



THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

CONTRACTS COMMITTEE

Confidential

TENDER PART A - Strategy & Contract Plan

Submission Date: 07 May, 2024 12:01

Contract ID: TBA
Contract Title: PROVISION OF FUEL MONITORING AND INSHORE VESSEL TRACKING SERVICES
HSE Mode & Risk: Mode-2 - High
Estimated Contract Value: USD 2,882,046.21
Proposed Contract Start and End Date: 08 Aug, 2024 to 07 Aug, 2027

EXECUTIVE SUMMARY & RECOMMENDATION

- ☐ Single source to Sterling Energy Limited (local Partner of Opsealog) for Provision of Offshore Fuel Monitoring.
- ☐ Single source to Oryo Limited (local Partner of Ascenz Moroaka) for Provision of Onshore and Inshore Vessel Tracking Services in line with NUIMS position. See attached letter.
- ☐ Negotiation mandate: Aspiration 80% of CE, fall back 90% of CE and walkaway 100% of CE
- ☐ To issue Commercial Invitation to Tender (ITT) to the above-mentioned vendors.

SECTION A: ASSESS DEMAND & SUPPLY

BUSINESS REQUIREMENTS AND SCOPE

Relevant Information/Post CC Meeting

Following CC Approval of the revised Tender/Contract Strategy, a transmittal was sent on the 27th of February 2024 to NUIMS for concurrence. NUIMS was engaged several occasions on their outstanding response which they had promised would be received without delay. On 30th April 2024, NUIMS was engaged on several logistics issues which included the subject tender. At the meeting, NUIMS representatives informed SPDC that following consultations in their organisation, they are not disposed to supporting a competitive tender amongst the 3 vendors hitherto proposed by SPDC namely; Sterling/Opsealog, Oryo/Ascenz Moroaka and NCS West Africa Ltd (Fuel Trax - partner). Rather, their position is that the contracts be single sourced to just Sterling/Opsealog and Oryo/Ascenz Moroaka. See attached letter.

And that there would be no need for a technical tender exercise and the CMT can proceed to commercial. The reason adduced for this is that the proposed bidders are currently providing the services for SPDC and other IOCs. Hence do not need to be subjected to a technical evaluation exercise. In addition, this would shorten the tender process.

Fuel Trax was not proposed because they can only provide Fuel Monitoring services using their system so there may be compatibility issues with EFMS systems from other manufacturers.

SPDC did not object to the NUIMS position as it is not much of a deviation from the initially proposed single source to Sterling/Opsealog albeit only one contract was proposed as against the two contracts now supported by NUIMS. It is in the light of the above that it is now proposed to single source the contracts as proposed viz.:

- ☐ Single source to Sterling Energy Limited (local Partner of Opsealog) for Provision of Offshore Fuel Monitoring
- ☐ Single source to Oryo Limited (local Partner of Ascenz Moroaka) for Provision of Inshore Fuel Monitoring and Inshore Vessel Tracking Services

Important to note that although NUIMS had approved Negotiation with Sterling Energy/Opsealog for both offshore Fuel Monitoring Services and Vessel Tracking Scopes, EFMS is not required for offshore vessels because they are fitted with AIS (Automatic Identification system).

Technical Assurance Process

To ensure that the vendors are capable of providing the services to specified standards, a technical assessment questionnaire shall be included in the ITT which will be followed by a technical clarification session as necessary to enable the vendors demonstrate their capability, resources, plans and timeline to execute the work scope as specified.

Post award, performance monitoring and tracking will follow.

It is pertinent to note that both contractors will still be required to bid for both scopes. Company Estimate will serve as a benchmark for negotiations. Where a vendor's performance on their approved scope is unsatisfactory, the other vendor shall be engaged.

MARKET CONDITIONS

MARKET DYNAMICS

Market Dynamics	Impact on Contract
There are few service providers for both Fuel Monitoring Services and Vessel Tracker; hence limited competition.	Single source to identified vendors with existing capabilities for this scope with a view to obtaining competitive rates. Proposed duration of contract is 3+1 years. This is in line with NUIMS position. See attached.

