
Ref Ind.	FUI/C/OG	UIG/P/NPD
Date	17/04/2014	15/4/2014

**Approval:**

	MTB Chairman
Signature	
Name	JAN CAN BUNNIK
Date	4/5/2014

**Section A: Business Needs**

**THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED**

**Major Tender Board Submission**

1.	<b>Business Need &amp; justification</b>	Justify the need for this Contract. Have alternative sources of meeting requirement been explored –e.g.-use of in-house resources, current contract extension (where applicable), bundling with existing services?
		<p>The oil spill and remediation activities are driven by compliance with statutory requirements, reputation, HSE (Health, Safety and Environmental) issues, and compliance with local, international and industry oil spill response and remediation standards. To achieve and sustain the set objectives, a number of activities are required to carry out first-line spill response, spill containment, recovery and clean up, and the execution of remediation site activities.</p> <p>The Consultancy Services Contract introduces an integrated approach to the provision of all technical support services relating to the remediation of oil spills including site assessment, risk assessment, laboratory testing, borehole drilling and QA/QC inspection services. These services are currently provided by a wide range of different contractors of variable technical ability and quality. This procurement route is highly inefficient. The preferred solution is to obtain a large-scale call-off contract for provision of these services, using a small number of large-scale, highly competent and professional contractors.</p> <p>This contract will further instigate structured proficiency for impacted site investigation, assessment, and monitoring services, this will ensure compliance with SPDC technical specification and meet international standards. There is no alternative source of meeting this requirement. The current procurement route of using small contractors with short time contract duration is highly inefficient and it also does not allow for capacity development and investment in new and improved technology. The expertise for the management of this service is present in-house, but the equipment to execute physical works (laboratory testing &amp; borehole drilling) is not. There is no plan to execute this job in house.</p> <p>The over arching strategy is to have a hands off approach and reduce the number of support services deployed for this service. The plan is to do a phased reduction from 100% to 80% and subsequently to 30% respectively. The reduction will be effective on the full mobilisation of the Integrated Oil Spill / Remediation Contract and this contract (Call-off Contract for Provision of Consultancy Support for Oil Spill/Remediation Services) respectively. The strategy (Part A – NG01015379) for the Integrated Oil Spill / Remediation Contract has been approved by MTB/NAPIMS and is at the technical stage. While the strategy (Part A) for the Consultancy services, is at Part A stage. The plan is for the two contracts to be fully mobilised quarters 3 and 4 2015 respectively.</p> <p>The risk attached to the community sensitivities will be managed by encouraging consultancy contractors to engage the community contractors on sub-contract basis. This will be a criterion for the technical evaluation and provided for in the Nigerian Content Plan.</p> <p>NAPIMS and other stakeholders (Nigerian Content Team) have been engaged on this proposal and responses are generally positive. See attachments 1 &amp; 2.</p> <p>This proposal was presented to MTB on 3<sup>rd</sup> March 2014. The MTB gave directives, which has been implemented accordingly. See attachment 8.</p>
2.	<b>Business Value Contribution</b>	Value contribution of this contract linked to company or functional dashboard – e.g.-Direct support to Business Plan
		<p>The Consultancy Services Contract will provide integrated technical support to oil spill clean-up and remediation activities. This shall be through provision of detailed site investigations, associated laboratory analysis and risk assessments, to enable remediation works to be scoped properly thus saving time and money. It also provides supervisory services to ensure QA/QC control of the remediation works delivered by the principal contractors, and ensure works are delivered according to the agreed scope. Further to these, the services shall:</p> <ul style="list-style-type: none"> <li>• Improved HSE Management, through use of higher quality supervision.</li> <li>• Increased speed of Oil Spill Response time and remediation response on site.</li> <li>• Enhancing SPDC reputation through delivery of higher quality work thereby minimizing environmental impact.</li> <li>• Comply with regulatory requirement (Environmental Guideline and Standards for Petroleum Industry in Nigeria - EGASPIN).</li> <li>• Reduction in number of in house supervisory staff, which will free up office space and reduce IT burden on Company.</li> </ul>
3.	<b>Service/Project Scope</b>	Describe work scope and consideration for each key work element, including the known unknowns. Compare with similar service/project scope within and outside Shell. State any issues/concerns with execution of work scope.

