



Confidential

## MAJOR TENDER BOARD SUBMISSION

## Part A1- Strategy &amp; Contract Plan

Date: 05/03/2014

Category	Utilities	Contract ID	TBA
Contract Title	MAINTENANCE OF COMFORT COOLING SYSTEMS IN SPDC		
HSE Mode & Risk	Mode 1 Medium Risk		
Agenda Item	(TB secretary to complete) <i>SPDC-MTB 14-11</i>		
Estimated Contract Value (ECV)	To be sent to Tender Board Secretariat in a sealed envelope		
Proposed Contract Start / End dates and Extension options	3 years with 1 year extension option		

**PURPOSE**

To seek approval from SCC/MTB for:

- Contract Strategy/Tender Category/Advertisement
- Product Category List
- The basis of award including Technical & Commercial Evaluation criteria
- Material changes to the Standard Technical Evaluation criteria
- To issue Technical Invitation To Tender (ITT)

**Summary of Strategy:**

1. Maximise commercial advantage through competitive bidding.
2. Award 3 contracts for flexibility, speed of delivery while maintaining multiple sources of supply.
3. Only contractors registered in NipeX for the specified product category and services will be allowed to participate in the tendering process.
4. Awards shall be made to the technically acceptable and commercially attractive bidders at their tendered rates.
5. Each contract ceiling shall be determined by inverse proportion ratio to compensate the low bids.

**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.

**Stakeholder Endorsement:**

	Senior Procurement Manager	Contract Owner
	<b>Reviewed and approved for SCC/MTB and confirms:</b> <ol style="list-style-type: none"> <li>1. Alignment with approved Category Strategy (&amp; Global Category Strategy where applicable)</li> <li>2. Compliance with the NC Act &amp; Community Content commitments.</li> </ol>	<b>Reviewed whole submission and confirms support from:</b> <ol style="list-style-type: none"> <li>1. Finance [Azubuike John] - adequate budget cover/JV Partner approval to ensure full cost recovery/approved GIP in place (if applicable)</li> <li>2. HSSE [Adoga Irene] - HSSE consideration and requirements are met.</li> </ol>
Signature	<i>e-mail support Debo Ogunjimi</i>	<i>Ade Campbell</i>
Name	WALE FABA	ADEBAYO CAMPBELL
Ref Ind.	FUI/C/OG	UIO/G/HIU
Date	06/03/2014	06/03/2014


MTB Submission – Strategy &amp; Contract Plan

Page 1 of 12

Prepared by: (CL) WILCOX FRANCIS (CH) ONOVO RAPHAEL

version 03/2013

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED  
Supply Chain Council/Major Tender Board Submission

<b>Approval:</b>	
SCC/MTB Chairman	
Signature	
Name	YAM CAN BENNIK
Date	13/3/2014

Section A: Business Needs			
1.	Business Need & justification	Justify the need for this Contract. Have alternative sources of meeting requirement been explored –e.g.-use of in-house resources, current contract extension (where applicable), bundling with existing services?	
	<ul style="list-style-type: none"><li>Air Conditioning facilities (HVAC systems) are installed in all the Data Centres and control rooms at all SPDC office areas and also production field locations. This is required to keep all the installed sensitive electronic equipment in a controlled temperature and the appropriate humidity environment.</li><li>SPDC also have provided Air conditioning systems (Window, split stand alone and Central Air Condition) for all office spaces to provide comfortable working environment for personnel in offices so as to ensure efficient man- hour utilisation.</li><li>All Residential accommodation and clubs are also provided with the various Air conditioning systems (Window, split stand alone and Central Air Condition) to ensure comfort of staff and families.</li><li>The provision of this contract is for the Maintenance and operation of all these Air Conditioning facilities in SPDC.</li><li>These services are currently being provided via the NAPIMS major contracts for the Maintenance of Comfort Cooling systems in SPDC East &amp; West Locations which commenced 01/05/2012 with expiry date of 30/04/2014. This proposal is for the replacement contract for the next 3 years. NAPIMS gave support of the strategy on 20/11/2013, after several engagements that started since May 2013. Cognisant of the unlikelihood of getting to the award stage before the expiration of the extant contracts, there is a planned engagement with NAPIMS in quarter one 2014 to seek support for stop gap measures at the expiration of the contracts for business continuity while the replacement process is accelerated.</li><li>There is no in-house resources available for the provision of these services.</li></ul>		
2.	Business Value Contribution	Value contribution of this contract linked to company or functional dashboard – e.g.-Direct support to Business Plan	
	Summary of value contribution	Benefit	Losses
	Safety	Indirect (asset integrity and right ambient for temperature sensitive equipment; improved productivity from conducive working environment for staff)	Indirect (loss/damage to equipment; potential occupational health concerns for personnel)
	Production – Oil (*000 b/d)	Indirect-(minimal/absence of production equipment down time)	Indirect (frequent breakdown of production equipment)
	Cost Saving	Indirect (cost avoidance ~circa \$100M resulting from damaged equipment arising from non functional cooling system	Indirect (IT equipment worth over \$100 million could be lost/damaged as a result of high temperature arising from air conditioning failures

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

Supply Chain Council/Major Tender Board Submission

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3.	Service/Project Scope	Describe work scope and consideration for each key work element, including the known unknowns. Compare with similar service/project scope within and outside Shell. State any issues/concerns with execution of work scope.
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Subject services required are as outlined below,

1. Respond to fault calls and carry out breakdown maintenance of domestic room units including but not limited to Window, Split and Package Unit A/C systems.
2. Operation and maintenance of Air Cooled, Chilled Water Central A/C Systems (15KW – 1350KW Cooling Capacity).
3. Operation and maintenance of Industrial Direct Expansion Central air conditioners units in the SPDC
4. Call off provisions of Maintenance Spares & Consumables.
5. Provide Quarterly Preventive Maintenance on New and Existing SPDC owned Split, Window, Package Unit Air conditioners, Central A/Cs, Cold rooms and Mortuary Plant.
6. Create and Maintain a Database of SPDC owned Split, Window, Package Unit and Central Air conditioners.
7. Decommissioning and relocation of old SPDC owned Split, Window, Package Unit Air conditioners, Central A/Cs, Cold rooms and Mortuary Plants. With proper restoration of all Wall and Floor surfaces after removal.
8. Installation of ozone friendly Stand Alone Split and window AC units

Due to the large SPDC area of coverage, the works and services are split into 3 clusters:

1. Industrial and Residential Areas, Rumuobiakani, Rumuokwurushi, and Kidney Island, Port Harcourt (Zone 1)
2. East Outposts – All Land & Swamp field locations, ex-Port Harcourt (Zone 2).
3. Ogunu Industrial Area, Warri Ramp, Osubi, Forcados Terminal and all Swamp field locations in the West (Zone 3)

Value of work down shall be based on equipment availability, Provision of spares, Volume of Preventive and corrective maintenance carried out within the month.

