

**Confidential****Part B – Contract Award****Date: 13/07/2022**

Category	Static Equipment	Contract ID:	CW629128
Contract Title:	Procurement and Delivery of Corrugated Plate Interceptor (CPI) Packs		
HSE Mode & Risk	MODE-3 & LOW		
Agenda Item	(TB secretary to complete)		
Proposed Authorized Contract Value (ACV)	F\$1,133,132.00 (US\$1,133,132.00)	Segmentation (Click here to access tool)	Tactical
Proposed expenditure while pending NAPIMS approval	F\$1,133,132.00 (US\$1,133,132.00)		
Start & End dates	16/07/2022 – 14/07/2023	Duration	1yr
		Extension options	
PURPOSE			

To seek approval from CCB to award contract to:

- Ecosse Energy Ltd based on the outcome of tender renegotiation at ACV of F\$1,133,132.00 (\$1,133,132.00) which represents 63% of company estimate.
- Inclusion of Cameron Flow Control Technology UK Limited (OEM) as Invoicing Partner for the purpose of direct payment of the sub-contracted scope.
- Secure eLDL on the ACV amount of \$1,133,132.00 and execute contract pending receipt of NAPIMS award approval.
- Issue Letter of Intent to ECOSSE ENERGY LTD to enable immediate commitment and lock-down OEM price due to fluctuating steel prices pending contract finalization.

Stakeholders Endorsement:

	Senior Procurement Manager (SPM)	Contract Owner
	Reviewed and approved for CCB and confirms: <ol style="list-style-type: none"> Alignment with approved Category Strategy (& Global Category Strategy where applicable) Compliance with the NOGICD Act & Community Content commitments. 	Reviewed whole submission and confirms support from: <p>Finance [Ajayi Oluwaseun] - 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)</p> <p>HSSE [Utong Israel]] - HSSE consideration and requirements are met</p>
Signature		
Name	Chioma Okpoechi	Isaac Brossa
Date		

Approval

	CCB Chairman
Signature	
Name	
Date	

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)

APPROVAL REFERENCES

Tender Activity	Approval Date
SCC Approval of strategy – email approval - Attachment 1	16/10/2019
NCDMB Approval of NC Plan and Contract Strategy –	02/04/2020
NAPIMS Transmittal –	09/04/2021
NCDMB Certificate of authorisation of NC Plan –	14/05/2020
NCDMB confirmation of six (6) verified community vendors -	18/05/2020
NAPIMS approval of strategy -	28/01/2021
NAPIMS Approval of Commercial ITT/Bidders List – Attachment 2	03/09/2021
SCC Approval of strategy sign off - Attachment 3	18/10/2021
NCD – email approval for Part A Addendum	30/11/2021
Part A Addendum Approval – Attachment 4	08/12/2021
NCDMB Plan Certification – Attachment 5	09/12/2021
NCDMB Certification of CITT- Attachment 6	11/05/2022
Commercial Bids evaluation Report concluded and aligned with NAPIMS – Attachment 7	20/06/2022
NCDMB Commercial Report – Attachment 8	28/06/2022
NAPIMS alignment on Negotiated rate – Attachment 10	30/06/2022