	<p>The services to be provided shall include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Execution of Standard Site Assessments on all new spill sites in accordance with Procedure 5.4 and 5.10 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 150 Standard Site Assessment will be required per annum.</li> <li>• Execution of Detailed Soil and Groundwater Investigations on high risk sites in accordance with Procedure 5.5 and 5.10 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 20 Detailed Soil and Groundwater Investigations will be required per annum.</li> <li>• Execution of the Standard Site Assessment and Detailed Soil and Groundwater Investigations may require some or all of the following site specific activities to be completed: <ol style="list-style-type: none"> <li>1. Borehole Drilling</li> <li>2. Hand Auguring and/or excavation of trail pits with associated sampling to a depth of 2.0m</li> <li>3. Monitoring Well Installation and Development</li> <li>4. Sampling from Boreholes and Monitoring Wells</li> <li>5. In-situ Permeability Testing</li> <li>6. Soils Classification Testing</li> <li>7. Surveying of all Sampling Locations</li> <li>8. Laboratory Chemical Testing of Soils and Groundwater</li> </ol> </li> <li>• Execution of Tiered Risk Assessment on high risk sites in accordance with Procedure 5.6 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 40 Detailed Soil and Groundwater Investigations will be required per annum</li> <li>• Execution of specialist non-intrusive geophysical investigation on high risk sites, in accordance ASTM D6429. For the purposes of this Contract it is estimated that 13 non-intrusive investigations will be required per annum</li> <li>• Execution of Remedial Action Plan Design in accordance with Procedure 5.9 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 150 Remedial Action Plan will be required per annum.</li> <li>• Supervision and Progress Reporting of Site Remediation activities in accordance with Procedure 5.9 and 5.12 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 150 project will require supervision per annum.</li> <li>• Execution of site certification process in accordance with Procedure 5.11 of Oil Spill Response and Remediation Management System, Version 4.0, August 2013. For the purposes of this Contract it is estimated that 150 sites will require supervision per annum.</li> <li>• Environmental Sampling and Impact Assessment in accordance with Environmental Impact Assessment Sector Guidelines, Federal Environmental Protection Agency, 1995.</li> <li>• Provision of overall project management services for portfolio of assigned sites. Project management to cover all activities in call off contract between assessment up to and including remediation reporting, inclusive of management and co-ordination of activities, monthly site reporting, Client liaison, Contractor Management including verification of Contractor invoices and budget reporting and control. Inclusive of all logistics, overhead and profit.</li> <li>• Call off Technical and Project Manpower Support in relation to soil and groundwater/EIA consultancy services.</li> <li>• Capability audits of Oil Spill and Remediation main and sub contractors.</li> </ul> <p>The only issue with the delivery of this scope is in the quality of local laboratory chemical testing of soils and groundwater, and as such the contract requires scope for duplicate samples to be sent to internationally accredited labs for QA/QC purposes.</p>
4.	<p>Company Estimate, Benchmarking &amp; Value for Money</p> <p>State estimate? How was this estimate determined? What benchmark was used to arrive at estimate -e.g. - existing framework agreement, cross-estimate from Global Category Manager, Shell Estimating Team, Industry index, recent market research? Highlight any allowance for inflation or changes in market prices, where applicable.</p>
	<p>Company estimate is based on three (3) years assumption (2 years firmed scope with 1 year extension option).</p> <p>The company estimate is USD3.8M + NGN4.53B (F\$32.1M). The estimate scope is derived from a statistical analysis of the number of risk assessment, investigations, monitoring, evaluations, supervision required in SPDC between 2009 and 2012 and known areas of impact in this time, and an assumption some OMLs will be divested in SPDC over the next 3 years. Rates were derived using PDSCC approved rates, Market survey, prices derived from competitive tender for similar scopes (4610037888 and 4610036915), and historical rates from similar work scope for the new technologies.</p>

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Section B: Tender Strategy & Alternative(s) Considered		
1.	Tender Strategy	Open Tender/Closed Tender/Negotiation/ Single Source/OLB. Explain choice of strategy.
	The selected tender strategy is open tender. This is in compliance with the JV requirement for similar services and contract value. It will also open the market for more entrants, which will attract best market value and highly competent and professional contractors.	
2.	Alternative(s) Considered	Has alternative strategy been considered? Give brief overview of alternative(s) considered and reason for not choosing alternative(s). If no alternative considered, why not?
	The only alternative is to continue in the current practice of using small and local contractors with short time contract duration. The implication is multiple contracts, inefficient contract management and a missed opportunity to build local capacity. Also there are not enough resources to execute services in-house.	

Section C: Sourcing Strategy								
1.	Market Analysis	Analyse market conditions: How can current market dynamics affect this tender? Indicate key market structures using tools such as Porters 5 forces, Force Field analysis, SWOT and price trend analysis?						
	<p>Market is developing, have identified adequate number of Nigerian and Niger Delta contractors, who will be available to bid for the services.</p> <p style="text-align: center;"><b>SWOT ANALYSIS</b></p> <table border="1"> <tr> <td></td><td> <b>Positive</b>   <b>Strength</b> <ul style="list-style-type: none"> <li>A small number of major contracts to be managed.</li> <li>Improved Contract management due to single point accountability.</li> <li>Increased speed of assessment and verification reduces environmental impact, due to quicker procurement process.</li> <li>Technically Competent Contractor builds confidence with external stakeholders i.e. Civil society.</li> </ul> </td><td> <b>Negative</b>   <b>Weaknesses</b> <ul style="list-style-type: none"> <li>In ability of local contractors to build effective contractual relationships with external technical partner. Nigerian law versus national law in sub – contracts.</li> </ul> </td></tr> <tr> <td></td><td> <b>External</b>   <b>Opportunities</b> <ul style="list-style-type: none"> <li>Capacity Building Opportunity, with fewer Competent Contractors linked to external world to develop best world practice.</li> </ul> </td><td> <b>Threats</b> <ul style="list-style-type: none"> <li>Change of status quo viewed negatively by some Communities and contractors.</li> <li>Current inspectors unwilling to work for new Service Providers.</li> </ul> </td></tr> </table>			<b>Positive</b>  <b>Strength</b> <ul style="list-style-type: none"> <li>A small number of major contracts to be managed.</li> <li>Improved Contract management due to single point accountability.</li> <li>Increased speed of assessment and verification reduces environmental impact, due to quicker procurement process.</li> <li>Technically Competent Contractor builds confidence with external stakeholders i.e. Civil society.</li> </ul>	<b>Negative</b>  <b>Weaknesses</b> <ul style="list-style-type: none"> <li>In ability of local contractors to build effective contractual relationships with external technical partner. Nigerian law versus national law in sub – contracts.</li> </ul>		<b>External</b>  <b>Opportunities</b> <ul style="list-style-type: none"> <li>Capacity Building Opportunity, with fewer Competent Contractors linked to external world to develop best world practice.</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>Change of status quo viewed negatively by some Communities and contractors.</li> <li>Current inspectors unwilling to work for new Service Providers.</li> </ul>
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2.	Business & Key Cost Drivers	Risk/Schedule/Cost/Quality. Explain each element applicable to the service or project in terms of trend, implication and impact.						