Table 1- number of ACs

AREAS AND SCOPE COVERED BY THE REPLACEMENT CONTRACTS					
Zones	Zone Description	Window	Split	Stand Alone	Central AC
1	IA, RA AND KI PORTHARCOURT	150	4225	424	79
2	ALL FIELD LOCATIONS (LAND AND SWAMP EAST)	304	1013	18	245
3	IA OGUNU, OSUBI, WARRI RAMP, FOT AND ALL SWAMP LOCATION	1073	1422	107	37
<b>Total</b>		<b>1527</b>	<b>6660</b>	<b>549</b>	<b>361</b>



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**Supply Chain Council/Major Tender Board Submission**

4.	Company Estimate, Benchmarking & Value for Money	State estimate? How was this estimate determined? What benchmark was used to arrive at estimate -e.g. - existing framework agreement, cross-estimate from Global Category Manager, Shell Estimating Team, Industry index, recent market research? Highlight any allowance for inflation or changes in market prices, where applicable.		
The estimate was derived from rates in existing contracts NG01001754, NG01013637 NG01013638 and NG01013639 and market prizes for items that are not found in the current contracts.-				
	SAP Contract No.	Contractor	Contract Duration	ACV
	4610035453	M B AND C INVESTMENT LIMITED	2 years (2012 to 2014)	FS\$2,697,767.60
	4610037092	BENKLINE (NIG) LIMITED	2 years (2012 to 2014)	FS\$1,370,723.20
	4610037093	WEMTRACO (NIG) LIMITED	2 years (2012 to 2014)	FS\$1,424,419.70
	4610037078	CISAN INTERNATIONAL LIMITED	2 years (2012 to 2014)	FS\$1,537,708.70

**Section B: Tender Strategy & Alternative(s) Considered**

1.	Tender Strategy	Open Tender/Closed Tender/Negotiation/ Single Source/OLB. Explain choice of strategy.
	<p>Open tendering process through the NIPLEX portal will be employed. Where necessary, field visits will be carried out for prospective contractors in the company of NAPIMS/SPDC to ascertain or clarify tender information.</p> <p>Prequalified bidders from the NIPLEX NJQS product categories shall be selected and issued technical and commercial invitation to tender (ITT) progressively and in accordance with agreed criteria.</p> <p>This tender strategy was informed by the need to maximise commercial advantage derivable from the highly competitive market for this product, maintain multiple source of supply and flexibility during execution of contract.</p>	
2.	Alternative(s) Considered	Has alternative strategy been considered? Give brief overview of alternative(s) considered and reason for not choosing alternative(s). If no alternative considered, why not?
	<p>The following alternatives were considered:</p> <ul style="list-style-type: none"> <li>Negotiated/Single Source Tenders- this would not enable SPDC to promote competition amongst the industry players and optimise commercial advantage.</li> <li>Closed Tendering- would ultimately prevent new entrants into the market and other suitably qualified players from participating in the tendering process.</li> </ul>	

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Supply Chain Council/Major Tender Board Submission

Section C: Sourcing Strategy		
1.	Market Analysis	Analyse market conditions: How can current market dynamics affect this tender? Indicate key market structures using tools such as Porters 5 forces, Force Field analysis, SWOT and price trend analysis?
	<ul style="list-style-type: none"> <li>The market for Comfort Cooling is very diverse, and highly saturated with lots of downstream (retail) players.</li> <li>In the Upstream, there are few assembly plants, with limited local content (backward integration) input.</li> <li>To this extent, the market is largely import dependent, although buyers have a variety of choice, so can leverage price direction.</li> <li>Product quality is assured by the keen sense of competition in the market, and freedom of entry and exit</li> <li>In summary, the market conditions aligns with the sourcing strategy which is to maximise commercial advantage.</li> </ul>	
2.	Business & Key Cost Drivers	Risk/Schedule/Cost/Quality. Explain each element applicable to the service or project in terms of trend, implication and impact.
	<p>The drive is to improve reliability, availability and quality of Air Conditioning Services as well as save cost in repair/replacement of damaged equipment</p> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>To manage the HSE risks associated with the maintenance of Air conditioning facilities to ALARP.</li> <li>To reduce the risk of production loss associated with failure of HVAC facilities.</li> <li>To assure asset integrity and reduce the HSSE risk associated with asset damage.</li> </ul> <p><b>Quality</b></p> <ul style="list-style-type: none"> <li>Since the vendors shall be prequalified and technically evaluated and confirmed technically competent, improved operations and maintenance services will be provided with overall positive impact on equipment availability and reliability</li> </ul> <p><b>Cost</b></p> <ul style="list-style-type: none"> <li>The cost associated with loss of equipment due to inadequate maintenance shall be avoided through the provision of timely and effective maintenance services</li> </ul> <p><b>Schedule</b></p> <ul style="list-style-type: none"> <li>With the contract in place, speed of response to faults, Provision of materials etc shall improve</li> </ul>	

3.	Market Approach/Sourcing Risk	<p>Market Approach: Strategy based on Supplier positioning model, proposed tactics and actions.</p> <p>Sourcing Risks: How will sourcing risks be mitigated throughout the supply chain?</p>
	<p>The two stage open tendering process of technical and commercial evaluation through the NIPEX portal will be employed. Where necessary, field visits will be carried out for prospective contractors in the company of NAPIMS/SPDC to ascertain or clarify tender information.,</p> <p>Prequalified bidders from the NIPEX NJQS product categories Code: 1.12.01 - 1.12.99 shall be selected and issued technical and commercial invitation to tender (ITT) progressively and in accordance with agreed criteria.</p> <p>This tender strategy was informed by the need to maximise commercial advantage derivable from the highly competitive market for this product, maintain multiple source of supply and flexibility during execution of contract. Commercial Tender shall be split in 60% Naira plus 40% Dollar and tender shall be corporate.</p> <p>Contractors are free to quote one or all the three Zones but winning contractors shall be assigned to a zone. However, winning contractor (s) can still be deployed to another zone for operational reasons if the need arises.</p>	
4.	Regional/Global strategy fit	<p>Explain the category strategy for this service and plan to utilise existing Enterprise Frame Agreement (EFA).</p>
	<p>There is no global or regional Category Management for Air-conditioning and Refrigeration Maintenance. Neither is there any EFA thereof.</p> <p>However, this strategy aligns with the approved Utility category strategy.</p>	

