



NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD

NCDMB CORPORATE HEADQUARTERS, NIGERIAN CONTENT TOWERS, OX-BOW LAKE ROAD, P.M.B 10 YENAGOA, BAYELSA STATE
e-mail: info@ncdmb.gov.ng Website: www.ncdmb.gov.ng

Ref: NCDMB/PCAD/UPD/SPDC-LTR-0624/91740

Date: June 04, 2024.

The Managing Director,
Shell Petroleum Development Company Nigeria Ltd,
Shell Industrial Area, Rumuobiakani,
P.O. Box 263, Port Harcourt,
Rivers State.

Attention: Mr. OLANREWAJU OLAWUYI.

Dear Sir,

RE: REQUEST SINGLE SOURCE FOR PROVISION OF FUEL MONITORING AND INSHORE VESSEL TRACKING SERVICES FOR SPDC.

Please refer to your letter to the Board with ref: SPDC-NCD-2024-0030L dated May 22, 2024, and the accompanying attachment which referred to the under-listed correspondences.

- NCDMB letter reference: NCDMB/PCAD/UPD/SPDC-LTR-0124/91645 dated January 16, 2024, conveying the Board's approval for selective tender.
- NCDMB/PCAD/UPD/SPDC-NCP-0324/11064 dated March 5, 2024, conveying the Board's certification for the NC Plan.
- NCDMB/PCAD/UPD/SPDC/TITT-0324/40822 dated March 5, 2024, conveying the Board's certification for Technical Invitation to Tender.
- NCDMB/PCAD/UPD/SPDC/TITT-0324/61131 dated March 5, 2024, conveying the Board's certification for Commercial Invitation to Tender.

NCDMB has reviewed your letter and attachment requesting approval to single source the respective scope to the service providers (as stated in your letter), who are in-country representatives of the Original Equipment Manufacturers (OEM), possessing the requisite experience and capabilities for the subject service.

The letter equally informed the Board that:

- i. SPDC thanks the Board for approving the selective tender strategy and the subsequent certification of the NC Plan plus the Technical & Commercial Invitation to Tenders (ITT) for the subject tender amongst the known Original Equipment Manufacturers (OEM) with in-country representatives.
- ii. However, further engagement with Joint Partners, the NNPC Upstream Investment Management Services (NUIMS), necessitates a change in strategy to single source. This change in strategy will enable SPDC to dispense with the need for Technical Evaluation, thus gaining time and early realization of the cost and efficiency benefits of the services.

GOVERNING COUNCIL

Sen. Heineken Lokpobiri (Chairman), Mr. Olorundare S. Thomas (Member), Mr. Nicolas Odinuwe (Member)
Engr. Sadiq Abubakar (Member), Mrs. Oritsemyiwa Eyesan (Member), Mrs. Bekearedebo Augusta Warrens (Member)
Dr. Raphael Samuel (Member), Mr. Gbenga Komolafe (Member), Engr. Felix Omatsola Ogbe (Secretary)

NCDMB wishes to state:

- a. for the records how the conclusion of the subject tender has been delayed by SPDC and their joint partner, for over two (2) months since the Board certified the NC plan, TITT and CITT of the selective strategy for this tender.
- b. **That since the NCDMB no objection letter referenced above (i.e., since January 16, 2024 - with the condition precedent for progressing the selected bidders to the next stage of the tendering exercise), none of the selected bidders have obtained the valid Category 1,2,3,4 or 5 Procurement and Supplies Group (PS) group NCEC, demonstrating capacity to procure and install Fuel remote monitoring hardware and software.**

Notwithstanding the foregoing, and in line with NCDMB's support of increasing crude oil production, the Board conveys **no objection** to SPDC's request to single source the respective scope to the under-listed service providers who are in-country representatives of the Original Equipment Manufacturers (OEM), possessing the requisite experience and capabilities for the subject service.

S/ N	BIDDER NAME (LOCALREP)	(OEM)	SCOPE	NAME ON NCEC/SERIAL NO	NCDMB REMARK
1	STERLING ENERGY LTD	OPSEALOG	Provision of Offshore Fuel Monitoring and Vessel Tracking Services	No NCEC	Complied to progress to the next stage of the tender contingent Upon: Providing Category 1,2,3,4 or 5 Procurement and Supplies Group (PS) group NCEC, demonstrating capacity to procure and install Fuel remote monitoring hardware and software prior to Commercial Bid opening.
3	ORYO LIMITED	ACSENZ MOROAKA	Provision of Inshore Fuel Monitoring and Vessel Tracking Services	No NCEC	

The NCDMB no objection shall only be valid for implementation as an approval subject to the satisfaction of the Board of the following conditions:

- a. SPDC ensuring that:
 - i. this contract has not been awarded as at the date of this letter to the Board (May 22, 2024), until all NCDMB approval & certification is obtained, and in the event of anything else to the contrary (i.e., if the contract has already been awarded), SPDC shall be deemed as in violation of the provisions of the NOGICD Act, 2010 and liable to sanctions.
 - ii. the NC Plan, and commercial ITT/template is submitted for the Board's review and approval prior to its launch to the Bidders.
 - iii. The two bidders submit alongside the NC plan evidence of application for PS NCEC to NCDMB
- b. In line with NCDMB Human Capacity Development Guideline, submit to the Board for approval a National Human Capacity Development (NHCD) training plan not less than 12 months or for the duration of the project. The NHCD plan to be submitted same time as the NCCC.

- c. SPDC ensuring that there is no contract award recommendation to the bidder(s) without submitting the Nigerian Content Compliance Certificate (NCCC) for NCDMB review and approval.

The no objection granted by the Board **has a six (6) months validity from the date of this letter (i.e., the contract shall be put in place within six months from receipt of this letter)** and is without prejudice to compliance of the single source strategy with all the relevant aspects of the provisions of the NOGICD Act, 2010.

Nevertheless, in the event of failure to utilize the Board's 'no objection' approval within the stipulated validity period granted by NCDMB, SPDC shall revert to Open Tender contracting strategy to execute the contract.

Please, note that the NC Value (%) submitted by the Operator recommended bidders (STERLING ENERGY LTD and ORYO LIMITED) shall form basis for post contract NC monitoring by NCDMB and non-fulfilment of NC commitments shall lead to the outright project/contract cancellation and disqualification of the contractor from participation in future tenders.

The law holds the Operator responsible for the compliance to all provisions both in the award of the contract and during contract execution.

SPDC shall ensure that the process of putting in place, the award and execution of this contract shall comply with all relevant Sections of the NOGICD Act, 2010, pertaining to host community content and catchment area as well as the latest revisions of NCDMB Community Content Guidelines to the industry.

Finally, SPDC shall.

- a. be accountable, and fully liable for the consequences of the accuracy and otherwise of the information provided to NCDMB, as justification for SPDC to single source the respective scope to the above listed service providers (in the table above) who are in-country representatives of the Original Equipment Manufacturers (OEM), possessing the requisite experience and capabilities for the subject service and in full compliance with the requirements of the NOGICD Act 2010.
- b. solely take full responsibility and liability for any petition, and or legal action that may arise from non-compliance with all Nigerian Content requirements and FGN extant laws regarding this request.

We count on your usual cooperation.

Yours faithfully,

For: **NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD**


ENGR. FELIX OMATSOLA OGBE, FNSE
Executive Secretary