



Confidential

Part B – Contract Award

Date: 14/07/2021

Category	Pipeline and Flowlines Mtce	Contract ID:	CW327597
Contract Title:	Construction, Replacement & Repairs of Flowlines in SPDC – Swamp		
HSE Mode & Risk	HIGH & MODE-1		
Agenda Item	(TB secretary to complete)		
Proposed Authorized Contract Value (ACV)	FUSD 29,583,550.80 (US\$ 18,392,524.90 and NGN 4,584,515,669.40)	Segmentation <a href="#">(Click here to access tool)</a>	Tactical
Proposed expenditure while pending NAPIMS approval	FUSD 2,113,110.77 (US\$ 1,313,751.78 and NGN 327,465,404.96)		
Start & End dates	01/08/2021 – 31/07/2026	Duration	5yrs
		Extension options	2yr

**PURPOSE****To seek approval from MCB for the following:**

- Award subject contracts to the following bidders at the most competitive negotiated rates representing 35% of current rates as follows:

		% split	Total ACV (FUSD) (5years)	Total ACV (FUSD) (2years)	Total ACV (FUSD) (5+2years)	LDL ACV (FUSD) (6 months)
1	AandN ENGINEERING AND CONSTRUCTION NIG	20	4,226,221.54	1,690,488.62	5,916,710.16	422,622.15
2	ANASAMI CONSTRUCTION NIGERIA LIMITED	10	2,113,110.77	845,244.31	2,958,355.08	211,311.08
3	SUNUP LOGISTICS LIMITED	10	2,113,110.77	845,244.31	2,958,355.08	211,311.08
4	DAIKI ENGINEERING LIMITED	8	1,690,488.62	676,195.45	2,366,684.06	169,048.86
5	ROMEK AND COMPANY LIMITED	8	1,690,488.62	676,195.45	2,366,684.06	169,048.86
6	ROADLAMP LIMITED	8	1,690,488.62	676,195.45	2,366,684.06	169,048.86
7	HOECHY DEVELOPMENT LIMITED	8	1,690,488.62	676,195.45	2,366,684.06	169,048.86
8	HENSTEEL ENG. AND CONSTRUCTION SERVICES	8	1,690,488.62	676,195.45	2,366,684.06	169,048.86
9	ARIOSH LIMITED	5	1,056,555.39	422,622.15	1,479,177.54	105,655.54
10	TECHSTONE ENERGY LIMITED	5	1,056,555.39	422,622.15	1,479,177.54	105,655.54
11	MATIZ ENERGY LIMITED	5	1,056,555.39	422,622.15	1,479,177.54	105,655.54
12	KEMUD INTERNATIONAL LIMITED	5	1,056,555.39	422,622.15	1,479,177.54	105,655.54
			21,131,107.71	8,452,443.09	29,583,550.80	2,113,110.77

- Increase number of awards from 8 contracts to 12 contracts and contract duration from 3 years plus 1-year optional extension to 5 years plus 2 years optional extension in alignment with NAPIMS steers.
- Execute Interim Agreements with the Twelve bidders at approx. 10% of their respective ceilings (i.e. combined eLDL of FUSD 2,113,110.77 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 [Marcel Ebem] - 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 [Val Okpala] - HSSE consideration and requirements are met
Signature		
Name	Chioma Okpoechi	Adebayo Karunwi
Date		

**Approval**

	MCB Chairman
Signature	
Name	Scott, Ian
Date	DED30811EC31434...

**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)**

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

#### APPROVAL REFERENCES

Tender Activity	Approval Date
MCB Approval of strategy	15/08/2019
NAPIMS approval of strategy and advertisement	18/10/2019
MCB Approval of strategy Part A1 Addendum 1	19/12/2019
MCB Delegated Approval of strategy Part A1 Addendum 2	19/02/2020
Advert Close date	14/02/2020
SPDC/NAPIMS endorsement of Technical Evaluation Result – Part A2	29/09/2020
NCDMB Technical Report	19/10/2020
Line/SCM Approval of Technical Evaluation Result	26/10/2020
Commercial Bids evaluation concluded and aligned with NAPIMS	09/12/2020
NCDMB Commercial Report	22/12/2020