	<ul style="list-style-type: none"> <li>• Risk: Human contact to oil impacted site can result to health issues, possibility of fire, escalation and deep impact on the soil and groundwater environment. In order to design effective mitigation (remediation) to these identified risks a proper site assessment is required with reliable test data, followed by fit for purpose remedial action plan design and subsequent supervision of execution in the field. The service is designed to deliver consistent quality on site assessment, remediation design and execution supervision, such that re-work and scope variation is eliminated. Proper assessment and monitoring will ensure value for money and restore the environment for sustainable development.</li> <li>• Schedule: A quicker response (through improved procurement time) for site assessment will reduce the impact on the environment and the cost of clean-up and remediation. Ensure clean Environment for the host community and Nigeria in General.</li> <li>• Cost: Substantially reduced internal administration costs due to streamlined procurement and supervisory processes.</li> <li>• Quality: Substantially improved Contract Management and execution due to single point accountability with a few major technically competent Contractors. This will improve performance in oil spill response and remediation.</li> </ul>	
3.	Market Approach/Sourcing Risk	<p>Market Approach: Strategy based on Supplier positioning model, proposed tactics and actions.</p> <p>Sourcing Risks: How will sourcing risks be mitigated throughout the supply chain?</p>
	<p>Two tier competitive Tendering process involving technical and commercial evaluation of already prequalified vendors selected from the NIPeX- NJQS database (Product Groups – 30202 Safety, Health &amp; Environmental and 30305 Safety &amp; Environmental). Bids shall be submitted via NipeX.</p> <p>To mitigate sourcing risk, the contract shall be on call-off basis and issuance of Purchase Order (PO). Work shall commence only when a PO has been issued and payment shall be based on the value (PO) of work completed. Contract duration shall be for three (3) years, with one (1) year renewal option.</p>	
4.	Regional/Global strategy fit	Explain the category strategy for this service and plan to utilise existing Enterprise Frame Agreement (EFA).
	<p>There is no global contract for these services. The category strategy seeks to meet regulatory requirement, ensure long term relationship management, standardisation, optimise oil spill / remediation response time, improve reputation, deploy new technologies to reduce cost and improve level of clean environment.</p> <p>Dan Walsh (Technical expert in remediation) was contacted and his views incorporated.</p>	

5.	Nigerian Content Development (NCD)	Applicable Schedule A targets, actions required to close target gaps and Nigeria Content Plan including training plan.																
<p><b>a. Applicable NOGICD Act - Schedule target(s), current in country capacity and plan to close gap if any.</b></p> <p>Table below illustrates required information for this section.</p> <table border="1"> <tr> <th>Schedule A</th> <th>Schedule A Target</th> <th>Measuring Metrics</th> <th>Waivers Status</th> </tr> <tr> <td>Quality Assurance QA/QC Consultancy</td> <td>45%</td> <td>Man-Hour</td> <td>N/A</td> </tr> </table> <p><b>*List relevant Schedule to the contract as defined in NOGICD Act</b>  <b>NOGICD = Nigeria Oil &amp; Gas Industry Content Development Act</b></p> <p><b>b. Nigeria Content Plan</b> (This is for ALL contracts &gt;\$1m)</p> <ul style="list-style-type: none"> <li>i. Research &amp; Development Plan (Strategic contracts only)</li> <li>ii. Technology Transfer Plan (Strategic contracts only)</li> <li>iii. Training Plan (Mandatory for all contracts)</li> </ul> <p><b>(Training Plan must be aligned with the pre-approved Nigeria Content Plan for the Project if any)</b></p> <table border="1"> <tr> <th>Training Type</th> <th>No of Trainees</th> <th>Total Man-hours/man-years</th> <th>Name / Level of Certification</th> </tr> <tr> <td>Remediation Design &amp; Groundwater Risk Assessment</td> <td>25</td> <td>1000 Man Hours</td> <td>Knowledge</td> </tr> </table> <p>Training is for National Skill pool per NCDMB database.  All training must be certifiable and in line with NCDMB training guidelines.</p> <p><b>c. Global Sustainable Sourcing plan</b> (outline plan to utilise global sourcing opportunity to support attainment of Nigerian Content targets)</p> <p><b>**Where the Nigeria Content in-country capacity falls short of set minimum targets by law a waiver may be required for these categories.</b></p>			Schedule A	Schedule A Target	Measuring Metrics	Waivers Status	Quality Assurance QA/QC Consultancy	45%	Man-Hour	N/A	Training Type	No of Trainees	Total Man-hours/man-years	Name / Level of Certification	Remediation Design & Groundwater Risk Assessment	25	1000 Man Hours	Knowledge
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6.	Niger Delta Content Development (NDCD)	Applicable directives/targets for this category. List opportunities and actions required to make this NDCD opportunity happen.																
<p>Vendors will be required to employ host community and other Niger Delta workers for scope of work and services where specialized skill is not required. It will also establish programme in place for training and development of Niger Deltans over the contract period.</p> <p>Vendors will further be required to provide a robust plan for engaging sub-contractors within the Niger Delta region.</p> <p>Reviewed and supported by NCD team.</p>																		

Section D: Sourcing Plan, Evaluation Model, Tender Plan & Award Strategy		
1.	Product Category list:	30202 Safety, Health & Environmental and 30305 Safety & Environmental
2.	Bid Sourcing Plan	NIPeX, Approved Single Source, Approved Selective Tendering, etc
<p>Two tier competitive Tendering process involving technical and commercial evaluation of already prequalified vendors selected from the NIPeX- NJQS database. NIPeX joint Qualification System (NJQS) database will be used. (Product Groups – 30202 Safety, Health &amp; Environmental and 30305 Safety &amp; Environmental).</p>		
3.	Indicate any issue of concern regarding each bidder.	
<p>Bidders not known yet. Technical evaluation will ensure only competent contractors with proven records of project delivery are qualified for commercial tender.</p>		