5.	Nigerian Content Development (NCD)	Applicable Schedule A targets, actions required to close target gaps and Nigeria Content Plan including training plan.		
a. Applicable NOGICD Act - Schedule target(s), current in country capacity and plan to close gap if any.				
Table below illustrates required information for this section.				
*Schedule	Schedule Target	Current In-Country Capacity	Measurement Metrics	Proposed Action to close gaps
Utilities module / packages	50%	50%	Tonnage	
Heat exchangers	50%	50%	Number	
Ventilation/Heating/Sanitary Services	85%	100%	Man-Hours	
Preservation of Mechanical and Electrical Components Services	95%	95%	Man-Hours	
Maintenance and Modification of Pumps and Rotating Equipment	65%	90%	Man-Hour	
*List relevant Schedule to the contract as defined in NOGICD Act NOGICD = Nigeria Oil & Gas Industry Content Development Act				
b. Nigeria Content Plan (This is for ALL contracts >\$1m)				
i. Research & Development Plan (Strategic contracts only)				
ii. Technology Transfer Plan (Strategic contracts only)				
iii. Training Plan (Mandatory for all contracts)				
(Training Plan must be aligned with the pre-approved Nigeria Content Plan for the Project if any)				
Training Type	No of Trainees	Total Man-hours	Name / Level of Certification	
HUET	60	480		
Air Condition/Electrical certification	150	12000	Level 1 and 2	
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 plan (outline plan to utilise global sourcing opportunity to support attainment of Nigerian Content targets)				
**Where the Nigeria Content in-country capacity falls short of set minimum targets by law a waiver may be required for these categories.				



6.	Niger Delta Content Development (NDCD)	Applicable directives/targets for this category. List opportunities and actions required to make this NDCCD opportunity happen.
	<p>Opportunity exists for the employment of host community personnel and boosting of Niger Delta economy through the use of local supply contractors.</p> <p>Actions Required:</p> <ul style="list-style-type: none"> <li>Major proportion of non-technical labour to be employed from host community</li> <li>Project office supplies and stationeries to be sourced within the host community</li> </ul>	

**Section D: Sourcing Plan, Evaluation Model, Tender Plan & Award Strategy**

1.	Product Category list:	Code: 1.12.01 - 1.12.99 COOLING / HEATING / VENTILATION / AIR CONDITIONING EQUIPMENT
2.	Bid Sourcing Plan	NiPeX, Approved Single Source, Approved Selective Tendering, etc
	<b>NiPeX</b>	
3.	Indicate any issue of concern regarding each bidder.	
	A key concern is the competence of the technical personnel of each bidder. This will be mitigated by asking winning contractors to submit the cv of their key technical personnel for review.	
4.	Technical /Commercial Evaluation Criteria & Negotiation parameters	State all technical considerations driving evaluation criteria. Which are the "Go/No Go" areas (fatal flaws)? Indicate high-level weightings. Attach Commercial evaluation criteria, with distribution of Notional Quantities, milestones, re-imbursables, or book-rates as applicable. For negotiation, show aspiration, fallback and walk-away positions.
	<p>Technical evaluation shall comprise the assessment of technical submissions and where necessary site visits to contractor's facilities. The Technical evaluation shall be based on the criteria as attached (<b>attachment 3</b>). Only bidders with minimum score of 60 basis points shall be invited to submit commercial bids. Non compliance with the NOGICD Act is a FATAL flaw.</p> <p>The Commercial Evaluation for awards is proposed for 3 zones as follows:</p> <ol style="list-style-type: none"> <li>Industrial and Residential Areas, Rumuobiakani, Rumuokwurushi, and Kidney Island, Port Harcourt (<b>Zone 1</b>).</li> <li>East Outposts – All Land &amp; Swamp locations, ex-Port Harcourt including Bonny terminal and Gbaran Ubie (<b>Zone 2</b>)</li> <li>Ogonu Industrial, Warri Ramp, Osubi, Forcados Terminal and all Swamp locations in the West (<b>Zone 3</b>).</li> </ol> <p>Where a bidder is lowest in more than one zone, <b>SPDC shall make award based on the mix that shall provide the best optimum commercial benefit to it.</b></p>	
4.	Basis of Award	Technically acceptable and commercially lowest/OEM/Nigerian Content initiative, single or multiple awards? State envisaged commercial risk(s) associated with award and mitigation plan

<p>Three split awards shall be made to the technically acceptable and commercially attractive bids.</p> <p>The split award contracts is proposed for 3 Zones namely <b>Zone 1</b> Industrial and Residential Areas, Rumuobiakani, Rumuokwurushi, and Kidney Island, Port Harcourt;</p> <p><b>Zone 2</b> East Outposts – All Land &amp; Swamp field locations, ex-Port Harcourt and</p> <p><b>Zone 3</b> Ogonu Industrial Area, Warri Ramp, Osubi, Forcados Terminal and all Swamp field locations in the West,</p> <p>The award shall be one Zone to one contractor and award shall be made at their tendered rates.</p> <p>The commercially attractive bidders quoted rates shall be adjudged as realistic and technically acceptable based on verifiable submitted supporting documentation from the approved OEMs.</p> <p>Contractors shall fix prices for each of the three year contract duration denoted as year 1, 2 and 3 with no escalation clause but with an option of one year extension in contract duration.</p> <p>The contract ceiling for each contractor shall be determined by inverse proportion, thereby allowing access to higher ceilings for lower commercially attractive bid prices.</p> <p>The resultant fixed contract ceiling shall be in both Nigeria Naira and US dollar.</p>		
5.	Terms & Conditions	Model Contract Library terms & conditions must be used, otherwise list proposed exceptions and give reasons with evidence of support from Legal. How are commercial terms defined in ITT to leverage & manage bidders' capabilities and associated risk?
<p>The Shell standard contract terms and conditions shall apply as contained in the Model Contract Library type contracts for these services.</p> <p>Contract shall be administered through a Purchase Order which shall be issued based on approved work order and firmed work scope. Payment terms shall be Z20, so as to ensure prompt payment of the contractor staff from the local community.</p>		
6.	Pricing Structure & Incentives	Describe which work element is lump sum, unit rate, reimbursable. Potential payment discounts?
<p>Preventive Maintenance or Servicing shall be charged on a fixed periodic basis.</p> <p>Reactive or Breakdown Maintenance or Repairs shall be charged on call off basis. While the provision of the spare parts materials for the maintenance of HVAC system, Split/Window and Stand alone units will also be on call off basis.</p>		
7.	Tender and Award Schedule	
	Issue Technical ITT	May 2014
	Technical Evaluation	June 2014
	Issue Commercial ITT	July 2014
	Commercial Evaluation	August 2014
	MTB/SCC submission	August 2014
	Nigerian Content Compliance Certification	September 2014
	NAPIMS submission	October 2014
	Contract Award	November 2014

#### Section D: Risk Evaluation

Section D: Risk Evaluation			
1.	Level of Risk	Refer to <b>Risk Assessment Matrix (RAM)</b> and identify:	
	HSE Risk: Medium	Contract Risk: Medium	
	Contract will be managed in accordance to the SHELL HSSE & SP Control Framework		
2	Risk Event /Hazard	Barriers	Recovery Measures