#### BACKGROUND

- 15/08/2019: The contract strategy approved by SPDC - **Attachment 1**
- 18/10/2019: The contract strategy approved by NAPIMS - **Attachment 2**.
- 19/12/2019: Addendum to Part A1 approved by SPDC to align with changes in NAPIMS strategy approval. - **Attachment 3**.
- 02/04/2020: Double Envelop ITT was published to One Hundred and seventy-six (176) bidders. Bid close date of 14/05/2020 was extended to 28/5/2020 as a result of requests from bidders due to COVID-19 challenges.
- 09/04/2020: Pre-Tender meeting held – **Attachment 4**
- 29/09/2020: The joint (SPDC/NAPIMS) Technical evaluation was finalised.
- 19/10/2020: NCDMB Technical report was obtained.
- A total of 42 (Forty-two) bidders passed the joint NAPIMS & SPDC technical evaluation (desktop verification) (**Attachment 5**); while 80 (Eighty) complied with NCDMB requirements. **Attachment 6**
- Thirty-seven (37) bidders qualified to progress to commercial stage having passed both the joint NAPIMS & SPDC technical evaluation (desktop verification) and complied with NCDMB requirement.
- 12/11/2020: Commercial Tender of the Thirty-seven (37) technically qualified bidders was opened and downloaded in Nipex
- 09/12/2020: Commercial evaluation was completed, reconciled and signed off with NAPIMS.

#### CHANGES FROM STRATEGY

- ✓ The contract was originally scheduled to commence in Q2 2020, however as a result of delays encountered during the tendering process, the contract is now to commence in Q3 2021.
- ✓ The following changes are also proposed to align with NAPIMS strategy changes:
  - Revision of contract duration from '3 years + 1 year extension' to '5 years + 2 years extension' and
  - Revision of number of contract awards from 8 contracts to 12 contracts
  - Revision of award split ratio from 20:16:12:12:10:10:10:10 for 8 contracts to 20:10:10:8:8:8:8:5:5:5:5 for 12 contracts
  - Award of Swamp Asset contracts to the Twelve lowest bidders and to the next lowest bidder in the Land Asset contracts where a vendor was successful in both Swamp and Land contract.

See attached Minutes of Meeting with NAPIMS – **Attachment 10**

#### 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	F\$55.3M (FUSD7,899,452.47 per year)	

Savings recorded:

The OP20 budget for subject services is based on current contract rates. The vendors quote is computed to represent 14% of the company estimate at bid opening and 35% of current contract rates. Consequently, there is a projected 65% savings estimated over the contract life of 5+2 years option to extend.

Estimate based on current rate@ exchange rate of NGN409.66 =1\$	Total Award Value@ exchange rate of NGN409.66 =1\$	Savings
FUSD 84,879,718.12	FUSD 29,583,550.80	FUSD 55,296,167.32 (FUSD7,899,452.47 per year)

## SECTION B: RESULTS AGAINST AGREED CRITERIA

### TECHNICAL EVALUATION

- The Double Envelop Tender was published to only one Hundred and Seventy-four (174) bidders because 2 of the approved bidders (EPOXY SERVICES LIMITED and ETOPO CONTROL SERVICES NIGERIA LIMITED - nos 45 and 50 on the approved bid list), were not invited due to RED IDD status.
- Upon bid opening, it was observed that there were one Hundred and Seventy-six (176) bidders invited.
- The bid download revealed that two bidders, GRAMEN PETROSERVE (NIG) LTD and VAGAN OIL & GAS LIMITED were invited and they both submitted bids.
- GRAMEN PETROSERVE (NIG) LTD is on the bid list download with expired status, while VAGAN OIL & GAS LIMITED is not on the approved bid list.
- SPDC and NAPIMS agreed to omit the bids submitted by GRAMEN PETROSERVE (NIG) LTD and VAGAN OIL & GAS LIMITED in the evaluation.
- One Hundred and six (106) bidders responded out of the One Hundred and Seventy-four (174) valid invited bidders
- A total of 42 (Forty-two) bidders passed the joint NAPIMS & SPDC technical evaluation (desktop verification) (**Attachment 5**); while 80 (Eighty) complied with NCDMB requirements. **Attachment 6**
- However, only Thirty-seven (37) bidders qualified to progress to commercial stage having passed both the joint NAPIMS & SPDC technical evaluation (desktop verification) and complied with NCDMB requirement.

### COMMERCIAL EVALUATION

- Three Bidders (Eliata Oil and Gas Ltd; Steve Integrated Tech Services Ltd and Strides Energy and Maritime Ltd) did not successfully load their commercial Tender in the Nipex Portal.
- Thirty-Four (34) bidders submitted bids that ranged between 14% - 354,840% of the company estimate at bid opening- **Attachment 8**.
- A and N ENGINEERING AND CONSTRUCTION NIG LTD emerged the lowest bidder with a quote of **FUSD 10,406,087.52** for contract duration of 3 years +1 year extension option representing 14% of the company estimate at bid opening.
- To determine the credibility of the lowest bidders quote, and also considering that the OP20 budget is based on the current rates and that the services are being provided with the current contract rates, the CMT opted to benchmark the commercial outcome with the current rates and quantities that align with current reality.
- The outcome of the benchmark with current rates showed an improvement of the lowest bidder's rate from 14% of estimate to 35% of the current rates. The benchmark outcome based on the current rates and increased quantities has been reconciled and endorsed by NAPIMS - **Attachment 8A**
- A side by side comparison of the commercial evaluation at bid opening and the current rate benchmark analysis is as shown below and details are in **Attachment 8B**:

# THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

## Major Contracts Board Submission

		Evaluation outcome and ranking based on company estimate at bid opening			Benchmark outcome and ranking based on current rates and optimised quantities		
		TOTAL ACV for 3+1 year	TOTAL ACV for 5+2 year	% of Company Estimate	TOTAL ACV for 3+1 year	TOTAL ACV for 5+2 years	% of Current rate
	COMPANY ESTIMATE	75,700,146.29	132,475,256.00	100%	50,092,724.52	87,662,267.90	100%
1	AandN ENGINEERING AND CONSTR. NIG LTD	10,406,087.52	18,210,653.16	14%	17,413,105.84	30,472,935.22	35%
2	ANASAMI CONSTRUCTION NIGERIA LIMITED	14,117,333.59	24,705,333.79	19%	22,979,974.96	40,214,956.17	46%
3	SUNUP LOGISTICS LIMITED	16,468,611.18	28,820,069.56	22%	26,506,891.33	46,387,059.83	53%
4	DAIJK ENGINEERING LIMITED	16,485,488.38	28,849,604.67	22%	26,532,207.14	46,431,362.50	53%
5	ROMEK AND COMPANY LIMITED	17,616,818.29	30,829,432.01	23%	28,229,202.00	49,401,103.51	56%
6	ROADLAMP LIMITED	17,644,398.77	30,877,697.85	23%	28,270,572.73	49,473,502.27	56%
7	HOECHY DEVELOPMENT LIMITED	18,445,324.58	32,279,318.02	24%	29,471,961.44	51,575,932.52	59%
8	HENSTEEL ENG. & CONSTR. SERVICES LTD	18,461,879.48	32,308,289.09	24%	29,496,793.78	51,619,389.12	59%
9	ARIOSH LIMITED	19,673,163.25	34,428,035.68	26%	31,313,719.43	54,799,009.01	63%
10	TECHSTONE ENERGY LIMITED	19,875,504.40	34,782,132.70	26%	31,617,231.17	55,330,154.55	63%
11	MATIZ ENERGY LIMITED	23,728,579.47	41,525,014.08	31%	37,396,843.78	65,444,476.61	75%
12	KEMUD INTERNATIONAL LIMITED	24,735,545.44	43,287,204.52	33%	38,907,292.73	68,087,762.27	78%
13	WIRELINK SERVICES NIGERIA LIMITED	26,060,790.03	45,606,382.56	34%	40,895,159.61	71,566,529.33	82%
14	SEVOIL INTERNATIONAL (OIL AND GAS) LTD	27,279,410.88	47,738,969.03	36%	42,723,090.88	74,765,409.04	85%
15	MANSID (NIG) LTD	27,535,652.67	48,187,392.17	36%	43,107,453.57	75,438,043.74	86%
16	MIDEN SYSTEMS LIMITED	28,516,987.24	49,904,727.67	38%	44,579,455.42	78,014,046.99	89%
17	ANCHOR-MARIC NIGERIA LTD	29,369,030.80	51,395,803.91	39%	45,857,520.77	80,250,661.35	92%
18	SEFLAM SGL LIMITED	35,099,537.21	61,424,190.12	46%	54,453,280.38	95,293,240.67	109%
19	GAMSTEC INTEGRATED SERVICES LTD	40,290,030.93	70,507,554.12	53%	62,239,020.95	108,918,286.67	124%
20	TOMBA RESOURCES NIGERIA LTD	46,670,638.50	81,673,617.38	62%	71,809,932.32	125,667,381.56	143%
21	HOLLIFIELD INDUSTRIES LIMITED	59,947,383.57	104,907,921.25	79%	91,725,049.92	160,518,837.36	183%
22	TOPLINE NIG LTD	78,324,555.45	137,067,972.04	103%	119,290,807.74	208,758,913.55	238%
23	KILO GLOBAL INTEGRATED SERV LTD	82,963,989.94	145,186,982.39	110%	126,249,959.47	220,937,429.08	252%
24	CLE-PARINNA INT'L LTD	87,530,070.99	153,177,624.24	116%	133,099,081.06	232,923,391.85	266%
25	AMOTOI GLOBAL SERVICES LIMITED	88,727,133.71	155,272,483.99	117%	134,894,675.13	236,065,681.47	269%
26	OILSERV LIMITED	92,247,242.23	161,432,673.91	122%	140,174,837.92	245,305,966.36	280%
27	PATLEY INTERNATIONAL CONCEPT LTD	116,504,937.42	203,883,640.48	154%	176,561,380.69	308,982,416.21	352%
28	ASBURY INTERNATIONAL LTD	117,958,551.09	206,427,464.40	156%	178,741,801.20	312,798,152.09	357%
29	AMBAN NIGERIA LTD	144,879,015.54	253,538,277.19	191%	219,122,497.87	383,464,371.28	437%
30	BAYWOOD CONTINENTAL LTD	201,318,358.01	352,307,126.53	266%	303,781,511.59	531,617,645.28	606%
31	HYDRODIVE NIGERIA LTD	333,503,944.96	583,631,903.68	441%	502,059,892.01	878,604,811.02	1002%
32	FENOG NIGERIA LIMITED	639,769,415.21	1,119,596,476.62	845%	961,458,097.38	1,682,551,670.42	1919%
33	MAMTECH SERVICE LTD	674,257,608.57	1,179,950,815.00	891%	1,013,190,387.42	1,773,083,177.98	2023%
34	BABLINC RESOURCES NIGERIA LTD	268,614,660,139.88	470,075,655,244.79	354840%	402,923,794,184.39	705,116,639,822.68	804356%
35	ELIATA OIL AND GAS LTD	NO BID	NO BID		No Bid		
36	STEVE INTEGRATED TECH SERV LTD	NO BID	NO BID		No Bid		
37	STRIDES ENERGY AND MARITIME Ltd	NO BID	NO BID		No Bid		

