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NIGERIAN NATIONAL PETROLEUM CORPORATION

NATIONAL PETROLEUM INVESTMENT MANAGEMENT SERVICES (NAPIMS)

36/38 GERRARD ROAD, IKOYI, LAGOS.

Ref: NAP/2.13/PSC.F/21.520

Date: October 28, 2021

The Managing Director,
Shell Nigeria Exploration & Production Company Limited,
Freeman House, 21/22 Marina, Lagos.

Attention: **Steve Okwuosah/Ambrose Omigie**

Dear Sir,

SNEPCo
CoCo Treated

1ST NOV 2021

Time..... 7:45AM

REQUEST FOR CONTRACT STRATEGY APPROVAL (PROVISION OF MAINTENANCE, ENGINEERING AND PROJECT SUPPORT SERVICES – MEPSS) TENDER FOR SHELL NIGERIA UPSTREAM COMPANIES

References:

Shell letters SNEPCo-DWP-2020-0042L dated January 29, 2021 and SPDC-SCM-2021-0007L dated January 19, 2021

NAPIMS letter NAP/2.13/PSC.F/21.062 dated March 01, 2021 on the above subject.

We refer to the communication under references on the subject.

In consideration of the two (2) MEPSS tenders, NAPIMS notes the following:

1. NAPIMS has earlier approved a strategy for the subject PSC tender via a letter NAP/2.13/PSC.F/21.062 dated March 01, 2021.
2. In the spirit of Nigerian Upstream Cost Optimization Program (NUCOP) which is designed to improve tendering and contracting processes through consolidation to drive efficiency in projects execution and operations, PSC and JV have agreed to leverage on the ongoing PSC MEPSS tender currently at technical phase and merging the two (2) tenders to service the assets across SNEPCo and SPDC.
3. The harmonization of the two (2) tenders will enhance open competitiveness and optimize time and cost.

In view of the foregoing, we hereby convey to you NAPIMS position as follows:

1. The merger of both PSC and JV MEPSS tenders, harmonized scopes, and award on a multiple basis by leveraging on the ongoing SNEPCO/PSC MEPSS tender, currently at technical stage.
2. Adoption of a Single Tender with the harmonized Scopes for both PSC and JV which shall include but not limited to the following:

A. Facility Maintenance and Production Operations Support Services-Onshore and Offshore

- Mechanical Maintenance
- Instrumentation and Electrical Maintenance
- Provide Shutdown/Campaign Maintenance Support
- Provide Fabric Maintenance and Corrosion Management
- Production Operations and Maintenance support services
- Emerging brownfield maintenance scopes, to be managed via 3rd party contractors
- Operations Readiness, Commissioning and Start-up review supports
- Routine first line maintenance checks on all plant and process equipment
- Computerized Maintenance Management System (CMMS) services, including updating master data in the CMMSSAP
- Metering services.
- Static equipment, statutory inspection, and maintenance.
- Non-OEM rotating equipment maintenance.
- Workshop services.
- Execute the set programmes of minor routine equipment services as set out in the facility manuals and work practices.
- Control room operations service onshore.
- Execute routine production operations and minor non-routine production activities.
- Provision of terminal operations services.
- Provision of wellhead and facility operations services (onshore).
- Provision of onshore field production operations supervisory services.
- Oil stations vessel de-sanding service.
- Nitrogen purging service.
- Permit coordination Centre management.

B. Onshore and Deepwater Engineering Services

- Conceptual Engineering, Front End Engineering Studies/ Design,
- Detailed Engineering design support
- Discipline Engineering services (Engineering Design reviews)
- Technical Engineering Assurance for projects in execution
- Brownfield modification engineering support for Front End Definition e.g. site surveys, reverse engineering, and field visits
- Technical HSSE including specialist HSSE studies and facilitation of reviews (HAZOP/HAZID)
- NOV Project Support
- Plan and implement training programme to develop skills and competency in FEED and detailed engineering.
- Archiving and management of existing SEPCiN standard design drawings (Including scanning of drawings in various sizes).
- AutoCAD and 3D Draughting and PDMS modelling of existing facilities, modification works and new designs.
- Contingent engineering and technical support services.
- Production and monitoring of detailed Work Packs, Materials Take-Off.
- Load-out, transportation and installation engineering support (Greenfield).

