



SPDC Contract Requisition >USD 100K and < USD1m

Part A: Approval of Strategy & Bid list

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07.09.2020

SECTION A – Business Need				
Category	Static Equipment		Contract Number:	TBA
Contract Title	Provision of Automated Tank Cleaning in CEH			
Purpose of proposal	<p>This proposal seeks Line/CP approval for the Strategy, bid list and basis of award for the Provision of Tank cleaning services using automated tank cleaning technologies in CEH facilities to the most competitive technically qualified vendor.</p> <p>The intention is award one contract for the provision of contract services in CEH. Award is to the vendor with the technical knowledge, right DPR permits and best competitive market rates.</p>			
Business need & justification	<p>This service is consequent to the mandatory directive given by the Department of Petroleum Resources (Ref. No. DPR/PH.HSE/E.WM/6005/S.1/10) dated 25th March 2019.</p> <p>In addition to passing the technical evaluation process the successful vendor shall have the following valid DPR Permits:</p> <ol style="list-style-type: none"> 1. operate tank cleaning equipment 2. tank / vessel cleaning <p>Value contribution of this contract</p> <ol style="list-style-type: none"> 1. To prevent crude oil leak to the environment caused by oily sludge left in the Tank after the Tank has been taken out of service. 2. To align with the Department of Petroleum Resources (DPR) steer to eliminate manual (No-man entry) de-sanding/de-sludging of hydrocarbon storage tanks. 3. To prepare or allow for internal inspection and maintenance of the tank. 			
Scope of Work	Use of automated tank cleaning technologies for tank cleaning (no usage of manual methods) in order to de-sludge and clean petroleum storage tanks and safely transfer sludge to SPDC designate sites.			
Company Estimate	The company estimate of FU\$489,020.44 (7,892,000.00 + 463,000.00) is based on rates in reference contract NG01023369.			
Benchmark to previous same/similar scope	SAP Contract No	Contractor	Contract duration	ACV (FUSD)
	NG01023369	KTV Maintenance Services Limited	1 year	489,020
Plan Tender Schedule Issue ITT Tech Evaluation Com Evaluation Contract Award	11/09/2020 28/09/2020 02/09/2020	NAPIMS engagement held: (For contracts >US\$ 250k or >NGN 10m). Contract duration : Extension Options :		02/09/2020 to 01/09/2021 1 year

SECTION B– Sourcing Strategy				
Procurement Targeting (Cross the relevant boxes)	Buyer Perspective		Seller Perspective	
	High Risk Vulnerability	<input type="checkbox"/> Bottleneck Ensure continuity Develop alternatives Revise Specification	<input checked="" type="checkbox"/> Critical Form closer relationship Direct negotiation	High Account
				<input checked="" type="checkbox"/> Core Cosset (pamper) client Defend vigorously Expand if possible



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	<input type="checkbox"/> Routine Simplify Automate Rationalise supplier	<input type="checkbox"/> Leverage Maximise advantage Competitive tender Standardisation	<input type="checkbox"/> Nuisance Give low attention Lose without pain	<input type="checkbox"/> Exploitable Drive premium price Seek short term advantage Risk losing client
	Low	High	Low	High
Relative Value of Business				
Business Drivers (Rank 1 = Highest, 4 = Lowest)	Risk:	Schedule:	Cost:	Quality:
Sourcing Method	<input checked="" type="checkbox"/> Competitive Tender (On Line Bidding) <input type="checkbox"/> Competitive Tender <input type="checkbox"/> Single Source <input checked="" type="checkbox"/> Negotiation			

SECTION C –Bidder List & Evaluation Criteria

Pre-qualification criteria:	<input checked="" type="checkbox"/> Financial Capacity <input checked="" type="checkbox"/> Technical Ability <input type="checkbox"/> Claims Outstanding	<input checked="" type="checkbox"/> HSES <input type="checkbox"/> Referees	<input checked="" type="checkbox"/> Supply Capability <input checked="" type="checkbox"/> Nigerian Content
Proposed Bidder list		HSE Capability Assessment (colour code)	Prevailing influence Mode (1,2,3)
1. KTV Maintenance Services Limited	27-Jul-2021	NA	1
2. Ikosh Nigeria Limited	30-Jul-2021	NA	1
3. Morgenstern Energy Ltd	26-Apr-2021	NA	1
4. Diccee Nigeria Limited	25-Oct-2020	NA	1
5. Del Waste Management Co. Limited	19-Jan-2021	NA	1
Nigerian Content Plan	Section 28(2) of the NOGICD Act stipulates that the operator or project promoters maintain a reasonable number of personnel from areas it has significant operation. To this end, due consideration would be given to indigenous vendors with requisite skills.		