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED  
Supply Chain Council/Major Tender Board Submission

	Lack of competency of contractor	Technical evaluation to ensure competency before commercial tender.	Develop robust and detailed competence development/gap closure plan
	Community Stop work and/or Start up Delay	<ul style="list-style-type: none"> <li>• Early involvement of CRO</li> <li>• Effective engagement during Kick-off meeting</li> <li>• Hold Pre-mobilisation meeting</li> <li>• Establishing good working relationship with host community.</li> <li>• Execution of all agreed sustainable development with host community.</li> </ul>	<ul style="list-style-type: none"> <li>• Stop work and engage host community.</li> <li>• Effective communication system between site and office bases.</li> </ul>
	Mobilization and set up delays for contractors.	Early Supply Engagement	Early Supply Engagement.
	Poor contract management	Formal appointment of a competent Contract Holder in line with SPDC procedures.	Application of measurable performance indices.
	Budget availability	Adequate budget for year 2014 and beyond to be allocated.	Budget offset from other sources where applicable.
	Quality assurance	Ensure SPDC Authorised Representative inspects all spare parts before installation.	Contractor to replace spare parts at own cost.
	Working at height	<ul style="list-style-type: none"> <li>• Ensure the use of safety harness and safety bag</li> <li>• Employment of qualified riggers</li> <li>• Ensure the holding of Toolbox meetings and Daily issuance of safety check-list.</li> <li>• Use of Proper PPEs.</li> <li>• Adequate Supervision.</li> <li>• Application of consequence management.</li> <li>• Periodic training.</li> <li>• Daily site report</li> <li>• Daily review of JHA.</li> <li>• Effective use and control of PTW</li> <li>• Tools/equipment pre-mob.</li> <li>• Unscheduled site visit/inspection.</li> </ul>	<ul style="list-style-type: none"> <li>• Good and effective Med vac</li> <li>• Trained First Aid Team</li> <li>• Good communication system between site and office base.</li> <li>• Emergency preparedness for project team (Safety Drill)</li> </ul>
	Poor Performance	<ul style="list-style-type: none"> <li>• Ensure that bidders have track record of good performance.</li> <li>• Include KPIs in contract and reward good performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Hold regular performance review meetings</li> </ul>

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED  
Supply Chain Council/Major Tender Board Submission

	Schedule Slippage	<ul style="list-style-type: none"> <li>Communicate delivery timelines at kick off meetings, monitor schedule,</li> <li>Use appropriate planning tools.</li> <li>Allow for appropriate Contingencies.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate recovery plan.</li> </ul>
	Variations/Claims	<ul style="list-style-type: none"> <li>Define scope and contract specifications to prevent ambiguity.</li> <li>Ensure proper interface management, especially in Brown fields.</li> </ul>	<ul style="list-style-type: none"> <li>Progress through with CRB.</li> </ul>

**Attachment 1- NCD Plan**



NCD plan for mtce of comfort cooling contr.

**Attachment 2 – Advert**



Advert Mtce of Comfort cooling.docx

**Attachment 3 – Technical Evaluation criteria**



Technical Evaluation criteria Mtce of comfc

**Attachment 4 – commercial**



Commercial template 7.xlsx



**Onovo, Raphael J SPDC-UIO/G/HIUA**

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**From:** Wilcox, Francis S SPDC-FUI/C/OG  
**Sent:** Monday, January 27, 2014 7:39 AM  
**To:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Subject:** FW: Maintenance of Comfort cooling Replacement contracts  
**Attachments:** SPDC\_SCC\_MTB\_PartA1\_rev2013- Mtce of comfort coolingrev1 (2).docx  
  
**Importance:** High

How do we closeout this?

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**From:** Ogunjimi, Debo B SNEPCO-FUI/C/OG  
**Sent:** Saturday, January 25, 2014 5:46 PM  
**To:** Wilcox, Francis S SPDC-FUI/C/OG  
**Subject:** FW: Maintenance of Comfort cooling Replacement contracts  
**Importance:** High

Francis- supported subject to the review and adoption of comments on the body of the submission especially on basis of Company Estimate and clarifications on Award Strategy.

Debo+

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**From:** Wilcox, Francis S SPDC-FUI/C/OG  
**Sent:** Friday, January 24, 2014 3:01 PM  
**To:** Ogunjimi, Debo B SNEPCO-FUI/C/OG  
**Subject:** FW: Maintenance of Comfort cooling Replacement contracts  
**Importance:** High

Gentle reminder.

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**From:** Wilcox, Francis S SPDC-FUI/C/OG  
**Sent:** Thursday, January 23, 2014 3:34 PM  
**To:** Ogunjimi, Debo B SNEPCO-FUI/C/OG  
**Cc:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Subject:** FW: Maintenance of Comfort cooling Replacement contracts  
**Importance:** High

Debo,  
Please support the Part A replacement contract for the comfort cooling works as detailed in the attached.

Regards,  
Francis

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**From:** Akinyoade, Akinyemi T SPDC-FUI/C/OG  
**Sent:** Thursday, January 23, 2014 3:24 PM  
**To:** Wilcox, Francis S SPDC-FUI/C/OG  
**Cc:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Subject:** RE: Maintenance of Comfort cooling Replacement contracts

Francis,  
This is supported.  
Reference the NAPIMS letter and include as attachment to the submission.

Regards,  
Akinyemi

Subject: FW: MTB minutes of meeting

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**From:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Sent:** Wednesday, February 26, 2014 10:58 PM  
**To:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Subject:** FW: MTB minutes of meeting

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**From:** Ndudirim, Victoria SPDC-FUI/C/OG  
**Sent:** Wednesday, February 26, 2014 8:22 AM  
**To:** Wilcox, Francis S SPDC-FUI/C/OG  
**Cc:** Onovo, Raphael J SPDC-UIO/G/HIUA  
**Subject:** MTB minutes of meeting

Please see below the Major Tender Board minutes of meeting for your records and action.  
Please keep filed for future reference.

THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

CONFIDENTIAL

MAJOR TENDER BOARD

Ref: SPDC\_MTB\_14\_08

MINUTES OF MTB MEETING NO.14\_08

Held on Monday 17<sup>th</sup> February 2014 at 1.15 PM

VENUE: PHC IA B4. 207, & LAGOS BOI 10<sup>TH</sup> FLOOR C-WING

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SPDC\_MTB\_14\_08\_3

MAINTENANCE OF COMFORT COOLING SYSTEMS IN SPDC

**OBJECTIVES OF THIS SUBMISSION:**

PART A1 – STRATEGY & CONTRACT PLAN

To seek MTB approval for:

1. Contract Strategy/Tender Category/Advertisement
2. Product Category List
3. The basis of award including Technical & Commercial Evaluation criteria
4. Material changes to the Standard Technical Evaluation criteria.
5. To issue Technical Invitation To Tender (ITT)

**Summary of Strategy:**

1. Maximise commercial advantage through competitive bidding.
2. Award 3 contracts for flexibility, speed of delivery while maintaining multiple sources of supply.
3. Only contractors registered in NipeX for the specified product category and services will be allowed to participate in the tendering process.
4. Awards shall be made to the lowest realistic bidder(s).
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**DISCUSSION**

Clarifications:

- KPIs do not appear smart enough to measure delivery of service.
- Current contract was awarded at 6.3mIn USD (40% of company estimate) using the lowest bidder's rates.
- MTB expressed dissatisfaction with growths in cost estimates provided by sponsors with particular reference to



estimated amount for spares.

**DECISION:**

Deferred.

**DIRECTIVES:**

1. Send last monthly report to MTB chairman to show how KPIs are measured. - **Provided to MTB Charman**
2. Develop KPIs that are smart enough to deliver the service. = **(Done: see attachment 6)**
3. Section D4 (Technical/Commercial Evaluation Criteria): remove statement about SPDC using its discretion to award subsequent contracts. **(Done: see Section D4)**
4. Correct contract duration in submission page 4. **(Contract duration corrected to 3 years in page 2)**
5. Remove statement in opening paragraph starting with "This will be challenged....." on page 4. **(Done: see page 5)**
6. Provide explanation to MTB on step change in value from 6mln to 40mln USD. **(Done: ECV revised to 27.1mln USD see Attachment 5)**

**TARGET DATE:**

3<sup>rd</sup> March 2014

**ACTION:**

Raphael Onovo & Francis Wilcox

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Regards  
Vicky



**Shell Petroleum Development Company of Nigeria Limited/  
Shell Nigeria Exploration and Production Company Limited  
NIGERIAN CONTENT PLAN**

Date	02/12/2013		
Project Title	MAINTENANCE OF COMFORT COOLING SYSTEMS IN SPDC (EAST & WEST)		
Estimated Contract Value (ECV) / Budget	NGN & (F\$) <b>NGN3,059,334,024.08+ \$8,798,313.48= F\$28,161,187.05</b>		
Expected Project Start Date	Q3, 2014	Expected Project End Date	Q2 2017

This submission is to obtain NCDMB approval for Nigerian Content Plan for Provision of Maintenance of Comfort cooling in line with provisions of Section 7 of the NOGICD Law.

Section A: Project Scope & Strategy	
1	<p><b>Brief Background of the Project</b> <i>(Not More Than 150 Words)</i></p> <p><b>Brief project description</b></p> <p>Air Conditioning facilities (HVAC systems) are installed in all the Data Centres and control rooms at all SPDC office areas and production field locations. This is required to keep all the installed sensitive electronic equipment in a controlled temperature and humidity environment.</p> <p>SPDC also have provided Air conditioning systems (Window, split stand alone and Central Air Condition) for all office spaces to provide comfortable working environment for personnel in offices so as to ensure efficient man-hour utilisation.</p> <p>All Residential accommodation and clubs are also provided with the various Air conditioning systems (Window, split stand alone and Central Air Condition) to ensure comfort of staff and families.</p> <p><b>Project Objectives</b></p> <p>The provision of this contract is for the Maintenance and operation of all these Air Conditioning facilities in SPDC.</p> <p><b>Location</b></p> <p>All SPDC facilities in the East and West.</p> <p><b>Sector</b> (Upstream, midstream or downstream)</p> <p>Upstream</p>
2	Scope of Work
2.1	<p><b>Total Work Scope</b> <i>(Provide an overview of the entire scope of work stating clearly the activities that will be carried out in the contract)</i></p> <ol style="list-style-type: none"> <li>Respond to fault calls and carry out breakdown maintenance of domestic room units including but not limited to Window, Split and Package Unit A/C systems.</li> <li>Operation and maintenance of Air Cooled, Chilled Water Central A/C Systems (15KW – 1350KW Cooling Capacity).</li> <li>Operation and maintenance of Industrial Direct Expansion Central air conditioners units in the East</li> <li>Operation and maintenance of Industrial Direct Expansion Central air conditioners units in the West</li> <li>Call off provisions of Maintenance Spares &amp; Consumables.</li> <li>Provide Quarterly Preventive Maintenance on New and Existing SPDC owned Split, Window, Package Unit</li> </ol>

	<p>Air conditioners, Central A/Cs, Cold rooms and Mortuary Plant.</p> <p>7. Create and Maintain a Database of SPDC owned Split, Window, Package Unit and Central Air conditioners.</p> <p>8. Decommissioning and relocation of old SPDC owned Split, Window, Package Unit Air conditioners, Central A/Cs, Cold rooms and Mortuary Plants. With proper restoration of all Wall and Floor surfaces after removal.</p> <p>9. Provision and installation of ozone friendly Stand Alone Split and window AC units</p>
2.2	<p><i>Nigerian Content Work Scope (Provide specific details of the work elements that will be done in Nigerian with reference to the Total Work Scope above, emphasize on activities built into the scope in an attempt to develop or improve Nigerian Content development as stipulated in the ACT.)</i></p>
	<ul style="list-style-type: none"> <li>• Provision of the personnel to Respond to fault calls and carry out breakdown maintenance of domestic room units including but not limited to Window, Split and Package Unit A/C systems</li> <li>• Provision of the personnel for the Operation and maintenance of Air Cooled, Chilled Water Central A/C Systems (15KW – 1350KW Cooling Capacity).</li> <li>• Provision of the personnel for the Operation and maintenance of Industrial Direct Expansion Central air conditioners units in the East and West.</li> <li>• Provision of some spares and consumable that can be sourced locally.</li> </ul>
3	<p><u>Contracting Strategy</u></p> <p>The strategy is to award to three (3) technically and commercially acceptable bidders, bidding process to be conducted through the NipeX portal.</p> <p>The contract is proposed to run for 3 yrs with an option of 1 year extension.</p>
Section B: Nigerian Content Plan	
1	<p><u>Detail plans for services to be sourced in-country</u></p> <p>Provision of personnel for the Operations and Maintenance of all Air Conditioning facilities in SPDC.</p> <p>Provision of some spares and consumable that can be sourced locally.</p>
2	<p><u>Detail plans on purchase of goods/materials/equipment manufactured in Nigeria</u></p> <p>All the unskilled and semi skilled services will be sourced from the community where these services are required. Any spare materials that are available locally.</p>
3	<p><u>Detail plan on giving first consideration to Nigerian company in bid evaluations</u></p> <p>Nigerian service providers will be considered in bid evaluations.</p>
4	<p><u>Detail plans on training and employment of Nigerians in the work programme</u></p>
4.1	<p><u>Employment Opportunity &amp; Expenditure Forecast</u></p>