C. Project Management & Quality Management Services

- Project Administrative Services (Project Engineering and Business Support)
- Provision of asset planning and scheduling service.
- Data and document control management services.
- Quality Management Systems Certifications; Provision of Technical Asset Integrity, Verification & Specialist third-party Technical Inspection services at all project &



vendor locations classification, i.e., Verification and certification (e.g., Class Society, Independent Verification Body, Marine Warrantee surveyors, Specialist Inspectors

- Perform gas well and plant operations to produce gas at agreed quality and volume specification and deliver processed gas at custody transfer point in accordance with contractual agreements and delivery schedules
- Cost estimating, cost control, documents control, technical support.
- Provision of field HSE support services
- Other related services under SHELL direct management; Provision of project support services (personnel logistics & housing in various project locations, Project Offices Provision & Management)
- Competence Development and Optimization Services.
- On the job training services.
- Competence assessment, verification, and development

3. Approval of a revised contract strategy of open competitive tender on NipeX Portal using the double envelope functionality and issuance of the ITTs to the pre-qualified bidders under the relevant NipeX codes as at October 31, 2021.
4. Award strategy of multiple awards of twenty-eight (28) contracts for the Provision of Maintenance, Engineering and Project Support Services contract (MEPSS) for SNEPCO Bonga FPSO and JV assets on a call-out basis as shown in table below:

TENDER	CATEGORY	AWARD STRATEGY	RELEVANT NIPEX CODE
Provision of Maintenance, Engineering and Project Support Services Contract (MEPSS)	Category 1: Facilities Maintenance & Operations Support (Onshore & Offshore)	<p>- Award 3 contracts for the PSC/JV Offshore Facility Maintenance to the three (3) technically qualified lowest bidders, in an ACV split of 40% to the lowest bidder and 30% to the 2nd lowest bidder and 30% to the 3rd lowest bidder.</p> <p>- Award 3 contracts for the PSC/JV Offshore Operations Support to the three (3) technically qualified lowest bidders, in an ACV split of 45% to the lowest bidder and 35% to the 2nd lowest bidder and 20% to the 3rd lowest bidder.</p> <p>- Award 3 contracts for the JV Onshore Facility Maintenance to the three (3) technically qualified lowest bidders, in an ACV split of 45% to the lowest bidder and 35% to the 2nd lowest bidder and 20% to the 3rd lowest bidder.</p> <p>- Award 6 contracts for the JV Onshore Operations Support to six (6) technically qualified lowest bidders, in an ACV split of 30% to the lowest bidder and 14% each to the remaining five (5) lowest bidders.</p> <p>- Award 3 contracts for the JV Integrated Onshore and Offshore Operations Support to the three (3) technically qualified lowest bidders, in an ACV split of 45% to the lowest bidder and 35% to the 2nd lowest bidder and 20% to the 3rd lowest bidder.</p>	<p>3.01.03 - Mechanical/Process / Utilities / Piping / Services Modification, Engineering, Layout Studies, HVAC</p> <p>3.01.04 - Electro / Control Instrumentation Services Analyzer surveys, Control engineering, Control loop surveys, Electrical engineering, Instrument, engineering.</p> <p>4.06.02 - Management and Operations, including Production Supervision of all Facilities, Engineering, Modification and Maintenance Services for Site / Platform</p>