- Eliata Oil and Gas Ltd wrote a protest letter requesting for a probe into the Tender evaluation – **Attachment 14**
- The bidder, Eliata Oil and Gas Ltd passed the technical evaluation and progressed to the commercial stage of the Tender.
- No commercial documents were submitted by the bidder in Nipex for evaluation. This was confirmed by the Joint SPDC and NAPIMS evaluation team.
- The Nipex Support team have also confirmed that the documents with Okb size cannot be opened – **Attachment 15**
- Consequently, no commercial result is available for Eliata Oil and Gas Ltd, and the other two bidders, Steve Integrated Tech Serv and Strides Energy And Maritime Ltd.
- CP Compliance & Assurance and Legal have been engaged. Legal has supported that the award recommendation progresses and a response to the protest letter issued. **Attachment 16**

### BID CREDIBILITY CHECK AND ASSURANCE:

#### Post Tender negotiation and Bid clarification

An analysis of the tendered rates of the lowest bidder revealed that the rates are highly skewed ranging from 0.3% - 8,364% of the individual service rates of the company estimate. A review against current contract rates also revealed a range of 0.03% - 22,653% of the current rates. 24% of the tendered rates are above 100% of the current rates and majority of these are frequently call-out items.

SPDC engaged NAPIMS on the outcome of the bid analysis and highlighted the implications of retaining the skewed rates as is and sought their support to conduct a Post Tender negotiation with the Lowest bidder to redistribute their tendered rates by reducing the high rates and increasing the low rates while ensuring that no rate will be more than 100% of current contract rates, bearing in

mind that most of the service lines work in packages, and this without changing the overall outcome and ranking. There was an increase in the notional quantities, in a prorated manner, to account for contract duration increase. See Attachment 8B. NAPIMS supported this approach and insisted that the negotiated/redistribution should not change the total tendered contract value of the lowest bidder. The signed Minutes of Meeting is attached – **Attachment 10**.

Bid clarification was conducted with the lowest bidder and subsequently with the other eleven (11) recommended bidders to confirm their understanding of the scope and their ability to provide the required services at the negotiated rates without requesting for a rate variation within the contract duration. The lowest bidder and the other 11 (eleven) recommended bidders have all responded with their confirmation – **Attachment 17**.

#### **Sensitivity Analysis:**

- A review of the line item details shows that 30% of the negotiated rates are  $\leq 50\%$  of the current rates, while, 70% are between 50 -100% of the current rates. This has helped essentially to mitigate, to a reasonable extent, the risk of artificially low and high bids and the potential of vendors rejecting Purchase Orders at the execution phase.
- Although the overall benchmark against current rates is 35%, a sensitivity analysis reveals that the cost of constructing 1km of a 4" Flowline is 54% of the current rate – Ref sheet 7 of Attachment 8B.
- Seven (7) of the Twelve (12) recommended contractors are incumbent contractors and already have a good understanding and working experience of our terrain.
- The increase in the number of bidders from eight (8) to twelve (12) creates additional opportunity and flexibility in the event of poor performance or Purchase Order rejection.