S/ N	Job Title	Area of Specialisation	Skills Requirement	Employment Time Frame	Expenditure Forecast
1	AC technicians	HVAC	Air Conditioning Services	Contract Duration/ 3yrs	Not Available
2	AC Supervisors	HVAC	Supervising Air Conditioning Services	Contract Duration/ 3yrs	Not Available
3.	Coordinator	HVAC	Coordinating Air Conditioning Services	Contract Duration/ 3yrs	Not Available
4.	HSE Officer	HSE	HSE	Contract Duration/ 3yrs	Not Available

#### 4.2 Anticipated Nigerian Workforce Skills Shortages & Training Requirement

S/ N	Skill Shortage	Training Required to Fill Gap	Area of Specialisation	Training/Mode	Duration of Training
	N/A				

#### 4.3 Forecasted Training Expenditure

S/ N	Training Required	Forecasted Expenditure
	HUET	6,300,000.00 NGN
	Air Condition/Electrical certification	21,528,750.00 NGN

#### 5 Detail plans on R & D

##### 5.1 Revolving R&D Plan and Expenditure Breakdown

S/ N	Planned R&D Program	Area of Specialisation	Expenditure		
			Yr 1	Yr 2	Yr 3
	N/A				

5.2 Information on Public Call for Proposals

N/A

6 Detail plans on Technology Transfer

6.1 Planned Initiatives Promoting Effective Technology Transfer

S/ N	Planned Initiatives	Type of Technology	Area of Specialisation
	N/A		

6.2 Planned Facilitation of Joint Ventures and Alliances between Nigerian & Foreign Contractors

S/ N	Facilitation Type	Technology to be Transferred	Area of Specialisation
	N/A		

7 Nigerian Content Estimates

*Estimated NC*  
Applying the NCDMB calculation matrix, applicable target in this contract for this category of service is minimum 60% Nigerian Content as provided in Schedule A of the Nigerian Content Act.

S/N	Schedule A	Schedule A Target (%)	Estimate of Achievable NC (%)	Measurement Metrics
1	Utilities module / packages	50%	50%	Tonnage
2	Heat exchangers	50%	50%	Number
3	Ventilation/Heating/Sanitary Services	85%	85%	Man-Hours
4	Preservation of Mechanical and Electrical Components Services	95%	95%	Man-Hours
5	Low Voltage Cables	90%	100%	Length

8 Utilisation of Nigerian banking, Insurance and Legal services

In line with Section 49 and Schedule to the NOGICD Act 2010, bidders will be mandated to use the services of Nigerian banks, Insurance companies and Law firms for the execution of this contract. This shall form part of the requirements for the assessment of the bidders during the technical evaluation. Details of the banks, insurance companies and law firms will be clearly stated in the Nigerian Content Compliance Certificate to be completed by the winning bidder(s).

9 Any Other Information

N/A

Signatures

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Name:

Designation: Category Manager

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Name: Onovo Raphael

Designation: Contract Holder

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Name: Segun Adebayo

Designation: Head NCD





**SHELL PETROLEUM DEVELOPMENT COMPANY LIMITED (SPDC)**  
**TENDER OPPORTUNITY FOR MAINTENANCE OF COMFORT COOLING IN SPDC**  
**Tender Ref. No: TBA**

**TENDER ADVERTISEMENT**

**1.0 1.0 INTRODUCTION**

The Shell Petroleum Development Company of Nigeria Limited (SPDC), Operator of NNPC/Shell/Elf/Agip Joint Venture is seeking qualified HVAC contractors for the Provision of Maintenance of Comfort cooling. SPDC invites submission from reputable Nigerian registered HVAC Companies having 'world class' experience in the provision of Maintenance of Comfort cooling services for major Oil and Gas companies.

Please visit the Nigerian Petroleum Exchange Portal [www.nipex.com.ng](http://www.nipex.com.ng) for further details.

**2.0 Services Covered /Scope Of Work & Commencement Date:**

The scope of the works shall include, but not limited to the following:

- Respond to fault calls and carry out breakdown maintenance of domestic room units including but not limited to Window, Split and Package Unit A/C systems.
- Operation and maintenance of Air Cooled, Chilled Water Central A/C Systems (15KW – 1350KW Cooling Capacity).
- Operation and maintenance of Industrial DX Central air conditioners and Chillers East
- Operation and maintenance of Industrial DX Central air conditioners and Chillers West
- Call off provisions of Maintenance Spares & Consumables.
- Provide Quarterly Preventive Maintenance on New and Existing SPDC owned Split, Window, Package Unit Air conditioners, Central A/Cs, Cold rooms and Mortuary Plant.
- Create and Maintain a Database of SPDC owned Split, Window, Package Unit and Central Air conditioners.
- Decommissioning and relocation of old SPDC owned Split, Window, Package Unit Air conditioners, Central A/Cs, Cold rooms and Mortuary Plants. With proper restoration of all Wall and Floor surfaces after removal.
- Provision and installation of ozone friendly Stand Alone Split and window AC units

Due to the large SPDC area of coverage, the works and services are split into 3 clusters:

- Industrial and Residential Areas, Rumuobiakani, Rumuokwurushi, and Kidney Island, Port Harcourt (Zone 1)
- East Outposts – All Land & Swamp Field locations, ex-Port Harcourt (Zone 2).
- Ogonu Industrial, Warri Ramp, Osubi, Forcados Terminal and all Swamp locations in the West (Zone 3)

**3.0 MANDATORY REQUIREMENTS**

1. To be eligible for this tender exercise, interested contractor are required to be pre-qualified as essential service vendor in COOLING / HEATING / VENTILATION / AIR CONDITIONING EQUIPMENT Code: 1.12.01 - 1.12.99 in NipeX Joint Qualification System (NJQS) data base. All successfully pre-qualified suppliers in this category will receive an Invitation to Technical Tender (ITT).
2. To determine if you are pre-qualified and view the product/service category you are listed for, open [www.nipexng.com](http://www.nipexng.com) and access NJQS with your login details, click on continue Joint Qualification Scheme tool, click check my supplier status and then click supplier product group.
3. If you are not listed in a product/service category you are registered with DPR to do business, contact NipeX office at 30, Oyinkan Abayomi Street, Ikoyi, Lagos with your DPR certificate as evidence for verification and necessary update.
4. To initiate the JQS prequalification process, access [www.nipexng.com](http://www.nipexng.com) to download the application form, make necessary payments and contact NipeX office for further action.
5. To be eligible, all tenders must comply with the Nigerian Content Requirements in the NipeX system.