BACKGROUND

- Part A- contract strategy - was approved by SCC on 16/10/2019 with a directive for close out. **See Attachment 1**. However, the directive was not closed out and consequently, the submission was not signed by the SCC chairman. The directive was subsequently closed out and the submission signed off by the chairman on 18/10/2021 – **Attachment 3**
- Secured NCDMB Approval of NC Plan and Contract Strategy on 02/04/2020.
- NAPIMS Transmittal was sent on 09/04/2021.
- NCDMB report on Host community verification exercise confirming six (6) of the ten (10) proposed bidders and the approval of NC plan and contract strategy were obtained on 14/05/2020 and 18/05/2020 respectively - **Attachment 2**
- NAPIMS approval of strategy was obtained on 28/01/2021.
- On the basis of the changes to the approved strategy from NAPIMS and NCDMB, Part A1 Addendum approval (delegated Authority) was secured on 08/12/2021 to issue commercial tender to the six (6) NCDMB verified community contractors, conduct the tendering in Ariba instead of NipeX and the change of incoterm from DDP and FCA options to FCA option only. NAPIMS support was also obtained to conduct the commercial tendering via the Ariba platform instead of through NipeX. **See Attachment 4**
- Secured NCDMB Plan Certification for this procurement on the 09/12/2022. **Attachment 5**
- NCDMB certification of Commercial ITT was secured on the 11/05/2022. **Attachment 6**
- Commercial ITT was published in Ariba to the six (6) approved bidders on 20/05/2022 with bid close date of 15/06/2022. The bid was downloaded from Ariba on 15/06/2022 and evaluation commenced same day. **Attachment 7**
- Commercial evaluation result was reconciled and signed with NAPIMS on 20th June 2022. – **Attachment 7**.
- NCDMB commercial report was obtained on 28/06/2022 – **Attachment 8**
- Post commercial tendering negotiation was concluded on the 28th June 2022 and – **Attachment 9**
- NAPIMS alignment and sign off of outcome of negotiation was secured on 30th June 2022 – **Attachment 10**

CHANGES FROM STRATEGY

- The contract was originally scheduled to commence in Q2 2021, however, as a result of delays encountered post reshape and during the tendering process, the contract is now to commence in Q3 2022.
- Change of Incoterm from DDP and FCA options to FCA option only.
- Issuance of CITT to six (6) bidders instead of ten (10) based on NCDMB report on Host community verification exercise.
- Processing of commercial tendering via Ariba rather than NIPeX

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	\$673,259.25	N/A

SECTION B: RESULTS AGAINST AGREED CRITERIA**TECHNICAL EVALUATION**

Not Applicable

COMMERCIAL EVALUATION

- The Part A approved the strategy to award one (1) contract to the lowest bidder at the lowest bidder's rate and to negotiate with the lowest bidder if his quote is >100% of the company estimate.
- Commercial ITT was published in Ariba to six (6) bidders on 18/01/2022 with bid close date of 08/02/2022.
- The commercial bids were downloaded from Ariba on 09/02/2022.
- From the commercial evaluation, the following were observed:
 - ✓ Three (3) out of Six (6) invited bidders submitted bids that ranged from 104% - 178% of company estimate.
 - ✓ ECOSSE GLOBAL ENERGY LIMITED emerged the lowest conforming bidder with a quote of 104% of company estimate.
- The commercial result from the joint SPDC/NAPIMS evaluation is as follows - **(Attachment 8)**:

	QUOTE (FUSD)	% of CE	Comment/Rank	NC % (Spend)
COMPANY ESTIMATE	1,806,391.25	100%		
ECOSSE GLOBAL ENERGY LTD	1,880,100.00	104%	Lowest Bidder/1st	100%
	1,133,132.00 (negotiated)	63%		
SAJOOK NIGERIA LTD	2,075,749.58	110%	2nd	100%
ISLAND TECHNICAL NIG LTD	3,321,099.00	178%	3rd	100%
RICKY-CON VENTURES LTD	No BID		Disqualified	N/A
ASIKAMBA ENTERPRISES LIMITED	No BID		Disqualified	N/A
IDAS NIGERIA LIMITED	No BID		Disqualified	N/A

Post Tender negotiation:

In line with the approved Part A Strategy, negotiation meeting held with the lowest bidder, ECOSSE GLOBAL ENERGY LIMITED resulting in a revised quote representing 63% of the company estimate with the support of NAPIMS and signed off on the 30/06/2022 to achieve the approved mandate of <=100% of the company estimate.