1a. Indicate Schedule target(s) and Nigerian Content Plan:

Work Category	Schedule Target	Current In-country Capacity	Measuring Metrics	Proposed actions to close gaps
Reservoir Services	75%		Spend	
Valves	60%		Numbers	

1b. Nigeria Content Summary Work scope.

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

2. Indicate vendors shall be asked to familiarise themselves with the requirements of NOGICD Act and comply with its applicable provisions and provide for 1% Nigerian Content Development Fund (NCDF) as required by the Law.

3. Where NC pledge falls short of set minimum targets by law waiver shall be required for those categories.

Note: Where the category is not specified in the Act (Schedule) indicate as N/A
NOGICD Act = Nigeria Oil & Gas Industry Content Development Act

Evaluation Criteria/Negotiation parameters



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A summary of the technical/commercial evaluation criteria should be included here. For negotiation, show aspiration, fall-back and walk-away. Proposed negotiation team.

Commercial evaluation: Negotiation targets are as follows:

- i) Aspiration of 90% of company estimate
- ii) Fall-back position of 95% of company estimate

Walk away position of above 105% of company estimate.

SECTION D – ITT / Contract Structure

Specification	<input checked="" type="checkbox"/> Detailed	<input type="checkbox"/> Performance	<input type="checkbox"/> Functional
Pricing Structure	<input checked="" type="checkbox"/> Lump-Sum	<input checked="" type="checkbox"/> Unit Rate	<input type="checkbox"/> Reimbursable <input type="checkbox"/> Spot Price
Contract Terms & Conditions to be used and Payment Terms	Payment term of 45 days shall apply.		
Government Intermediary (GI) Element	GI elements present in work scope?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Performance Incentives/ Liquidated Damages			
Contractual Securities	<input checked="" type="checkbox"/> Parent Company Guarantee	<input type="checkbox"/> Bank guarantee	<input type="checkbox"/> Warranty <input type="checkbox"/> Retention

SECTION E: Risk Evaluation (refer to SCM Risk Assessment Matrix)

Contract Risks	Likelihood (L/M/H)	Consequence	Mitigation covered in Contract
Technical (poor scoping/Specification)	L	<ul style="list-style-type: none"> Delivery of wrong equipment Delay in execution 	<ul style="list-style-type: none"> Peer review of work scope Site visit by vendor
Poor contract management	L	<ul style="list-style-type: none"> Poor quality job 	<ul style="list-style-type: none"> Contract holder is ECM-2 certified and has experience in management of similar contracts.
Funding	M	<ul style="list-style-type: none"> Delay in contractor payment Stoppage of contract execution 	<ul style="list-style-type: none"> Confirm budget availability and ensure spend within approved budget.
HSE Risk	Low/Medium/High	Contract Risk:	Low/Medium/High

SECTION F Stakeholder Approvals*

Declaration:

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







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Signature	DocuSigned by: <i>Eyisiogak Iyeoron</i> 84284783CF6F416... Contract Manager	DocuSigned by: <i>Anongo, Sesugh</i> 72F4B6E9A91E4F2... Contract Holder	DocuSigned by: <i>Iortsuun, Terfa</i> 38F41A7FCBA444E... Contract Owner	DocuSigned by: <i>Pius Okeadinma</i> A5AE6F1CBF4E475... Procurement Manager (PM)
	Whole Submission	Whole Submission	Reviewed and agreed proposal is in line with business objectives, approved and confirmed support from: 1. Finance [Mbanefo Chukwudubem] - adequate budget cover/JV Partner approval to ensure full cost recovery/approved GIP in place (if applicable) 2. HSSE [Utong Israel] HSSE consideration and requirements are met.	Reviewed, approved and confirmed: 1. Alignment with approved Category Strategy 2. Accepts ultimate responsibility for whole submission
Name	Eyisiogak Iyeoron	Sesugh Anongo	Terfa Iortsuun	Pius Okeadinma
Ref. Ind	SPDC-PTU/U/GL	SPDC-UPC/G/UC	SPDC-UPC/G/UC	SPDC-PTU/U/GL
Date				

Technical Evaluation	Company Estimate	CHLOA	CRA
 Technical Evaluation result.pdf	 Company Estimate for Robotic Tank Cle	 CHLOA for Sesugh Anongo.pdf	 RAM for Soku Condensate Storage

Scope of Work

Cleaning of all pipe connections for each tank.

Removal of sludge from tank using automated/mechanical means and carry out tank cleaning.

Process the removed sludge and transfer into designated SPDC sand, oil and water collection areas.

KPI

- Zero fatalities.
- LTI of 0 per life of contract.
- Near Miss of 0.0 per life of contract
- No re-work
- Proper waste handling and disposal
- To finish contract scope within the agreed time frame