**4.0 NIGERIAN CONTENT REQUIREMENTS**

Vendors are to demonstrate strict compliance with the provisions of Nigerian Oil & Gas Industry Content Development Act and also provide the following requirements:

- Demonstrate that the entity is a Nigerian Registered Company, or Nigerian Registered Company as the contracting entity in genuine alliance or joint venture with foreign company with details on scope and responsibilities of parties for this work. Such companies must show evidence of joint venture binding agreement duly signed by the CEO of both companies including evidence or plans of physical operational presence and set-up in Nigeria
- International or multinational company working through a Nigerian subsidiary must demonstrate that a minimum of 50% of equipment to be deployed for execution of work shall be owned by the Nigerian subsidiary by providing a list of equipment for this tender and indicating those that will be owned by the Nigerian subsidiary
- Furnish details of company ownership and share holding structure. Also submit clear photocopies of your CAC Forms CO2 and CO7
- Provide evidence of what percentage of your key management positions is held by Nigerians and what percentage of the total work

force are Nigerians. Also, show overall percentage of work to be performed in Nigeria and those by Nigerian resources relative to total work volume.

- Provide a Nigerian Content Plan providing a detailed description of the role, work scope, man-hours and responsibilities of all Nigerian companies and personnel that would be involved in executing the work. Also provide details of Nigerian Content focal point or manager.
- State proposed total scope of work to be conducted by Nigerian personnel (whether contracted directly or under subcontract agreements) with names and addresses including evidences of well equipped offices and workshop; attach past experience of such patronage.
- Specific to this work, provide detailed plan for staff training and development on equipment repairs & maintenance and procurement (including all software to be used, number of personnel, name of organization providing such training and evidence of past training record) for Nigerian personnel including description of any specific programs in place for transfer of technology and skills to indigenous businesses and Nigerians over the next five (5) years.
- Location of in-country facilities (Storage, workshops, repair & maintenance facilities and testing facilities)
- Contractor must be willing and able to provide evidence of maximization of made in Nigeria goods and services.
- Provide details on any other Nigerian Content initiative your company is involved in.
- Tenderers are expected to have obtained their Nigerian Content Equipment Certification (NCEC) from the NCDMB or demonstrate that it is in the process of obtaining the certificate from NCDMB.

#### • 5.0 CLOSING DATE

- Only Tenderers who are registered in the NJQS product/category; Code: 1.12.01 - 1.12.99; COOLING / HEATING / VENTILATION / AIR CONDITIONING EQUIPMENT at ..... being the adverts close date shall be invited to submit Technical bids

#### 6.0 ADDITIONAL INFORMATION

- All costs incurred in preparing and processing NJQS prequalification shall be to the contractor's accounts.
- This advertisement shall neither be construed as any form of commitment on the part of SPDC to award any contract to any company and or associated companies, sub-contractors or agents, nor shall it entitle prequalified companies to make any claims whatsoever, and/or seek any indemnity from SPDC and or any of its partners by virtue of such companies having been prequalified in NJQS.
- SPDC will communicate only with authorized officers of the pre-qualifying companies and NOT through individuals or Agents.
- Please visit NipeX portal at [www.nipexng.com](http://www.nipexng.com) for this advert and other information. Also note that this contract will be progressed through the NipeX system..

## TECHNICAL EVALUATION CRITERIA

S/N	CRITERIA	SCORING SCHEME	MAXIMUM SCORE (%)	TENDERER 1	TENDERER 2	TENDERER 3	TENDERER 4
<b>A</b>	<b>MANDATORY BUSINESS TESTS</b>						
1	Incorporation in Nigeria - Evidence of Incorporation in Nigeria. Certificate of Incorporation from Corporate Affairs Commission/Memorandum & Articles of Association /Form CO2/Form CO7	Mandatory					
2	DPR Permit - Current Department of Petroleum Resources (DPR) Permit	Mandatory					
3	Tax Clearance - Three-Years Tax Certificate	Mandatory					
4	Shell General Business Principles and Anti-Bribery & Corruption - Confirmation of understanding of the Shell General Business Principles and compliance with Anti-Bribery and Corruption Provisions - See Sheet 2: Ethics & Shell General Business Principles and ABC Evaluation Guide	These are non-scoring items but where they are not submitted/available and there is no immediate means of ascertaining their availability, the bidder should be disqualified.  Mandatory					
5	Ethical Status - Is Tenderer under sanction by Company for Fraud or breach of Anti-Bribery & Corruption provisions or breach of the "Shell Life Saving Rules" or under investigation following HSE incident involving a fatality?	Mandatory					
<b>B</b>	<b>CORPORATE STRUCTURE - 10</b>		<b>MAXIMUM SCORE (%)</b>	<b>TENDERER 1</b>	<b>TENDERER 2</b>	<b>TENDERER 3</b>	<b>TENDERER 4</b>
1	Corporate Formation	Tenderer provides documented evidence of Joint Venture/Partnership status with clearly defined financial and operational roles or Tenderer provides documented evidence of independent status and evidence of relevant operating experience in the area of work being tendered - <b>Score 50.</b> Tenderer provides documented evidence of Joint Venture/Partnership status without clearly defined financial and operational roles - <b>Score 30.</b> No evidence - <b>Score 0</b>	50				
2	Organizational Structure/Strength						



		Tenderer provides documented evidence of clear Management structure with well-defined lines of authority, qualifications and numbers of Top Management staff and other personnel adequate to execute the work - <b>Score 50</b> . Tenderer provides evidence of Management structure with no evidence of defined roles, but provides qualifications and numbers of Top Management and other staff adequate to do the work - <b>Score 40</b> . Tenderer provides evidence of clear Management structure with well-defined lines of authority, qualifications and numbers of Top Management staff but no indication of qualifications and numbers of other personnel - <b>Score 30</b> . No evidence - <b>Score 0</b>	50					
	SUB-TOTAL		100					
C	TECHNICAL CAPABILITIES - 40/55/65	Overall Technical Capability weightings allocation will vary according to HSSE Risk and Mode as per HSSE Capability section below. "Within these overall weightings, the criteria and sub-weightings will vary from contract to contract as deemed necessary by CH & CCE"	MAXIMUM SCORE (%)	TENDERER 1	TENDERER 2	TENDERER 3	TENDERER 4	
1	Experience	Tenderer provides documented evidence showing experience in area of tendered work backed by Work Execution Plan - <b>Score 40</b> Tenderer provides documented evidence showing experience in area of tendered work but no Work Execution Plan - <b>Score 30</b> Tenderer shows no documented evidence of experience in area of tendered work but submits acceptable Work Execution Plan - <b>Score 20</b> None of the above evidence provided - <b>Score 0</b>	40					
2	Technical Partnership	Tenderer provides documented evidence of technical partnership(s) with other company/companies in the requisite field of work - <b>Score 10</b> . Tenderer provides evidence of general technical partnership with other company/companies but not particularly in the requisite field of work - <b>Score 6</b> . No evidence - <b>Score 0</b>	10					
3	Personnel							