TENDER	CATEGORY	AWARD STRATEGY	RELEVANT NIPEX CODE
	Category 2: Onshore and Deepwater Engineering Services	<p>- Award 3 contracts for the JV Production Operations support Services Onshore to the three (3) technically qualified lowest bidders, in an ACV split of 40% to the lowest bidder and 30% to the 2nd lowest bidder and 30% to the 3rd lowest bidder.</p> <p>- Award 3 contracts for Deepwater Engineering Services to the three (3) technically qualified lowest bidders, in an ACV split of 40% to the lowest bidder and 30% to the 2nd lowest bidder and 30% to the 3rd lowest bidder.</p>	<p>3.01.01 - Project Administration Services Contracting, Engineering, Multi-discipline, Construction Management and Supervision Service</p> <p>4.06.02 - Management and Operations, including Production Supervision of all Facilities, Engineering, Modification and Maintenance Services for Site / Platform</p>
	Category 3: Project & Quality Management Services	<p>- Award 2 contracts for Project Management Support to the two (2) technically qualified lowest bidders, in an ACV split of 60% to the lowest bidder and 40% to the 2nd lowest bidder</p> <p>- Award 2 contracts for QA / QC Consultancy, Quality Management Systems and Certification to the two (2) technically qualified lowest bidders, in an ACV split of 60% to the lowest bidder and 40% to the 2nd lowest bidder</p>	<p>3.01.01 - Project Administration Services</p> <p>3.02.01 - Quality Assurance QA/QC Consultancy</p> <p>3.13.01 - Quality Management Systems Certification</p>
TOTAL AWARDS		28 Awards	

5. Any bidder can tender across the three (3) categories and if a bidder is technically acceptable and evaluated to be the commercially lowest bidder in multiple categories, the tenderer shall only be awarded the contract package with the higher value and the other contract(s) awarded to the next lowest bidder(s).
6. Contract duration will be for Five firm (5) years with an option of one (1) year extension.
7. Tendering schedule of Six (6) months from submission of the Media Advert/contracting strategy up to award recommendation as jointly reviewed and signed off.
8. Issuance of both Technical and Commercial ITT Packages via the NNPC NipeX portal using the bidders list as at October 31, 2021, but only the Commercial proposals of the successful bidders in the technical stage will be opened for evaluation.
9. Execution of activities should indicate either JV, PSC or both for cost reconciliation and other governance related issues.



10. Utilization of a workorder structure that will be subsumed from the overall ceiling, with the workorders duly endorsed from JV or PSC as applicable.

Please contact the Asset Manager, Group A PSC, NAPIMS, Mr. Yakubu Abba via email: Yakubu.Abba@nnpcgroup.com or telephone number: 08033249056 and Manager Asset A, JV Oil Operations, Yusufu, M. M. on email: Mustapha.Yusufu@nnpcgroup.com or telephone number 08059299966 if you require further clarifications.

We thank you for your usual cooperation.

Yours faithfully,

For: **NIGERIAN NATIONAL PETROLEUM CORPORATION**



Bala Wunli

Group General Manager, NAPIMS

Attachment:

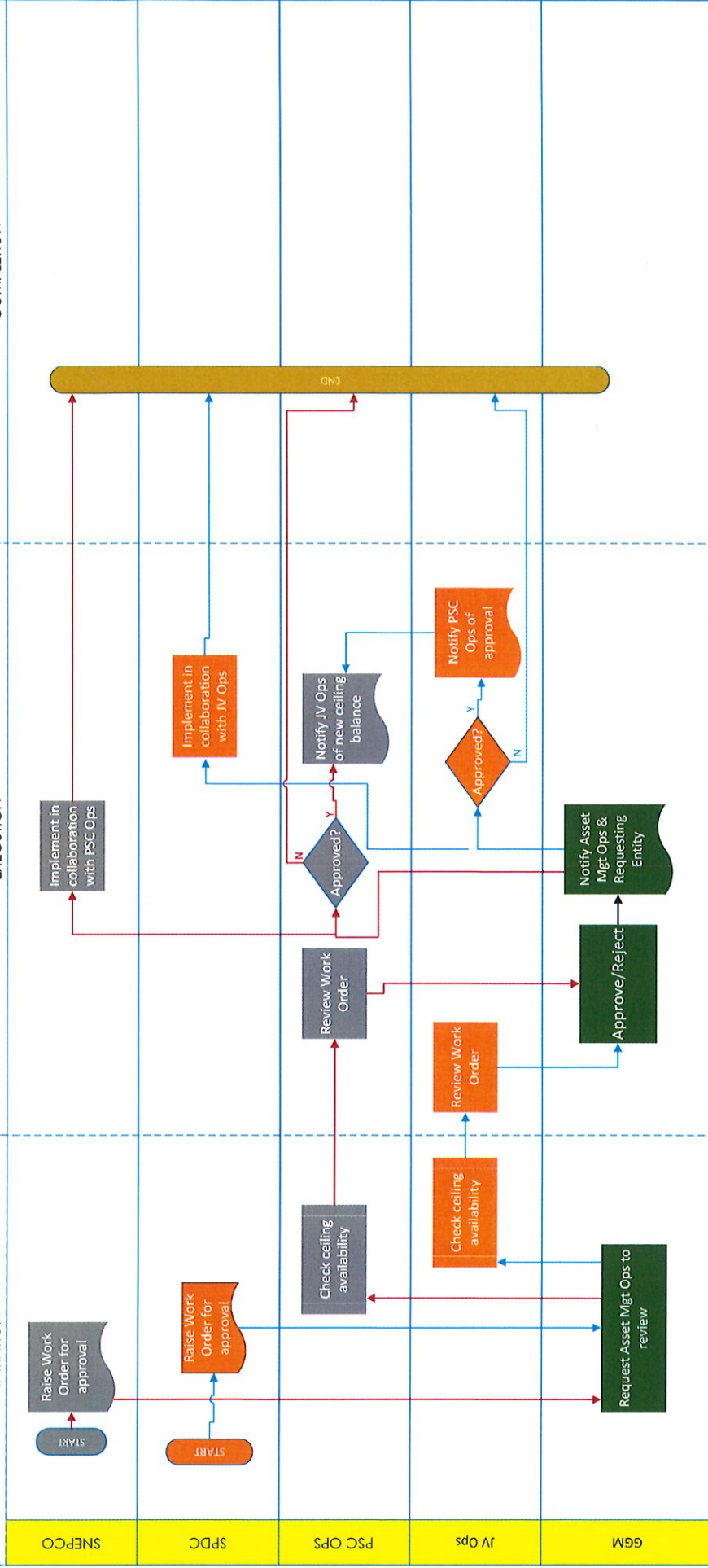
Process Flow – Consolidated PSC & JV Contract

