

**Confidential****Part B – Contract Award****Date: 18/02/2022**

|  |   |                   |                     |
|--|---|-------------------|---------------------|
| Category   | Terminal Engineering  | Contract ID:      | CW266057 + 3 others |
| Contract Title:                                    | REFURBISHMENT OF TANKS IN BONNY AND FORCADOS TERMINAL   |                   |                     |
| HSE Mode & Risk                                    | Mode 2 & High Risk  |                   |                     |
| Agenda Item  | (TB secretary to complete)  |                   |                     |
| Proposed Authorized Contract Value (ACV)           | <b>BONNY TERMINAL - FUSD51,412,066.58</b><br>(NGN11,102,247,374.62 + USD24,267,207.38)<br><b>FORCADOS TERMINAL – FUSD50,672,351.11</b><br>(NGN10,942,508,549.52 + USD23,918,051.48) | Segmentation      | Tactical            |
| Proposed expenditure while pending NAPIMS approval | USD/Naira (only applicable for MCB Submissions - urgent contracts)  |                   |                     |
| Start & End dates                                  | Q2 2022 – Q2 2026   | Duration          | 4yrs                |
|  |   | Extension options | 1yr                 |

**PURPOSE****INFORM MCB**

1. Inform MCB of outcome of commercial evaluation jointly conducted with NAPIMS and the following requested change by NAPIMS to the award strategy:
  - a) Award to technically qualified responsive and commercially acceptable bidders based on NAPIMS industry benchmark
  - b) ACV split ratio of 60:40 based on acceptable bidder's rates for each Terminal.

**SEEK MCB APPROVAL:**

1. To award Four (4) standalone contracts for Provision of Tank Rehabilitation activities in BOGT and FOT (two Contracts per location) to the bidders with commercially acceptable responsive rates, for a contract duration of 4 years + 1 year extension option;
2. To negotiate with the next acceptable bidders for both Terminals progressively (Bonny Terminal – Hopic Nigeria Ltd and Forcados Terminal – Elixir Services Limited and Baywood Continental Limited) at a negotiation mandate of 100% of the JV's adopted rates. If any of the proposed acceptable bidders rejects the walkaway option; the negotiation will be continued with subsequent bidders until award mandate is achieved.
3. For 3% HCD provision and Provisional Sum of 20% of the ACV for optional notional scopes
4. For contract award and values as detailed in table below.

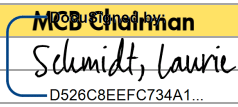
| S/N                      | BIDDER                            | % ACV ALLOCATION | RECOMMENDED ACV incl 20% PROVISIONAL SUM (F\$) | 3% HCD PROVISION (F\$) | TOTAL ACV (F\$)      |
|--------------------------|-----------------------------------|------------------|--|------------------------|----------------------|
| <b>BONNY TERMINAL</b>    |                                   |                  |  |                        |                      |
| 1                        | STRIDES ENERGY AND MARITIME LTD   | 60               | 29,948,776.65                                  | 898,463.30             | 30,847,239.95        |
| 2                        | HOPIC NIGERIA LTD / TBD           | 40               | 19,965,851.10                                  | 598,975.53             | 20,564,826.63        |
|                          | <b>TOTAL</b>                      | <b>100%</b>      | <b>49,914,627.75</b>                           |                        | <b>51,412,066.58</b> |
| <b>FORCADOS TERMINAL</b> |                                   |                  |  |                        |                      |
| 1                        | ELIXIR SERVICES LIMITED           | 60               | 29,517,874.43                                  | 885,536.23             | 30,403,410.67        |
| 2                        | BAYWOOD CONTINENTAL LIMITED / TBD | 40               | 19,678,582.96                                  | 590,357.49             | 20,268,940.44        |
|                          | <b>TOTAL</b>                      | <b>100%</b>      | <b>49,196,457.39</b>                           |                        | <b>50,672,351.11</b> |

5. Sign off Recommendation to award at the Line level in the event that Hopic, Elixir and Baywood reject SPDC JV offer and award is to alternative bidders.