4.	Technical /Commercial Evaluation Criteria & Negotiation parameters	State all technical considerations driving evaluation criteria. Which are the “Go/No Go” areas (fatal flaws)? Indicate high-level weightings. Attach Commercial evaluation criteria, with distribution of Notional Quantities, milestones, re-imburseables, or book-rates as applicable. For negotiation, show aspiration, fallback and walk-away positions.																																																																																	
	<p>The Technical Evaluation Criteria is attached in Spreadsheet.</p> <p>A high level summary is provided in Table below:</p> <table border="1"> <thead> <tr> <th>S/n</th><th>Criteria</th><th>Overall Weighting</th></tr> </thead> <tbody> <tr> <td>1</td><td><b>MANDATORY TEST</b></td><td></td></tr> <tr> <td>a)</td><td>Registration &amp; Incorporation in Nigeria</td><td>MANDATORY</td></tr> <tr> <td>b)</td><td>Tax Certificate</td><td>MANDATORY</td></tr> <tr> <td>c)</td><td>Shell Business Principles Mandatory Tests</td><td>MANDATORY</td></tr> <tr> <td>d)</td><td>Ethical Status</td><td>MANDATORY</td></tr> <tr> <td>e)</td><td>Litigations</td><td>MANDATORY</td></tr> <tr> <td>2</td><td><b>CORPORATE STRUCTURE</b></td><td>5%</td></tr> <tr> <td>a)</td><td>Corporate formation</td><td>2%</td></tr> <tr> <td>b)</td><td>Communication</td><td>1%</td></tr> <tr> <td>c)</td><td>Organisational Structure</td><td>2%</td></tr> <tr> <td>3</td><td><b>FINANCIAL CAPABILITY</b></td><td>15%</td></tr> <tr> <td>4</td><td><b>TECHNICAL CAPABILITY</b></td><td>45%</td></tr> <tr> <td>4.1</td><td>Organisational Experience</td><td>10%</td></tr> <tr> <td>4.2</td><td><b>PERSONNEL</b></td><td>10%</td></tr> <tr> <td>a)</td><td>Sufficiency</td><td></td></tr> <tr> <td>b)</td><td>Experience</td><td></td></tr> <tr> <td>4.3</td><td><b>TESTING, LABORATORY ANALYSIS &amp; INTERNATIONAL PARTNERSHIPS</b></td><td>25%</td></tr> <tr> <td>(a)</td><td>Availability</td><td>5%</td></tr> <tr> <td>(b)</td><td>Laboratory Testing Services</td><td>10%</td></tr> <tr> <td>(c)</td><td>International Partnerships</td><td>10%</td></tr> <tr> <td>5</td><td><b>QUALITY MANAGEMENT</b></td><td>20%</td></tr> <tr> <td>5.1</td><td>QA / QC Plan</td><td>5%</td></tr> <tr> <td>5.2</td><td>Past Performance</td><td>5%</td></tr> <tr> <td>5.3</td><td>Technical Integrity</td><td>5%</td></tr> <tr> <td>5.4</td><td>Audit and Review</td><td>5%</td></tr> <tr> <td>6</td><td><b>HSE EVALUATION</b></td><td>15%</td></tr> </tbody> </table>		S/n	Criteria	Overall Weighting	1	<b>MANDATORY TEST</b>		a)	Registration & Incorporation in Nigeria	MANDATORY	b)	Tax Certificate	MANDATORY	c)	Shell Business Principles Mandatory Tests	MANDATORY	d)	Ethical Status	MANDATORY	e)	Litigations	MANDATORY	2	<b>CORPORATE STRUCTURE</b>	5%	a)	Corporate formation	2%	b)	Communication	1%	c)	Organisational Structure	2%	3	<b>FINANCIAL CAPABILITY</b>	15%	4	<b>TECHNICAL CAPABILITY</b>	45%	4.1	Organisational Experience	10%	4.2	<b>PERSONNEL</b>	10%	a)	Sufficiency		b)	Experience		4.3	<b>TESTING, LABORATORY ANALYSIS &amp; INTERNATIONAL PARTNERSHIPS</b>	25%	(a)	Availability	5%	(b)	Laboratory Testing Services	10%	(c)	International Partnerships	10%	5	<b>QUALITY MANAGEMENT</b>	20%	5.1	QA / QC Plan	5%	5.2	Past Performance	5%	5.3	Technical Integrity	5%	5.4	Audit and Review	5%	6	<b>HSE EVALUATION</b>	15%
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	Award shall be based on lowest bid.	<p>Vendors that achieve the 60% cut-off mark at the technical stage shall be invited to provide commercial bids in line with the commercial template. Only the first eight (8) lowest bidders will be awarded contracts at their quoted rates and contract ceiling.</p> <p>This Award strategy is to ensure:</p> <ul style="list-style-type: none"> <li>Adequate contractor capacity to support concurrent efforts to ensure restoration of impacted sites.</li> <li>Ensure security of supply to meet operational requirements.</li> </ul>																																																																																	

**THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED**

**Major Tender Board Submission**

5.	Terms & Conditions	Model Contract Library terms & conditions must be used, otherwise list proposed exceptions and give reasons with evidence of support from Legal. How are commercial terms defined in ITT to leverage & manage bidders' capabilities and associated risk?
	SPDC Standard Conditions of Contract for this Category of work which includes relevant sections of Oil spill response procedure and remediation management system shall apply.	
6.	Pricing Structure & Incentives	Describe which work element is lump sum, unit rate, reimbursable. Potential payment discounts?
	The contract shall be on Call-off basis with no minimum / maximum number. The applicable rates shall be Unit rates. Purchase orders (PO) will be created based on an assumed scope of work for the known size of spill and/or impacted area as determined via the JIV process. The scope of work shall vary on a site by site basis and shall be aligned with requirements of the SPDC Oil Spill Response and Remediation Management System.	
7.	Tender and Award Schedule	
	Issue Technical ITT	May 2014
	Technical Evaluation	June 2014
	Issue Commercial ITT	August 2014
	Commercial Evaluation	September 2014
	MTB/SCC submission	November 2014
	Nigerian Content Compliance Certification	December 2014
	NAPIMS submission	February 2015
	Contract Award	March 2015