#### **Enhanced Post-Award Contract Management:**

- Though a tactical contract, quarterly performance review will be conducted to manage performance.
- Robust performance indicators (KPIs) shall be included as part of the contract and monitored.
- Rigorous Premobilisation and Kick-off meetings.
- Increased frequency of Management Facility Engagement (MFE) to identify and close identified gaps.
- Optimized work allocation per contractor leveraging on vendor capability.
- Seek approval to prioritize vendors payment within 45 days to sustain vendor cash flow where required.
- We shall exercise our right under the contract to terminate as a result of non-performance if required.

#### **BASIS OF AWARD & RECOMMENDATION**

Award is made based on lowest estimated contract value derived by applying negotiated rates to notional quantities based on historical spend profile. No bidder is awarded more than one contract in the Land and Swamp contracts.

As a result of the recent divestment of the OML 17 Land asset which provides more opportunities in the Swamp Asset, NAPIMS did not support the strategy that in the event a bidder emerges lowest in both Land and Swamp asset, only one contract with the higher value shall be awarded. Based on the above, all vendors that emerged lowest in both Land and Swamp asset are proposed for award of contract in the Swamp Asset.

#### **AWARD PROPOSAL:**

	<b>Bidder</b>	<b>Rank</b>	<b>Award Split</b>
1	AandN ENGINEERING AND CONSTRUCTION NIG LTD	1st	20
2	ANASAMI CONSTRUCTION NIGERIA LIMITED	2nd	10
3	SUNUP LOGISTICS LIMITED	3rd	10
4	DAIK ENGINEERING LIMITED	4th	8
5	ROMEK AND COMPANY LIMITED	5th	8
6	ROADLAMP LIMITED	6th	8
7	HOECHY DEVELOPMENT LIMITED	7th	8
8	HENSTEEL ENG. AND CONSTRUCTION SERVICES LTD	8th	8
9	ARIOSH LIMITED	9th	5
10	TECHSTONE ENERGY LIMITED	10th	5
11	MATIZ ENERGY LIMITED	11th	5
12	KEMUD INTERNATIONAL LIMITED	12th	5

\*\* Vendors 1, 3,4,5,6,7,9,& 11 emerged among the lowest bidders in the Land Tender, but will be awarded contracts only in the swamp Asset.

#### **AWARD ACV PER VENDOR**

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

**Major Contracts Board Submission**

		% split	Total ACV (FUSD) (5years)	Total ACV (FUSD) (2years)	Total ACV (FUSD) (5+2years)	LDL ACV (FUSD) (6 months)
1	AandN ENGINEERING AND CONSTRUCTI	20	4,353,276.44	1,741,310.58	6,094,587.02	435,327.64
2	ANASAMI CONSTRUCTION NIGERIA LIMI	10	2,176,638.22	870,655.29	3,047,293.51	217,663.82
3	SUNUP LOGISTICS LIMITED	10	2,176,638.22	870,655.29	3,047,293.51	217,663.82
4	DAIK ENGINEERING LIMITED	8	1,741,310.58	696,524.23	2,437,834.81	174,131.06
5	ROMEK AND COMPANY LIMITED	8	1,741,310.58	696,524.23	2,437,834.81	174,131.06
6	ROADLAMP LIMITED	8	1,741,310.58	696,524.23	2,437,834.81	174,131.06
7	HOECHY DEVELOPMENT LIMITED	8	1,741,310.58	696,524.23	2,437,834.81	174,131.06
8	HENSTEEL ENG. AND CONSTRUCTION SE	8	1,741,310.58	696,524.23	2,437,834.81	174,131.06
9	ARIOSH LIMITED	5	1,088,319.11	435,327.64	1,523,646.75	108,831.91
10	TECHSTONE ENERGY LIMITED	5	1,088,319.11	435,327.64	1,523,646.75	108,831.91
11	MATIZ ENERGY LIMITED	5	1,088,319.11	435,327.64	1,523,646.75	108,831.91
12	KEMUD INTERNATIONAL LIMITED	5	1,088,319.11	435,327.64	1,523,646.75	108,831.91
			21,766,382.21	8,706,552.88	30,472,935.10	2,176,638.22