Commercial Bid Analysis:

- An Initial ECV F\$1,796,139.00 DDP rate was obtained from the OEM in Q3 2019 as part of the Strategy submission but obtained a new ECV of \$1,806,391.25 FCA in 2021 from the prevailing market rate.
- Commercial Tender and post Tender negotiation with the lowest bidder resulted in a quote of F\$1,133,132.00 representing 63% of the ECV. The negotiation mandate was achieved. The summary of the commercial outcome is as follows:

	Service Description	ECV	Lowest Bidder quote	Lowest Bidder Negotiated quote	% ECV
1	Ex-Works	1,570,775.00	1,500,000.00	1,011,725.00	64%
2	Mark up	235,616.25	380,100.00	121,407.00	52%

	Grand Total	1,806,391.25	1,880,100.00	1,133,132.00	63%
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- The activity items where the lowest bidders quote is higher than the ECV rates are:
- Item 1 (Mark ups 25% against 15% projected).
- As a result of the disparity (4%) between the ECV and the current market reality, efforts were made to revalidate the ECV as well as obtain benchmark offers from the Global Market Intelligence through the GCM. The GCM proposed the fabrication work of the material items in an alternative place in China at a 20% lower cost.
- The OEM was engaged with the alternative sourcing proposal and they collaborated and provided a huge rate reduction of 24% which is 4% less the option provided by the GCM of carrying out the fabrication work of the material items in an alternative place in China. Ex-works price was subsequently obtained from Ecosse Global Energy Limited (Items 1 List of items) (**Attachment 11**).
- The approved negotiation mandate has been achieved and a savings of F\$673,259.25 was achieved as a result of the post-tender negotiation.
- On the basis of the above, approval is sought to award one contract to the Lowest (Ecosse Global Energy Limited) at an ACV of F\$1,133,132.00. (**Attachment 12**)
- The lowest bidder is a community vendor who will be procuring the materials directly from the OEM, it is envisaged that they will be swift in delivering these material items.
- A partnership invoicing arrangement was agreed between the OEM (Cameron Flow Control Technology UK Limited) and the Community vendor (Ecosse Global Energy Limited) to ease the funding pressure on the vendor since it is a long lead item and OEM insisted on a 100% down payment on placement of a Purchase Order.

Table A2 below summarises the outcome of the Commercial evaluation showing the bidders with their respective ranking (Overall Assessment).

Table A2- Summary of Commercial Evaluation Results including NC percentages

S/N	RECOMMENDED BIDDERS	Total ACV F\$ (3+1 years)	% of Company Estimates		Work Category	Schedule Target (%) Spend	Vendor's NC Pledge (%)
	SPDC (Revised)	1,806,391.25	N/A			80	
1	ECOSSE GLOBAL ENERGY LIMITED	1,133,132.00	63%	100%	Separator Procurement	80	6%

BASIS OF AWARD & RECOMMENDATION

Award is made based on lowest estimated contract value derived by applying tendered/negotiated rates.

Award Recommendation:

In line with the Part A strategy approved by SPDC/NAPIMS, one (1) contract is proposed to be awarded at the lowest bidder's rate. The contract award value is F\$1,133,132.00.

Based on the foregoing, award is thus recommended as follows:

- Award subject contract to Ecosse Energy Ltd based on the outcome of negotiation at ACV of F\$1,133,132.00 (\$1,133,132.00) which represents 63% of company estimate.
- Inclusion of Cameron Flow Control Technology UK Limited (OEM) as Invoicing Partner for the purpose of direct payment of the sub-contracted scope.
- Approval to initiate eLDL on the award ACV pending receipt of NAPIMS award approval. A 100% of the ACV is requested because it is a procurement item.
- Issue Letter of Intent to ECOSSE ENERGY LTD to enable immediate commitment and lock-down OEM price due to fluctuating steel prices pending NAPIMS approval.
- Execute Agreement with ECOSSE GLOBAL ENERGY LIMITED with an ECV ceiling of F\$1,133,132.00 (for a period of 12 months pending NAPIMS approval).