**Section D: Risk Evaluation**

1.	Level of Risk	Refer to <u>Risk Assessment Matrix (RAM)</u> and identify:		
	HSE Risk: High/Medium/Low	Contract Risk: High/Medium/Low		
2	Risk Event /Hazard	Assessment		
	<u>Risks</u>	<u>Likelihood</u>	<u>Impact</u>	<u>Responses</u>
1	HSE Risks	L	L	Site Assessment work and environmental consultancy services are in general a low risk activities. The use of professional HSE consultants to execute site assessment should ensure residual risks are minimized. All equipments shall be pre-mobbed.
2	Community related risks	L	L	Site assessment and environmental consultancy services are not currently being provided by Community based contractors. There is no increased exposure to SPDC by moving to an external Major Contract for these services.
3	Financial Risk/Bankruptcy Risk	L	L	Nominated Vendors will be competent International/Large National Companies with sound financial standing. We will also in the course of negotiations take a look into their financial accounts.
4	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.
5	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. Increases



				skill set of SPDC Staff in PMC administration.
6	Poor Scope Description	L	L	The required specification for Consultancy Services is defined in the OSRRMS, which has been approved by external experts and senior SPDC management.
7	Low Contractor Competence	H	M	Local Contractors are not likely to have <u>all</u> skills and experience to hold major OSRT/Remediation contract. Encourage partnering with international company to build credibility with external Stakeholders, bring in best technology and practice and competence development. This shall be managed through technical evaluation stage of the technical bid where the proposed project team to deliver the contract shall be defined and assessed against set criteria.
8	Low Commercial bid	H	H/M	Service requirement and price tendered. There will be room for negotiation as there are existing contracts to compare and obtain Contract prices.
	<b>Opportunities</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Responses</b>
1	Reduction in SPDC internal overhead, management, C&P support costs associated with current model	H	H	Major call-off contract will lead to substantial reduction in C&P procurement and management man hours. Estimated to be a minimum of 2 Full time equivalent staff.
2	Speed of Response	H	H	Time savings in response time (as contracting period is reduced) of remediation contractor on to site predicted to be significant (4 to 5 weeks). The speed of response reduces the potential environmental impact and will enhance SPDC reputation.
3	Flexible Contract to include "First Line Oil Spill Response"	H	H	Time savings and synergies expected to be realised with single call off contract for Oil Spill Response and Remediation activities.
4	Transfer of some SPDC supervisors to Principal Contractor	H	M	Reduced SPDC internal administration costs and reliance on direct sub contractor manpower.
5	Global Best Practice	M	M	Opportunities for Competence development of Nigerian Remediation contractors, via potential link to international Companies.

**Attachments:****Attachment 1-** NAPIMS Engagement.**Attachment 2-** NCD Engagement.**Attachment 3-** Newspaper Advertisement for the provision of subject services.**Attachment 4-** NCD Support / Plan**Attachment 5-** HSE Risk Analysis**Attachment 6-** Technical evaluation models.**Attachment 7-** Commercial evaluation models**Attachment 8-** MTB directives and implementations.

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

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**Minutes of NAPIMS Engagement Meeting**  
**Call –Off Contract for Provision of Consultancy Support for Oil Spill / Remediation Services.**

**Date:** 7<sup>th</sup> March 2014  
**Venue:** SPDC Pre-Fab D Conference Room  
**Time:** 0800hrs


**Attendance:**  
 Odiong, Ekanem      NAPIMS  
 Lee, Andy              SPDC  
 Okafor, Anthony      SPDC

S/N	Discussion	Actions
1.	<p><b>Introduction:</b></p> <p>The meeting which commenced at about 08:00hrs was to discuss issues on the proposed contract for the provision of call –off contracts for consultancy support services for Oil Spill/ Remediation Services and took advantage of the availability of the NAPIMS contingent during the DEVCOM engagements. The issues include:</p> <ul style="list-style-type: none"> <li>➤ The number of contracts to be awarded.</li> <li>➤ Contract duration.</li> <li>➤ Award strategy.</li> <li>➤ Technical bid criteria.</li> </ul>	
2.	<p><b>Discussions/ Resolutions:</b></p> <ul style="list-style-type: none"> <li>➤ The number of contracts to be awarded. SPDC proposed award to five (5) contracts, to ensure the most qualified vendors are selected. This number is manageable especially in capacity building. NAPIMS is of the view that from experience it will be ideal to maintain the number ten (10), as this will not only help in capacity building, but will also make the market robust and these capacities available to other operating unities. It was agreed to make the number of awards eight (8).</li> <li>➤ On the contract duration, SPDC proposed increased in the contract duration from three years (2+1) to five years (4+1). The increase is to have enough time for knowledge transfer, as the vendors may be required to partner with foreign companies with the relevant expertise. At the moment, local market for impacted site investigation, assessment and monitoring are very limited and not well developed. The quality of data and analysis from for soils and ground water testing is not sufficient and needs to be upgraded to meet international standards. Longer term contract and increased business volume will service as incentive to encourage vendors to invest. The benefit includes transfer of knowledge, increased supplier capacity, robust market for Nigeria economy, cost savings etc. It was agreed that SPDC propose the contract duration of three years with an option to extend for one year (3+1) when making the contract strategy request to NAPIMS.</li> <li>➤ SPDC suggested that the award strategy to the eight (8) contracts to be awarded at the vendors quoted rates and ceiling. The ceiling assignment ratio is to be advised when a formal request is sent to NAPIMS.</li> <li>➤ On the technical bid, it was agreed that the pass mark should remain 60% and not 70% as proposed by SPDC. However, the technical criteria should be well developed to ensure that only technically competent vendors with the right technical partners will be approved for the commercial bid.</li> <li>➤ SPDC should submit the proposed contract strategy to NAPIMS Management for consideration and approval.</li> </ul> <p>The meeting closed by 09:00hrs.</p>	SPDC