Consolidated PSC & JV Contract

COMPLETION

EXECUTION

INITIATION



- The above process flow assumes that a consolidated contract shall be employed for both JV and PSC businesses of Shell (SPDC & SNEPCo) and administered through a Work Order Process. It therefore addresses Work Order management.
- An alternative solution would be to progress contract development to approval on a consolidated basis and award two contracts, one each for JV and PSC, post award approval. In this case, the contract administration would proceed as currently practiced, where each business (JV or PSC) manages its own contract. This would require keeping track of the scope of work and associated prices during contract development activities, for ease of splitting into two contracts.





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The Group General Manager
National Petroleum Investment Mgt. Services (NAPIMS)
Nigerian National Petroleum Corporation
36/38, Gerrard Road
Ikoyi, Lagos

Attention: Sagiru Jajere (GM, PSC)

12 August 2020

Your Ref:

Our Ref: **SNEPCo-DWP-2020-0042L**

Dear Sir,

REQUEST FOR CONTRACT STRATEGY APPROVAL (PROVISION OF MAINTENANCE, ENGINEERING AND PROJECT SUPPORT SERVICES – MEPSS) TENDER/CONTRACT NO: CW430130

Please be informed that our Tender board has approved the request made in connection with the subject tender.

We present for NAPIMS approval, the tender proposal based on the following;

- Contract Strategy /Tender Category /Advertisement
- Product Category Lists in NipeX
 - 3.01.01 – Project Administration Services
 - 3.02.01 – Quality Assurance QA/QC Consultancy
 - 3.13.01 – Quality Management Systems Certification
- To issue Double Envelope tender based on the agreed criteria
- The basis of award

The documents presented to the Tender board in support of the above request are enclosed.

Should you require any clarification, please contact the following: Brai Faustinus on +2348070366019, email Faustinus.brai@shell.com; Giwa Omobolanle on +2348070363085, email Omobolanle.giwa@shell.com.

Thank you for your continuous support.

Yours faithfully,

Shell Nigeria Exploration & Production Company Limited

Ambrose Omigie

For Manager, SNEPCo Business Relations & Governance

(Incorporated in Nigeria)

Registration Number
NO RC 216656

Managing Director: Bayo Ojulari

Directors: John Choi (American), Olukayode Ogunleye, Elohor Aiboni, Babafemi Otubanjo

Secretary: Keibi Dienye Atemie