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**Stakeholders Endorsement:**

|           | Senior Procurement Manager (SPM)  | Contract Owner   |
|-----------|---|--|
|           | Reviewed and approved for MCB and confirms:<br>1. Alignment with approved Category Strategy (& Global Category Strategy where applicable)<br>2. Compliance with the NOGICD Act & Community Content commitments. | Reviewed whole submission and confirms support from:<br>1. Finance [Femi Ajala] - 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)<br>2. HSSE [Emma Etsano] - HSSE consideration and requirements are met |
| Signature |   |  |
| Name      | Greg Akhibi   | Chris Ubuane   |
| Date      |   |  |

| Approval  |  |
|-----------|--|
|           | MCB Chairman   |
| Signature |  |
| Name      | D526C8EEFC734A1...   |
| 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 |
|--|---------------|
| MCB PART A Strategy Approval   | 14/05/2019    |
| NAPIMS approval of strategy and advertisement                                  | 20/09/2019    |
| MCB Delegated Approval of Strategy Part A1 Addendum                            | 25/11/2019    |
| NCDMB Certification of Advert  | 03/12/2019    |
| Advert close date  | 17/02/2020    |
| NCDMB Certification of ITT   | 28/04/2020    |
| SPDC/NAPIMS Joint Bid Opening  | 15/12/2020    |
| NCDMB Technical Report   | 26/03/2021    |
| Technical Bids evaluation concluded, and aligned / result sign off with NAPIMS | 01/03/2021    |
| Line / CP Approval of Technical Result   | 19/05/2021    |
| Commercial Bids evaluation concluded and aligned with NAPIMS                   | 27/09/2021    |
| NCDMB Commercial Report  | 25/10/2021    |

**BACKGROUND**

- MCB and NAPIMS approved the Part A-strategy on 14/05/2019 (**Attachment 1**) and 20/09/2019 (**Attachment 2**) respectively.
- MCB delegated approval of Part A addendum 01 was obtained on 25/11/2019 to align with NAPIMS approval.
- NCDMB certification of NCP and Advert were obtained on 25/11/2019 and 03/12/2019
- The advert was published with a close date of 17/02/2020, while bidders who were registered in both categories of Prod Code: 4.05.07 and 1.08.01 were downloaded from NIPEX. There were a total number of thirty-two (32) active bidders upon conclusion of the advert period
- The combined Technical and Commercial ITT was published in NipeX portal on 26<sup>th</sup> June 2020 with a submission deadline of 14<sup>th</sup> August 2020, which was further extended to 21<sup>st</sup> August 2020 based on requests from the bidders due to COVID-19 challenges.
- Pre-Tender meeting held on 03/07/2020.

- Twenty-three (23) bidders responded by the bid due date and they were all evaluated, while 9 bidders did not submit any bid.
- The TEC and CEC was approved by NAPIMS in Nipex on 4<sup>th</sup> December 2020
- The Technical bid evaluation was signed off by SPDC and NAPIMS on 1<sup>st</sup> March 2021. **Attachment 3**, while NCDMB technical report was obtained on 26<sup>th</sup> March 2021 **Attachment 4**.
- A total of sixteen (16) bidders qualified to progress to commercial stage having passed both the joint NAPIMS & SPDC technical evaluation and complied with NCDMB requirement. **Attachment 5**
- Commercial bid evaluations were signed off by SPDC and NAPIMS on the 27<sup>th</sup> September 2021, **Ref. Attachment 6**. NCDMB commercial report was approved on 25<sup>th</sup> October 2021. **Ref. Attachment 7**.

### CHANGES FROM STRATEGY

The contract was initially scheduled to commence in Q2 2020 as approved in the Part A, however because of delays encountered during the tendering process, the contract is now to commence in Q2 2022.