***"All resolutions from the engagement are subject to NAPIMS Management approval"***

NAPIMS

SPDC



ANDY LEE

19/3/2014

Attachment - 1

**Minutes of NAPIMS Engagement Meeting**  
**Call -Off Contract for Provision of Consultancy Support for Oil Spill / Remediation Services.**

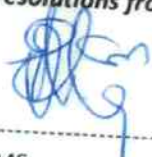
**Date:** 7<sup>th</sup> March 2014  
**Venue:** SPDC Pre-Fab D Conference Room  
**Time:** 0800hrs

**Attendance:**  
 Odiong, Ekanem      NAPIMS  
 Lee, Andy            SPDC  
 Okafor, Anthony    SPDC


S/N	Discussion	Actions
1.	<p><b>Introduction:</b></p> <p>The meeting which commenced at about 08.00hrs was to discuss issues on the proposed contract for the provision of call -off contracts for consultancy support services for Oil Spill/ Remediation Services and took advantage of the availability of the NAPIMS contingent during the DEVCOM engagements. The issues include:</p> <ul style="list-style-type: none"> <li>➤ The number of contracts to be awarded.</li> <li>➤ Contract duration.</li> <li>➤ Award strategy.</li> <li>➤ Technical bid criteria.</li> </ul>	
2.	<p><b>Discussions/ Resolutions:</b></p> <ul style="list-style-type: none"> <li>➤ The number of contracts to be awarded. SPDC proposed award to five (5) contracts, to ensure the most qualified vendors are selected. This number is manageable especially in capacity building. NAPIMS is of the view that from experience it will be ideal to maintain the number ten (10), as this will not only help in capacity building, but will also make the market robust and these capacities available to other operating unities. It was agreed to make the number of awards eight (8).</li> <li>➤ On the contract duration, SPDC proposed increased in the contract duration from three years (2+1) to five years (4+1). The increase is to have enough time for knowledge transfer, as the vendors may be required to partner with foreign companies with the relevant expertise. At the moment, local market for impacted site investigation, assessment and monitoring are very limited and not well developed. The quality of data and analysis from for soils and ground water testing is not sufficient and needs to be upgraded to meet international standards. Longer term contract and increased business volume will service as incentive to encourage vendors to invest. The benefit includes transfer of knowledge, increased supplier capacity, robust market for Nigeria economy, cost savings etc. It was agreed that SPDC propose the contract duration of three years with an option to extend for one year (3+1) when making the contract strategy request to NAPIMS.</li> <li>➤ SPDC suggested that the award strategy to the eight (8) contracts to be awarded at the vendors quoted rates and ceiling. The ceiling assignment ratio is to be advised when a formal request is sent to NAPIMS.</li> <li>➤ On the technical bid, it was agreed that the pass mark should remain 60% and not 70% as proposed by SPDC. However, the technical criteria should be well developed to ensure that only technically competent vendors with the right technical partners will be approved for the commercial bid.</li> <li>➤ SPDC should submit the proposed contract strategy to NAPIMS Management for consideration and approval.</li> </ul> <p>The meeting closed by 09.00hrs.</p>	SPDC

**"All resolutions from the engagement are subject to NAPIMS Management approval"**

NAPIMS

 19/03/2014

SPDC

 ANDY LEE  
 19/3/2014



Minutes of NAPIMS Engagement Meeting

Call-Off Contract for Provision of Consultancy Support for Oil Spill / Remediation Services.

**Date:** 6<sup>th</sup> March 2014

**Venue:** SPDC Pre-Fab A6 Room 17

Time: 1400hrs

**Attendance:**

Lee, Andy                      UIO/G/PNPD

Akubue, Kenekchukwu FUI/C/OG

Okafor, Anthony FUI/C/OG

S/N	Discussion	Actions
1.	<p><b>Introduction:</b></p> <p>The meeting was to discuss how to maximize the possible opportunities identifies in the proposal for the provision of call –off contracts for consultancy support services for Oil Spill/ Remediation Services. Two issues where identified:</p> <ul style="list-style-type: none"> <li>▪ Equipment ownership</li> <li>• Knowledge Transfer</li> </ul>	
2.	<p><b>Discussions/ Resolutions:</b></p> <ul style="list-style-type: none"> <li>• The meeting identified that the issues of equipment ownership can be handled by encouraging the successful vendors to invest in the right hardware. This will form part of the Technical evaluation criteria.</li> <li>• On the knowledge transfer, it was agreed that the expertise is not well developed in Country and the current practice need to be upgraded to meet international standards. It was agreed to strengthen the technical bid to ensure that the successful vendors have demonstrated strong partnership with foreign companies with the relevant expertise showing a plan for under-study.</li> </ul>	<p>Andy</p> <p>Andy</p>
<p>The meeting closed by 14:35hrs.</p>		

The meeting closed by 14:35hrs.