**AWARD ACV (5 YEARS) SHOWING CURRENCY SPLIT**

		% split	Total ACV (USD) (5 years)	Total ACV (NGN) (5 years)	Total ACV (FUSD) (5 years)
1	AandN ENGINEERING AND CONSTRUCTI	20	2,627,503.56	654,930,809.91	4,353,276.44
2	ANASAMI CONSTRUCTION NIGERIA LIMI	10	1,313,751.78	327,465,404.96	2,176,638.22
3	SUNUP LOGISTICS LIMITED	10	1,313,751.78	327,465,404.96	2,176,638.22
4	DAIK ENGINEERING LIMITED	8	1,051,001.42	261,972,323.97	1,741,310.58
5	ROMEK AND COMPANY LIMITED	8	1,051,001.42	261,972,323.97	1,741,310.58
6	ROADLAMP LIMITED	8	1,051,001.42	261,972,323.97	1,741,310.58
7	HOECHY DEVELOPMENT LIMITED	8	1,051,001.42	261,972,323.97	1,741,310.58
8	HENSTEEL ENG. AND CONSTRUCTION SE	8	1,051,001.42	261,972,323.97	1,741,310.58
9	ARIOSH LIMITED	5	656,875.89	163,732,702.48	1,088,319.11
10	TECHSTONE ENERGY LIMITED	5	656,875.89	163,732,702.48	1,088,319.11
11	MATIZ ENERGY LIMITED	5	656,875.89	163,732,702.48	1,088,319.11
12	KEMUD INTERNATIONAL LIMITED	5	656,875.89	163,732,702.48	1,088,319.11
			13,137,517.79	3,274,654,049.57	21,766,382.21

**AWARD ACV (2 YEARS optional extension) SHOWING CURRENCY SPLIT**

		% split	Total ACV (USD) (2 years)	Total ACV (NGN) (2 years)	Total ACV (FUSD) (2 years)
1	AandN ENGINEERING AND CONSTRUCTI	20	1,051,001.42	261,972,323.97	1,741,310.58
2	ANASAMI CONSTRUCTION NIGERIA LIMI	10	525,500.71	130,986,161.98	870,655.29
3	SUNUP LOGISTICS LIMITED	10	525,500.71	130,986,161.98	870,655.29
4	DAIK ENGINEERING LIMITED	8	420,400.57	104,788,929.59	696,524.23
5	ROMEK AND COMPANY LIMITED	8	420,400.57	104,788,929.59	696,524.23
6	ROADLAMP LIMITED	8	420,400.57	104,788,929.59	696,524.23
7	HOECHY DEVELOPMENT LIMITED	8	420,400.57	104,788,929.59	696,524.23
8	HENSTEEL ENG. AND CONSTRUCTION SE	8	420,400.57	104,788,929.59	696,524.23
9	ARIOSH LIMITED	5	262,750.36	65,493,080.99	435,327.64
10	TECHSTONE ENERGY LIMITED	5	262,750.36	65,493,080.99	435,327.64
11	MATIZ ENERGY LIMITED	5	262,750.36	65,493,080.99	435,327.64
12	KEMUD INTERNATIONAL LIMITED	5	262,750.36	65,493,080.99	435,327.64
			5,255,007.11	1,309,861,619.83	8,706,552.88

**AWARD ACV (6 months Interim) SHOWING CURRENCY SPLIT**



THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

Major Contracts Board Submission

		% split	Total ACV (USD) (6 months)	Total ACV (NGN) (6 months)	Total ACV (FUSD) (6 months)
1	AandN ENGINEERING AND CONSTRUCTI	20	262,750.36	65,493,080.99	435,327.64
2	ANASAMI CONSTRUCTION NIGERIA LIM	10	131,375.18	32,746,540.50	217,663.82
3	SUNUP LOGISTICS LIMITED	10	131,375.18	32,746,540.50	217,663.82
4	DAIK ENGINEERING LIMITED	8	105,100.14	26,197,232.40	174,131.06
5	ROMEK AND COMPANY LIMITED	8	105,100.14	26,197,232.40	174,131.06
6	ROADLAMP LIMITED	8	105,100.14	26,197,232.40	174,131.06
7	HOECHY DEVELOPMENT LIMITED	8	105,100.14	26,197,232.40	174,131.06
8	HENSTEEL ENG. AND CONSTRUCTION SE	8	105,100.14	26,197,232.40	174,131.06
9	ARIOSH LIMITED	5	65,687.59	16,373,270.25	108,831.91
10	TECHSTONE ENERGY LIMITED	5	65,687.59	16,373,270.25	108,831.91
11	MATIZ ENERGY LIMITED	5	65,687.59	16,373,270.25	108,831.91
12	KEMUD INTERNATIONAL LIMITED	5	65,687.59	16,373,270.25	108,831.91
			1,313,751.78	327,465,404.96	2,176,638.22

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

Seven (7) of the Twelve recommended contractors are incumbent and will therefore be readily available to mobilise to site for work execution upon award of the contract. The contractor performance management framework is in place and will be the structure deployed to manage the new vendors. The Contract Management Team (CMT) will develop a change management Plan as part of the Contract Management Plan (CMP) that will capture seamless transition from the current contracts to the new. Internal Kick-off meeting with all critical stakeholders and contract users will be held to align internally on the expectations and requirements of these new contracts. Similar Kick-off meeting (external) will be held with the contractors. SMART Key performance indicators (KPI) to be included in the CMP and tracked periodically in line with the CMP requirements. The incumbent contractors will be demobilised in accordance with the contract terms and contracts closed out in line with the CMCP requirements.

