



THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

MAJOR CONTRACTS & CLAIMS BOARD

Confidential

TENDER PART B - Contract Award

Submission Date: 01 March, 2024 15:48

Contract ID: CW523902
Contract Title: CORPORATE CALL-OFF CONTRACT FOR SUPPLY OF BARE LINE PIPES AND BENDS
HSE Mode & Risk: Mode-3 - Medium
Proposed Contract Value: FUSD113,196,286
Proposed Expenditure Pending NUIMS Approval: FUSD113,196,286
Available Budget: FUSD 113,196,286
Proposed Contract Start and End Date: 01 May, 2024, 30 April, 2027

PURPOSE

- Revise the award strategy based on alignment with NUIMS as follows:
 - o Reduce number of split awards from 5 contracts to 4 contracts.
 - o Change split award ratio from 20:20:20:20:20 for 5 contracts to 36:24:20:20 for 4 contracts.
- Award subject contracts to the following bidders at the Lowest realistic market rates representing 95.02% of ECV as follows:
Recommended Bidder Total ACV 3% HCD ACV (F\$) % split
BRENTX PETROLEUM SERVICE LTD 39,563,750.41 1,186,912.51 40,750,662.92 36%
BELL OIL and GAS LIMITED 26,375,833.60 791,275.01 27,167,108.61 24%
ANOSYKE GROUP OF COY LTD 21,979,861.34 659,395.84 22,639,257.18 20%
FRIGATE PIPE AND TUBULARS LTD 21,979,861.34 659,395.84 22,639,257.18 20%
TOTAL 109,899,306.69 3,296,979.20 113,196,285.89
- Execute Interim Agreements with the four (4) bidders at 12.5% of their respective ceilings (i.e. combined e-LDL of FUSD14,149,535.74 for a period of 6 months pending NUIMS formal approval and subject to e-LDL approval.
- Determine ex-works rates based on Enterprise Framework Agreement (EFA) at the point of Purchase Orders issuance.
- Issue Purchase Orders based on CBN exchange rate at the time of Purchase Order issuance, while maintaining the 14.02% markup on ex-works.

SECTION A: CONFORMANCE TO CONTRACT PLAN (PART A)

APPROVAL OF STRATEGY REFERENCES

Approval	Yes/No	Date Received
MCB/CC	Placeholder	Placeholder
NUIMS	Placeholder	Placeholder
NCDMB	Placeholder	Placeholder

CHANGES FROM STRATEGY

Original Strategy	Revised Strategy	Justification
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VALUE OPPORTUNITIES

Value Type	Opportunity Description	Value/Benefits	Type of Savings	Potential Value
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SECTION B: RESULTS AGAINST AGREED CRITERIA

TECHNICAL EVALUATION

Commercial evaluation was progressed for the 6 vendors who passed both NUIMS/SPDC and NCDMB technical evaluation. Details of the outcome of the Technical evaluation result for the 81 bidders who responded to the Tender is in Attachment 6B S/N Recommended Bidders Tech Eval. Score (%) NCDMB Assessment HSE Capability Assessment

- 1 SOLEWANT NIGERIA LTD 72.80 Compliant HSE Cap Assessed
 - 2 ANOSYKE GROUP OF COY LTD 70.20 Compliant HSE Cap Assessed
 - 3 BRENTX PETROLEUM SERVICE LTD 65.80 Compliant HSE Cap Assessed
 - 4 BELL OIL and GAS LIMITED 65.40 Compliant HSE Cap in progress
 - 5 VURIN LIMITED 62.20 Compliant HSE Cap not assessed
 - 6 FRIGATE PIPE AND TUBULARS LTD 62.20 Compliant HSE Cap in progress
- All vendors are IDD Cleared. Ref Attachment - IDD Status.
 - The HSE Capability Assessment of vendor not yet completed will be completed before the release of contract in SAP.