Lee, Andy

**Akubue, Kenekwue**

~~Okafor, Anthony~~

## Okafor, Anthony O SPDC-FUI/C/OG

---

**From:** Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Sent:** 18 March 2014 11:40  
**To:** Lee, Andy M SPDC-UIO/G/PNPD; Okafor, Anthony O SPDC-FUI/C/OG  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT; Nnogo, Chizube IR SPDC-UIO/G/SHYC; Morakinyo, Lekan A SPDC-FUI/C/OG  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Andy,

Yes I do, provided the HSE capability assessment is done

Regards  
Emman

---

**From:** Lee, Andy M SPDC-UIO/G/PNPD  
**Sent:** 18 March 2014 11:30  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC; Okafor, Anthony O SPDC-FUI/C/OG  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT; Nnogo, Chizube IR SPDC-UIO/G/SHYC; Morakinyo, Lekan A SPDC-FUI/C/OG  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma

It would appear you have focused on the General HSE requirements (15% of total), such HSE planning, risk management, this is in the execution phase of the project, which I think are covered in the standard template.

What about the rest of the scoring sheet with respect to competence, remediation experience, qualifications, Laboratories, international partnerships etc? This is the really important bit in selecting technically competent contractors for the type of work we wish to do which is remediation.

Can I take it you fully support this bit.

Regards

Andy

---

**From:** Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Sent:** Tuesday, March 18, 2014 10:58 AM  
**To:** Okafor, Anthony O SPDC-FUI/C/OG  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT; Nnogo, Chizube IR SPDC-UIO/G/SHYC; Lee, Andy M SPDC-UIO/G/PNPD; Morakinyo, Lekan A SPDC-FUI/C/OG  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Tony,

I have reviewed the Tech evaluation criteria against the comments made by Amadi and I have also had a chat with Lekan from CP.

The criteria as they are seems adequate at the pre-award stage, the problem maybe how the criteria is used. The 3-part criteria as designed test the comments made by Amadi in different ways

1. HSE Capability assessment- this test both written mgt system and evidence of previous HSE experience including HSE culture elements
2. Contract Specific HSE Risk management – test understanding of work specific risks and controls required

3. Contract Specific HSE Planning – test how risk will be addressed and recovery measures

I would advise the remediation team strongly participate in the cap assessment where the past experience and mgt commitment can be validated.

The criteria cannot be changed now because it is a general criteria agreed by the company with NAPIMS but we can strengthen how it is used.

I understand from Lekan that a review is being planned, we will use the opportunity to strengthen the criteria with the suggestions .

Regards  
Emman

---

**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** 18 March 2014 09:20  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC; Lee, Andy M SPDC-UIO/G/PNPD  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT; Nnogo, Chizube IR SPDC-UIO/G/SHYC  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma,  
Please see the attached Technical Evaluation Sheet.

Rgds,  
Tony

---

**From:** Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Sent:** 18 March 2014 08:29  
**To:** Lee, Andy M SPDC-UIO/G/PNPD  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT; Okafor, Anthony O SPDC-FUI/C/OG; Nnogo, Chizube IR SPDC-UIO/G/SHYC  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Andy,

I have called and written to Tony earlier today about this but he is apparently not on seat. I have not yet seen the evaluation sheet.

Regards  
Emman

---

**From:** Lee, Andy M SPDC-UIO/G/PNPD  
**Sent:** 18 March 2014 08:22  
**To:** Okafor, Anthony O SPDC-FUI/C/OG; Etsano, Emmanuel A SPDC-UIO/G/SHYC; Nnogo, Chizube IR SPDC-UIO/G/SHYC  
**Cc:** Amadi, Amadi SPDC-UIO/G/SHT  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma

Please can you come back today with any comments we need to close out immediately.

Regards

Andy

---

**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** Tuesday, March 18, 2014 7:22 AM  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC; Nnogo, Chizube IR SPDC-UIO/G/SHYC  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD; Amadi, Amadi SPDC-UIO/G/SHT  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma,  
Please how do we resolve this, we need to close this out and revert to MTB. The delay is affecting our contract plan.

Rgds,  
Tony

---

**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** 12 March 2014 13:55  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC; Nnogo, Chizube IR SPDC-UIO/G/SHYC  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Chizube,  
Please action.

Rgds,  
Tony

---

**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** 12 March 2014 13:53  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma,  
Please help with this?

Rgds,  
Tony

---

**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** 05 March 2014 09:58  
**To:** Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD  
**Subject:** FW: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Emma,  
Please can we get sample.

Rgds,  
Tony

---

**From:** Amadi, Amadi SPDC-UIO/G/SHT  
**Sent:** 05 March 2014 09:17  
**To:** Okafor, Anthony O SPDC-FUI/C/OG  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD; Etsano, Emmanuel A SPDC-UIO/G/SHYC  
**Subject:** RE: Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Anthony,



The attachment is the normal CHSE assessment sheet. My reservation is that the assessment is heavily tilted towards documentation, and as long as contractor can demonstrate that paper/system's are in place, he/she scores a high mark and qualifies for commercial evaluation.

What about an additional set of questionnaire in a checklist format (as appendix) that tests i) safety leadership within the company e.g. how often leaders have been to field in 3 years ii) incident reporting and investigation – no in the last 3 years, quality and from whom e.g. HSE focal point reporting al versus site supervisors and project managers iii) learning from incidents – what evidence iv) practical demonstration of HSE capabilities on similar job within Nigeria. This should be verifiable, etc.

Please touch base with Emma Etsano if you need some help.

Regards

**Amadi Amadi**

Manager, SE Technical  
Shell Petroleum Development Company  
P. O. Box 263, Port Harcourt, Nigeria

Office Tel: +234 807 022 2700, Mobile: +234 807 032 2700, Fax: +234 (01) 260 1600, Email: [Amadi.Amadi@shell.com](mailto:Amadi.Amadi@shell.com)

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**From:** Okafor, Anthony O SPDC-FUI/C/OG  
**Sent:** Wednesday, March 05, 2014 8:38 AM  
**To:** Amadi, Amadi SPDC-UIO/G/SHT  
**Cc:** Lee, Andy M SPDC-UIO/G/PNPD  
**Subject:** Tech Eval Criteria Scoring Sheet Integrated USE THIS xlsxNEW Oil Spill revb.xlsx

Amadi,

As directed in the MTB meeting of 3<sup>rd</sup> March 2014, attached is the technical pre-qualification spreadsheet.