All efforts will be put in to ensure that contractors deliver at the negotiated rates to guarantee the anticipated savings without compromising on safety and quality.

Based on the report from the MICA Team, particular focus was placed on the negotiation of the various labour rates resulting in a 39% reduction in Gap to Potential from current rates (from a total of NGN713,171.25 to NGN436,197.21)

**APPROVED CONTRACT VALUE**

Twelve (12) contracts are proposed to be awarded at the lowest bidders redistributed/negotiated rates. The contract award value is **FUSD 29,583,550.80 (US\$ 18,392,524.90 and NGN 4,584,515,669.40 @ exchange rate of NGN409.66=\$1.00 (revised from FUSD 30,472,935.10 @ exchange rate of NGN379.5=\$1.00) and currency split of 60:40 USD:NGN) for 5 years + 2 years extension option, split in the ratio of 20:10:10:8:8:8:8:5:5:5:5. A provision for reimbursable was also included in this benchmark as this was erroneously omitted in the company estimate at bid opening. This is to enable the business respond to emergent scopes. This provision will be utilised in line with MCB approved framework.**

**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.

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

**IDD STATUS:**

All 12 bidders are IDD cleared. **See Attachment 11**

1	A & N Engineering & Construction Nig Ltd	1/1/2999
2	ANASAMI CONSTRUCTION NIGERIA LIMITED	Cleared
3	SUNUP LOGISTICS LIMITED	Cleared
4	DAIK ENGINEERING LIMITED	31/10/2021
5	ROMEK & COMPANY	1/1/2040
6	ROAD LAMP	Cleared
7	HOECHY DEVELOPMENT LIMITED	1/1/2999
8	HENSTEEL ENGR. AND CONST. SERVICES LTD	Cleared
9	Ariosh Limited	31/12/2023
10	TECHSTONE ENERGY LIMITED	Cleared
11	MATIZ ENERGY LIMITED	Cleared
12	KEMUD INTERNATIONAL	Cleared

**HSE CAPABILITY ASSESSMENT:**

The HSE capability assessment of one (1) of the Twelve (12) vendors is expired, while two are ongoing– See table below. Contract signing/implementation shall only be progressed following satisfactory conclusion of the HSE Capability Assessment processes for the three (3) vendors – Hoechy Development Limited, Sunup Logistics Ltd and Techstone Energy Limited.

1	A & N Engineering & Construction Nig Ltd	27-Feb-2023	VALID
2	ANASAMI CONSTRUCTION NIGERIA LIMITED	26-Oct-2021	VALID
3	SUNUP LOGISTICS LIMITED		not in database
4	DAIK ENGINEERING LIMITED	1-Aug-2022	VALID
5	ROMEK & COMPANY	31-Mar-2024	VALID
6	ROAD LAMP	28-Feb-2023	VALID
7	HOECHY DEVELOPMENT LIMITED	14-Jun-2021	EXPIRED
8	HENSTEEL ENGR. AND CONST. SERVICES LTD	8-Apr-2024	VALID
9	Ariosh Limited	30-Apr-2024	VALID
10	TECHSTONE ENERGY LIMITED		not in database
11	MATIZ ENERGY LIMITED	5-Dec-2021	VALID
12	KEMUD INTERNATIONAL	17-Dec-2021	VALID

**NIGERIAN CONTENT COMPLIANCE CERTIFICATE (NCCC)**

The NCCC for the Twelve (12) vendors have been reviewed by NCDMB and are been processed for sign-off – **Attachment 12**

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

Business Objective	KPI	Measure	Target	Frequency Measured
HSSE	No harm, no spill	GZ Documentation	0.00	Monthly cumulative
HSSE	Adherence to 12 Life Saving Rules	GZ Documentation	0.00	Monthly cumulative
HSSE	Spill from construction	0 bopd	0.00	Monthly cumulative
Quality Assurance	Good delivery of Site installation works	Detailed specs of work in contract and Project Inspector deployment at site	No rejects	Daily (site supervision)
Delivery Schedule	Timely Materials Arrival at KI	Time sheet and schedule tracking	On schedule	Weekly