Vendors are IDD cleared – **Attachment 13**

Table A3- Summary of Contracts being awarded:

S/N	Item	Remark
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THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED
Contracts Committee Board Submission

1	Contract Duration and Extension Options	1-year and Extension option of 1-year
2	Payment Terms	Z-45
3	Contract Mode	3
4	Contract HSSE Risk	Low
5	Segmentation	Tactical

Table A4- Contract Management Team: Contract will be managed post award by the CMT using the CMP as a compass.

S/N	Designation	Name
1	Contract Owner	Isaac Brossa
2	Contract Holder	Ude Akpala
3	Contract Manager	Nemi Onwah
4	Business Finance Manager	Ajayi Oluwaseun
5	HSSE Advisor	Utong Israel

TRANSITION PLAN / COST OF IMPROVEMENTS (IF APPLICABLE)

Not applicable

APPROVED CONTRACT VALUE

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. No issues noted in the commercial bid of the bidder recommended for award.

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 STATUS

The IDD status of the recommended bidders are as follows:

Vendor	Status	Valid till
Ecosse Global Energy Ltd	Green	01/01/2999

SECTION C: POST AWARD CONTRACT MANAGEMENT

KEY PERFORMANCE INDEX (KPI) (FROM PART A)

Business Objective	KPI	Measure	2018 Target	Frequency Measured
Equipment	Equipment	Equipment	Equipment	Equipment
Quality	Quality	Quality	Quality	Quality

CONTRACT MANAGEMENT PLAN (CMP)

Not applicable for Tactical contract, however, the CMT will implement a light-CMP Post Contract Award

HSE PLAN

Not applicable Contract is mode 3 Low Risk.

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
Separator Procurement	20%	20%	Spend	Secure authorisation to import

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
1	N/A			
2	N/A			
3	N/A			

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

Bonny community vendor will be used as the vehicle for the procurement of the 5 sets of Corrugated Plate Interceptor (CPI) Packs to enhance capacity building for the vendors from the Host community.

Draft NCCC has been reviewed and is currently awaiting sign-off

RISK ASSESSMENT

1. Contract Risk Assessment:

Risk Description	Likelihood (H / M / L)	Impact (H / M / L)	Mitigating Actions	Action Owner
Delay in delivery	M	H	Expedite if necessary	CMT
Equipment/Material quality	M	H	Detailed specification and verification	CMT

2. HSE Risk Assessment:

Contract is mode 3 Low Risk. See Contract HSE Risk Assessment

ATTACHMENT:

- Attachment-1- [SCC online Part A approval](#)
- Attachment-2 - [NAPIMS Approval of CITT and Bidders List](#)
- Attachment-3 - [SCC Approval of Strategy Signed off](#)
- Attachment-4 - [Part A Addendum Approval for CPI Packs](#)
- Attachment-5 - [NCDMB Plan Certification](#)
- Attachment 6 - [NCDMB Certification of CITT](#)
- Attachment 7- [Commercial Bid Evaluation Report and NAPIMS Alignment](#)
- Attachment 8- [NCDMB Commercial Report](#)
- Attachment-9- [Post Commercial Tender Negotiation MOM](#)
- Attachment-10- [NAPIMS Alignment on Negotiated Rates](#)
- Attachment 11- [Ariba Download & Commercial Evaluation sheet](#)
- Attachment 12- [Negotiated and OEM Quotes new.pdf](#)

- 13. Attachment 13- [IDD Status of Ecosse](#)
- 14. Attachment 13- [IDD Status Report for Cameron.pdf](#)
- 15. Attachment 14- [BSU Support for the Procurement of CPI Packs.pdf](#)
- 16. Attachment 15- [NCD Support for Part B Procurement and Delivery of CPI Pack at BOGT.pdf](#)
- 17. Attachment 16- [HSE Support for Part B.pdf](#)