	Numbers, experience and skills of proposed personnel adequate to support minimum work requirements.	Tenderer provides documented evidence of numbers, experience and skills of proposed personnel adequate to support the work. <b>Score 20.</b> Tenderer provides documented evidence of experience and skills of proposed personnel but numbers inadequate to support the work - <b>Score 10.</b> Tenderer provides documented evidence on requisite numbers of personnel to support the work but <b>no</b> convincing evidence of personnel experience and skills - <b>Score 5.</b> No evidence - <b>Score 0</b>	20						
	<b>4 Equipment, Hardware &amp; Accessories</b>								
	<b>Site visit/verification may be required</b>								
	Evidence of availability of required equipment. Evidence that equipment is compliant with minimum requirements. Evidence of routine inspection and maintenance. Evidence of availability of back-up/spares. Evidence of OEM relationships if required.	Tenderer provides documented evidence of equipment availability, compliance with minimum standard, routine inspection and maintenance log, availability of back-up spares and OEM relationship where required - <b>Score 20.</b> Tenderer provides evidence of equipment availability, compliance with minimum standard, routine inspection and maintenance log but <b>no</b> back-up spares or OEM relationship where required - <b>Score 10.</b> Tenderer provides documented evidence of equipment availability, routine inspection and maintenance log, availability of back-up spares and OEM relationship but equipment <b>not</b> compliant with minimum standard - <b>Score 5.</b> None of the above evidence provided <b>Score 0</b>	20						
	<b>5 QA/QC Plan</b>								
	QA/QC Plan submitted by Tenderer. Evidence of ISO certification (where requested). Description of audit programme and evidence of previous audits on previous projects. Evidence of procedure/systems used by Tenderer for performance management	Tenderer submits QA/QC Plan, provides evidence of ISO certification (where required), provides evidence of previous audits on previous projects, and procedure/systems used for performance management. <b>Score 10.</b> Tenderer submits QA/QC Plan, provides evidence of ISO certification (where required) but <b>no</b> evidence of either previous audits on previous projects, or procedure/systems used for performance management. <b>Score 5.</b> Tenderer submits QA/QC Plan, evidence of either previous audits on previous projects, or procedure/systems used for performance but no evidence of ISO certification (where required) - <b>Score 4.</b> None of the above evidence provided <b>Score 0</b>	10						
	<b>SUB-TOTAL</b>		100						
<b>D</b>	<b>FINANCIAL CAPABILITIES -20</b>		<b>MAXIMUM SCORE (%)</b>	<b>TENDERER 1</b>	<b>TENDERER 2</b>	<b>TENDERER 3</b>			

		Mandatory					
1.	Three (3) years' accounts audited by a licensed accountancy firm which shall be a member of the Institute of Chartered Accountants of Nigeria with a public practice license evidenced by the presence of the ICAN PPS stamp on the certificate.	Mandatory					
2.	Status of the latest audit certificate. Most recent accounts should not have an end of year date more than 18 months before time of tendering.	Unqualified opinion - <b>Score 15</b> Qualified opinion - <b>Score 10</b> (refer to Finance SME on decision to proceed or stop evaluation) Adverse opinion/Disclaimer or more than 18 months old - <b>Disqualified</b>	15				
3.	Contract value ratio - Average annual turnover / the estimated annual contract value.	$\geq 4.5$ - <b>Score 25</b> $2.5 \geq x < 4.5$ - <b>Score 15</b> $< 2.5$ - <b>Score 5</b>	25				
4.	Contract exposure - (Net current assets -/- maximum 3 month contract exposure) / Acid (Cash) ratio for each of the past 3 years - (current assets-stock-debtors) / current liabilities.	$\geq 2.0$ - <b>Score 25</b> $1.0 \geq x < 2.0$ - <b>Score 15</b> $\geq 1.0$ - <b>Score 15</b> $0.85 \geq x < 1.0$ - <b>Score 10</b> $0.70 \geq x < 0.85$ - <b>Score 5</b> $< 0.70$ - <b>Score 0</b>	25				
5.	Debt to equity ratio - (total liabilities - accounts payable) / shareholders' equity.	$0.3 \geq x$ - <b>Score 10</b> $1 \geq x > 0.3$ - <b>Score 5</b> $x > 1$ - <b>Score 1</b>	10				
6.	Interest cover ratio - (profit before interest and tax) / interest payable.	$x \geq 3.5$ - <b>Score 10</b> $1.5 \geq x < 3.5$ - <b>Score 5</b> $x < 1.5$ - <b>Score 1</b>	10				
7.			100				
	<b>SUB-TOTAL</b>						
Option 3	<b>HSSE Management (Low Risk Mode 2 and All Mode 1 and 3 contracts) *** 5</b> <b>This must account for at least 5% of overall weighting</b>		MAXIMUM SCORE (%)				
a)	Assessment of Contractor Management, contract administration, technical, HSSE per Contractor Simplified HSSE Checklist for Contracts Exempt from CA - Mode 2 low risk and Mode 1 & 3 contracts.	Comprehensive - Score 80-100. Satisfactory - Score 65-79. Fair - Score 50-64. Poor - Score 0-49.	100				
				TENDERER 1	TENDERER 2	TENDERER 3	TENDERER 4

#### NOTE\*\* HSSE EVALUATION MODEL FOR Mode 2 HIGH & MEDIUM HSE RISK CONTRACTS

- Use of this HSSE evaluation model is mandatory for all Mode 2 High & Medium HSSE Risk tenders where a) The contractor will perform work under own HSSE-MS that interfaces with the HSSE MS of SPDC/SNEPCo (Mode 2).
- Contractor inability to demonstrate capacity to manage HSSE risk inherent in contract work scope increases risk of violation of HSSE standards including the Mineral Oils (Safety) Regulations 2007 and thus a 'Fatal Flaw'.
- This HSSE evaluation model will account for at least 30% of total Technical Evaluation score for High HSSE risk contracts while for Medium HSSE risk contracts, it will account for at least 15% of total Technical Evaluation score.
- To qualify, a contractor MUST meet mandatory criteria in section A and attain a minimum of 60% of the score available in section E-Options 1 or 2. Failure to pass either criteria automatically leads to disqualification.

#### NOTE\*\*\* HSSE EVALUATION MODEL FOR Mode 2 LOW RISK and All Mode 1 & 3 CONTRACTS

- For Low Risk Mode 2 tenders and all Mode 1 & 3 tenders, this HSSE evaluation model will account for at least 5% of total Technical Evaluation score.
- To qualify, a contractor MUST meet mandatory criteria in section A and attain a minimum of 60% of the score available in section E-Option 3. Failure to pass either criteria automatically leads to disqualification.