Rgds,  
Tony

## Attachment 8

### MTB Directives and implementations:

The proposal for Call-Off Contract for Provision of Consultancy Support for Oil Spill / Remediation Services was presented to MTB on 3<sup>rd</sup> March 2014 and the Tender Board directed as follows:

S/N	MTB Directive	implementations	Remarks.
1.	Update submission with responses on DISCUSSION 3 above.	Submission updated. See Section A: Business Needs - paragraphs 4 and 5.	<b>Discussion 3 is:</b> The submission ought to explicitly show a) how the strategy would be executed; preferably a phased holistic plan to transition within a defined period of time. b) how the risk attached to community sensitivities and securing other stakeholders support will be managed
2.	Page 2 Section A.1: Include Attachments 1 & 2. – Minutes of meeting of resolutions with NAPIMS and NCDMB.	Attachments 1 & 2 included.	The resolution is with NAPIMS and NCD respectively.
3.	Re-engage NAPIMS as per DISCUSSION 5 & 6 above.	Submission updated. See Section D: Basis of Award - Changed to: "...lowest bidders will be awarded contracts at their quoted rates and contract ceiling".  Submission updated. 1. See Purpose of proposal – No. of contracts placement change from 10 to 8. 2. See Proposed Contract Start / End dates and Extension options – Contract duration changed from 3 (2+1) years to 4 (3+1) years.  See attached minutes of meeting with NAPIMS.	<b>Discussion 5-</b> The fairness of the award strategy as agreed with NAPIMS is questionable. Award at the lowest bidders rates and at the same ACV to all awardees may not provide enough incentive to the lower bidders.  <b>Discussion 6-</b> On the basis of NCD arguments, the team could re-engage NAPIMS with a revised tender and award strategy (smaller number of contractors and a longer contract period to support capacity development investment).
4.	Send technical pre-qualification spreadsheet to MTB HSE rep.	Technical pre-qualification spreadsheet was sent to MTB HSE rep.	His response was positive. See attached e-mail.



## Okafor, Anthony O SPDC-FUI/C/OG

---

**From:** Olowokure, Eniola T SPDC-FUI/C/OG  
**Sent:** 05 March 2014 08:20  
**To:** Lee, Andy M SPDC-UIO/G/PNPD; Okafor, Anthony O SPDC-FUI/C/OG  
**Subject:** MINUTES OF MTB MEETING NO.14\_10

Please see below the Major Tender Board minutes of meeting for your records and action.  
Please keep filed for future reference.

--

### THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

CONFIDENTIAL

MAJOR TENDER BOARD

Ref: SPDC\_MTB\_14\_10

#### MINUTES OF MTB MEETING NO.14\_10

Held on Monday 3<sup>rd</sup> March 2014 at 1.15 PM

VENUE: PHC IA B4. 230 & LAGOS (DIAL- IN)

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SPDC\_MTB\_14\_10\_5

#### CALL-OFF CONTRACT FOR PROVISION OF CONSULTANCY SUPPORT FOR OIL SPILL/REMEDIATION SERVICES

##### PART A1 –STRATEGY & CONTRACT PLAN

The objectives of this submission are to seek MTB approval for:

1. Placement of 10 call-off contracts for Provision of Consultancy Support for Oil Spill/Remediation Services.
2. The competitive tendering contract strategy.
3. Newspaper Advertisement for the provision of subject services.
4. Select pre-qualified Contractors from NIPEX – NJQS Product Groups – 30202 (Safety, Health and Environmental) and 30305 (Safety and Environmental).
5. The basis of award (including technical & commercial evaluation models).
6. To issue Technical ITT based on agreed criteria.

##### DISCUSSION

Clarifications:

1. The over arching strategy is to have a hands off approach and reduce the number of in house resources deployed for this service.
2. The assertion on inability of local contractors to develop effective external technical relationships refers to the unwillingness of the external contractors to accept to work under Nigerian laws.

MTB's comments:

3. The submission ought to explicitly show a) how the strategy would be executed; preferably a phased holistic plan to transition within a defined period of time. b) how the risk attached to community sensitivities and securing other stakeholders support will be a managed.
4. The NCD opportunity to build local capacity to provide laboratory services is recognized. The team should have a road map to migrate the service fully to the local market.
5. The fairness of the award strategy as agreed with NAPIMS is questionable. Award at the lowest bidders rates and at the same ACV to all awardees may not provide enough incentive to the lower bidders.
6. On the basis of NCD arguments, the team could re-engage NAPIMS with a revised tender and award strategy (smaller number of contractors and a longer contract period to support capacity development investment).

**DECISION:** Deferred

- DIRECTIVES:**
1. Update submission with responses on DISCUSSION 3 above.
  2. Page 2 Section A.1: Include Attachments 1 & 2. – Minutes of meeting of resolutions with NAPIMS and NCDMB.
  3. Re-engage NAPIMS as per DISCUSSION 5 & 6 above.



4. Complete 1 to 3 and revert to MTB on line.
5. Send technical pre-qualification spreadsheet to MTB HSE rep.

**TARGET DATE:** 24<sup>TH</sup> March 2014

**ACTION:** Andy Lee & Anthony Okafor

---

ENIOLA OLOWOKURE  
MTB SECRETARY, SPDC  
The Shell Petroleum Development Company of Nigeria Limited  
Eastern Division, P O Box 263 Port Harcourt, Nigeria

**Tel:** +234 80702 24525

**Email:** [ENIOLA.OLOWOKURE@SHELL.COM](mailto:ENIOLA.OLOWOKURE@SHELL.COM)

**Office Location:** M4 Room 47 Shell IA Rmuobiakani, Port Harcourt