The following changes are also proposed to align with NAPIMS strategy changes:

- Initial proposal was for award to be made to the two (2) lowest bidders at the lowest bidder's rates for each location while NAPIMS approved for award to be made to two (2) technically qualified responsive and commercially acceptable lowest bidders at the lowest bidder's evaluated prices / rates for each location.
- Post commercial bid opening, NAPIMS proposed a further change to the award strategy to the effect that the bidders to be considered for award are those with quotes within NAPIMS industry benchmark using the exchange rate in the CITT document of NGN305 to \$1 as against exchange rate as at the time of bid opening of NGN409 to \$1 to gain more ACV for work execution. However, NGN409 to \$1 has been retained for this evaluation.
- Only bidders with quotes >F\$40mln for BOGT and >F\$39.5mln for FOT are to be considered for award. This is based on NAPIMS industry benchmark of F\$8.5mln & F\$3.5mln for full and partial tank rehabilitation respectively per tank.
- Award to be at a specific ACV split ratio of 60: 40 based on acceptable bidder's rates for each Terminal versus inverse proportion based as a percentage of the total contract ceiling (derived from the lowest bidder's rates) respectively.

### SUMMARY OF VALUE CONTRIBUTION

|                             | Benefit   | Losses |
|-----------------------------|---|--------|
| Safety                      | Direct  | N/A    |
| Production – Oil ('000 b/d) | Indirect  | N/A    |
| Production – Gas (mscf/d)   | N/A   | N/A    |
| Reserves (mboe/d)           | Indirect  | N/A    |
| Flares reductions (mscf/d)  | N/A   | N/A    |
| Cost Saving                 | Indirect ca F\$38,974,543.72 over a 5yr period (F\$7,794,908.74 per year) |        |

#### Potential Cost Avoidance Savings recorded:

Cost avoidance based on Proposed award against Company Estimate is net 63% to 84% for the 5 year period for both Terminals.

|      | Estimate at strategy (F\$) | Estimate at commercial (F\$) | Total Award Value (F\$) - 2 Contracts | Cost Avoidance for (4+1) Year period (F\$)  |
|------|----------------------------|------------------------------|---------------------------------------|---|
| BOGT | 81,300,000.00              | 79,534,329.44                | 49,914,627.75                         | 29,619,701.69<br>(F\$5,923,940.34 per year) |
| FOT  | 60,070,000.00              | 58,551,299.43                | 49,196,457.39                         | 9,354,842.04<br>(F\$1,870,968.41 per year)  |

## SECTION B: RESULTS AGAINST AGREED CRITERIA

### TECHNICAL EVALUATION

- Double Envelop Technical and Commercial ITT was issued on 26<sup>th</sup> June 2020 to 32 bidders downloaded from NIPLEX who were active in both NJQS product groups (1.08.01 and 4.05.07).
- Upon conclusion of the advert period, 23 of the bidders responded by the bid due date of 21<sup>st</sup> August 2020 and were all evaluated. NAPIMS indicated the higher score from either party should be adopted as the final rating. Please find below outcome of the joint SPDC + NAPIMS technical evaluation result.
- NCDMB issued their final revised Technical Evaluation report on 26/03/2021 with 21 of the 23 bidders complying with NCDMB requirements. Only 2 bidders (FMX Integrated Serv. and Ian Wilson Services Ltd) did not comply with NCDMB requirements and did not provide required documents when requested to enable a revised review.
- Overall, only Sixteen (16) bidders qualified to progress to commercial stage having passed both the joint NAPIMS & SPDC technical evaluation and complied with NCDMB requirement. **Ref Attachment 5 – Approved Part A2)**