Community disturbance	Peaceful execution project	Secure FTO before contractor mobilisation to site	0.0	Daily
Quality Assurance	Hook-up of Flowlines after rig exit		5 days	Monthly cumulative
Training	Training and Assessment/Certification of 6 nos persons	Certification	6 nos persons	Bi-Annual

**CONTRACT MANAGEMENT PLAN (CMP)**

Not applicable for Tactical 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**

*\*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
Construction management & supervision services	80%	100%	Man-hour	NA
Pipe laying and cable laying services	50%	100%	Man-hour	
Wellhead services	85%	100%	Man-hour	

*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 in line with the human development capacity guide 2014*

Training Type	No of Trainees	Total Man-hours/man-years	Name / Level of Certification
As detailed in NCCC			

*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).*

*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**

For this sub-category, Vendor will align with Community Content Guideline and ensure 100% Unskilled, 50% semi-skilled and 10% skilled labour required are sourced from relevant host community. In addition to the strategy above all past non-specialist activities have been executed with the involvement and participation of communities. Relevant parts of the contract have also been subcontracted to the community contractors that passed through all the necessary prequalification exercise. Consequently, a significant portion (50%) of the ROW Bush clearing and (50%) of the ROW excavation will be subcontracted to the pre-qualified community contractors in line with the FTO agreements and Local

Content Plan. This principle will be fully adopted in this new contract for all non-specialist repair works and will be monitored in the post contract award exercises.

#### RISK ASSESSMENT

##### 1. Contract Risk Assessment:

Risk Description	Likelihood (H / M / L)	Impact (H / M / L)	Mitigating Actions	Action Owner
Poor Funding	H	H	Ensure adequate budget availability and approval to execute full scope before contractor engagement, and issue PO before start of work.	Contract Owner, Contract Holder
Mobilisation and Demobilisation	M	H	Ensure use of pre-mobbed equipment Follow approved journey management plan Follow approved security plan	Contract Holder
Occurrence of an HSE incident during construction	M	H	Ensure PTW procedure is adhered to. Ensure use of pre-mobbed equipment	Contract Holder, HSE Adviser
Emergence of a bidder with low HSE culture	M	H	Conduct a robust HSE capability assessment and close out of key improvement actions before mobilisation	Contract Holder, HSE Adviser
QA/QC	M	H	Ensure deployment of competent personnel Follow approved work procedure	Contract Holder
Construction	M	H	Do a dry run of the field activities with technical authorities in review before mobilisation	Contract Owner, Contract Holder
Project delay due to Community Disturbance	M	H	Secure FTO before contractor mobilisation to site	Project Engineer
Project delay due to material unavailability	H	H	Timely materials sourcing and issuance to contractor before mobilisation to site.	Project Engineer

##### 2. HSE Risk Assessment:

Contract is Mode 1 High Risk. See Contract HSE Risk Assessment - **Attachment 13**

#### ATTACHMENT:

ATTACHMENT 1 - [APPROVED PART A1, ADD1 AND ADD 2](#)  
 ATTACHMENT 2 - [NAPIMS APPROVAL OF STRATEGY](#)  
 ATTACHMENT 3 - [APPROVED BID LIST](#)  
 ATTACHMENT 4 - [PRE-TENDER MOM](#)  
 ATTACHMENT 5 - [SPDC/NAPIMS TECHNICAL EVALUATION RESULT](#)  
 ATTACHMENT 6 - [NCDMB TECHNICAL EVALUATION REPORT](#)  
 ATTACHMENT 7 - [PART A2 – TECHNICAL EVALUATION APPROVAL](#)  
 ATTACHMENT 8 - [SPDC/NAPIMS COMMERCIAL EVALUATION RESULT](#)

ATTACHMENT 8 A - [SPDC/NAPIMS BENCHMARK EVALUATION RESULT](#)  
ATTACHMENT 8B - [DETAILED EVALUATION AND BENCHMARK ANALYSIS](#)  
ATTACHMENT 9 - [NCDMB COMMERCIAL EVALUATION REPORT](#)  
ATTACHMENT 10 - [MOM WITH NAPIMS ON AWARD STRATEGY](#)  
ATTACHMENT 11 - [IDD STATUS](#)  
ATTACHMENT 12 - [NCCC STATUS](#)  
ATTACHMENT 13 - [CONTRACT HSE RISK ASSESSMENT](#)  
ATTACHMENT 14 - [ELIATA LETTER](#)  
ATTACHMENT 15 - [NIPEX CONFIRMATION ON BID SUBMISSION](#)  
ATTACHMENT 16 - [LEGAL SUPPORT TO PROGRESS AWARD RECOMMENDATION](#)  
ATTACHMENT 17 - [BID CLARIFICATION](#)