COMMERCIAL EVALUATION

Description	Bid Value (BV) F\$	Negotiation Outcome (NO) F\$	Company Estimate (CE) F\$	Company Estimate vs BV %	Company Estimate vs NO %
BELL OIL and GAS LIMITED	121,581,288.76	109,899,306.68	115,663,188.93	-0.051	0.05
BRENTX PETROLEUM SERVICE LTD	109,899,306.68	109,899,306.68	115,663,188.93	0.05	0.05
ANOSYKE GROUP OF COY LTD	154,313,971.23	109,899,306.68	115,663,188.93	-0.334	0.05
FRIGATE PIPE AND TUBULARS LIMITED	212,145,565.70	109,899,306.68	115,663,188.93	-0.834	0.05

AWARD RECOMMENDATION

Proposed Contractor	Award (NGN)	Award (USD)	Award (FUSD)	IDD Status	Scope	Other Info
ANOSYKE GROUP OF COY LTD			22,639,257.18	Active	Supply of Bare Line pipe	20%split award
FRIGATE PIPE AND TUBULARS LIMITED			22,639,257.18	Active	Supply of Bare Line pipe	20%split award
BRENTX PETROLEUM SERVICE LTD			40,750,662.92	Active	Supply of Bare Line pipe	36%split award
BELL OIL and GAS LIMITED			27,167,108.61	Active	Supply of Bare Line pipe	24%split award

TRANSITION PLAN

For this award, there is only one incumbent vendors (Brentex Petroleum Service Limited) currently providing same services via an emergency stop-gap contract, hence the contract transition plan will include a communication of any differences in scope of the existing contract with that of this contract. The other 3 vendors are not new vendors to SPDC operations; however, a proper onboarding will be carried out during the contract kick off meeting.

COMPLIANCE TO MODEL TERMS & CONDITIONS

There is no discrepancy nor outstanding T&C issues raised by successful bidders. No CARM sign-off is required.

GOVERNMENT INTERMEDIARY (GI) ELEMENT

GI elements present in work scope? false

If yes, GI terms & conditions included in contract? false

TRADE COMPLIANCE

Major Scope	Incoterms	Remarks
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SECTION C: POST AWARD CONTRACT MANAGEMENT

KEY PERFORMANCE INDICATORS

Business Objective	KPI	Target	Frequency Measured
HSSE	Zero Loss Time injury due to Road traffic accidents	0	Completed cumulative scope
QA/QC	Timely delivery of Line Pipes at the right specification with zero defects	0	Completed cumulative scope
Delivery	Timely issuance of Purchase Order to OEM	7	7 days from receipt of Purchase Order

NIGERIAN CONTENT DEVELOPMENT (NCD)

Work Category	Schedule Target	Country Capacity	Measurement Metrics	Proposed Action
Steel Products	100	10	Tonnage	Evidence of investment towards establishment of a new mill or expanding existing capacity or a credible plan to achieve this.

NIGERIAN CONTENT PLAN

Subject	Compliance Actions
Nigerian Content Equipment Certificate	Brentex, Anoyse and Frigate have valid NCEC (Attached). Mail has been sent to Bell-Oil to provide their NCEC. Following up with the vendors that are yet to provide their NCEC and ensure they provide before the 31/03/2024. Draft NCCC for 2 of the 4 proposed vendors is attached. The other 2 have been requested to provide and this will be done and all 4 reviewed and accepted by NCDMB before contract release in SAP.
Marine Vessel Utilization	N/A
Community Content & Involvement	N/A
Expat Quota	N/A
Human Capital Development	HCD has been captured as part of contract ACV and will be remitted directly to NCDMB after spend of >1m for all the contracts.
Capacity Development Initiative	N/A
Technology Transfer	N/A
Research & Development	N/A

POST AWARD RISK ASSESSMENT

Risk Description	Impact/Likelihood	Mitigating Action	Action Owner
Funding problems	Medium	Invoice partnering; Adequate planning	CM/CH
Award Contract to incompetent contractor.	Medium	Award of contract to technically qualified NCDMB line pipe vendors	CM/CH

SUPPORTING DOCUMENTS

Supporting Document	Link to Document
NCDMB COMM REPORT	NCDMB COMM REPORT
NCCC	NCCC
NCEC	NCEC
NUIMS Approved Part A	NUIMS Approved Part A
Part A2	Part A2
NUIMS/SPDC Comm report	NUIMS/SPDC Comm report
IDD	IDD
IDD-2	IDD-2
MCB Approved Part A	MCB Approved Part A
Part A1 Addendum	Part A1 Addendum

SECTION D: 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 - 01-03-2024	Approved - 29-02-2024	Approved - 04-03-2024
C.Okpoechi	Okey.Anozie	L.Schmidt