ALTERNATIVE STRATEGIES CONSIDERED i.e. applicable if not competitive tendering

Alternative Strategy	Why Not Pursued
Competitive tender	Both vendors are providing similar services and this strategy would dispense with the need for technical evaluation thus optimising time in the tender process. This is in line with NUIMS advised position.

BASIS OF AWARD/BIDDING STRATEGY

Market Approach	Reason
a. Number of awards b. Award strategy	2 Based on negotiated rate
Planned Pre-bid meeting	Yes, Date to be advised.
Technical evaluation pass mark	N/A
Commercial bid only	No technical bid

NEGOTIATION POINTS (where applicable)

Aspiration	Fall Back	Walk Away	Negotiation Lever
80	90	100	Volume of business and contract duration.

CURRENT & POTENTIAL SUPPLIERS

Bidder Name	IDD Status	Vendor Number	Justification
STERLING ENERGY LIMITED	Active		Currently providing EFMS services and as per NUIMS advised position
ORYO LIMITED	Active		In-country representative of Ascenz Moroaka - partner and NUIMS advised bidder

TRADE COMPLIANCE

Major Scope	Incoterms	Remarks
-------------	-----------	---------

SECTION B: DEVELOP & SELECT STRATEGY

VALUE OPPORTUNITIES

Value Type	Opportunity Description	Value/Benefits	Type of Savings	Potential Value
------------	-------------------------	----------------	-----------------	-----------------

PRE-AWARD RISK ASSESSMENT

Risk Description	Impact/Likelihood	Mitigating Action	Action Owner
See attached Part A			

NIGERIAN CONTENT DEVELOPMENT (NCD)

Work Category	Schedule Target	Country Capacity	Measurement Metrics	Proposed Action
marine Logistics	30	65	Spend	Nil

NIGERIAN CONTENT PLAN

Subject	Compliance Actions
Expat Quota	N/A
Nigerian Content Equipment Certificate	Award shall be made to only Contractor who possess valid NCEC for the work category.
Human Capital Development	To be provided for. Funds to be transferred to centralized pool.
Community Content & Involvement	N/A
Technology Transfer	N/A
Capacity Development Initiative	N/A
Research & Development	N/A
Marine Vessel Utilization	N/A

TECHNICAL & COMMERCIAL EVALUATION

Evaluation Criteria	Comment
---------------------	---------

COMMERCIAL TIMELINE

Activity	Target Completion Date
Issue Commercial ITT	30-05-2024
Contract Award	01-08-2024
Commercial Evaluation	28-06-2024
Nigerian Content Compliance Certification/ NUIMS Submission	18-07-2024
MCB/CC submission	11-07-2024

KEY PERFORMANCE INDICATORS

Business Objective	KPI	Target	Frequency Measured
See attached Part A			

SUPPORTING DOCUMENTS

Supporting Document	Link to Document
Estimated Contract Value	Estimated Contract Value
Part A Approval	Part A Approval
NUIMS letter of 30th April 2024	NUIMS letter of 30th April 2024

SECTION C: STAKEHOLDER SUPPORT/APPROVAL

Supply Chain Commercial Manager	Contract Owner	CC/MCB Chairman
---------------------------------	----------------	-----------------

<i>Reviewed and approved for CC/MCB and confirms alignment with approved Category Strategy (Global Category Strategy & Pure Service Model where applicable) & NOGICD Act</i>	<i>Reviewed whole submission and confirms support from HSSE and Fin. (including adequate budget cover and approved GIP). Confirm support from Technical Authority/SMEs and GM support where relevantt</i>	
Approved - 08-05-2024	Approved - 08-05-2024	Approved - 09-05-2024
Dorothy.Eboh	R.Bounds	Olanrewaju.Olawuyi