**Table 1: Technical Evaluation Result Summary**

| S/N | Recommended Bidders                           | SPDC Score (%) | NAPIMS Score (%) | Reconciled Final Rating (%) | NCDMB         |
|-----|---|----------------|------------------|-----------------------------|---------------|
| 1   | KTV MAINTENANCE SERVICES LTD                  | 62             | 89.8             | 90                          | Compliant     |
| 2   | SUDELETRA NIGERIA LTD                         | 89             | 80.52            | 89                          | Compliant     |
| 3   | BAYWOOD CONTINENTAL LIMITED                   | 86             | 87.97            | 88                          | Compliant     |
| 4   | HOPIC NIGERIA LTD                             | 85             | 87.88            | 88                          | Compliant     |
| 5   | DICCEE NIGERIA LIMITED                        | 87             | 81.5             | 87                          | Compliant     |
| 6   | ELIXIR SERVICES LIMITED                       | 80             | 86.95            | 87                          | Compliant     |
| 7   | ADANO ENG. CO. NIG. LTD                       | 86             | 68.35            | 86                          | Compliant     |
| 8   | DORMAN LONG ENGINEERING LIMITED               | 78             | 78               | 78                          | Compliant     |
| 9   | STRIDES ENERGY AND MARITIME LTD               | 70             | 74.85            | 75                          | Compliant     |
| 10  | TOMBA RESOURCES NIGERIA LTD                   | 48             | 74.63            | 75                          | Compliant     |
| 11  | ANCHOR-MARIC NIGERIA LTD                      | 62             | 73.92            | 74                          | Compliant     |
| 12  | STEVE INTEGRATED TECHNICAL SERVICES LTD       | 69             | 72.77            | 73                          | Compliant     |
| 13  | SANAGLOBE NIGERIA LIMITED                     | 57             | 70.83            | 71                          | Compliant     |
| 14  | TRIUMPH SUPPLIES AND SERVICES NIGERIA LIMITED | 65             | 69.07            | 69                          | Compliant     |
| 15  | ARDENT ENERGY SERVICES LTD                    | 64             | 62.15            | 64                          | Compliant     |
| 16  | PIVOT GIS LTD                                 | 62             | 53.28            | 62                          | Compliant     |
| 17  | NIVAFER STEEL CONSTRUCTION CO. LTD            | 46             | 42.17            | 42.17                       | Compliant     |
| 18  | HYPROPS NIGERIA LTD                           | 40             | 39.48            | 39.48                       | Compliant     |
| 19  | DAIKI ENGINEERING LIMITED                     | 37             | 73.72            | 37                          | Compliant     |
| 20  | OCO IND. SERV LTD                             | 43             | 31.53            | 31.53                       | Compliant     |
| 21  | IAN WILSON SERVICES LIMITED                   | 31             | 29.83            | 29.83                       | Not Compliant |
| 22  | Erasko Energy Limited                         | 48             | 27.62            | 27.62                       | Compliant     |
| 23  | FMX INTEGRATED SERVICES LTD                   | 20             | 21.88            | 20                          | Not Compliant |

### COMMERCIAL EVALUATION

The Commercial bids of the 16 bidders that passed technical evaluation were downloaded from NIPLEX on 15<sup>th</sup> July 2021 and joint (SPDC / NAPIMS) commercial evaluation commenced same day. In the course of the commercial bid evaluation exercise, SPDC JV agreed to utilise the current exchange rate as at the time of bid opening to aid analysis since the bids were quoted in source currencies, as such an exchange rate of NGN409 / \$1 was applied.

All sixteen (16) bidders submitted bids that ranged from 38% to 347% of the Company Estimate for Bonny Terminal, while bids ranged from 52% to 428% of the Company Estimate for Forcados Terminal. The Company estimate is derived from current execution rates as determined by Project Services.

From the 16 commercial bids received, the following were observed/agreed by the SPDC JV evaluation team:

- 2 bidders (Arden Energy Services Ltd and Pivot GIS LTD) utilised the wrong commercial bid template and could therefore not be analysed, were disqualified for non-compliance with the agreed template. 14 bids were therefore evaluated

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- The bidder ADANO ENG CO NIG LTD indicated 0.00 in the USD column for all their rates, however they were evaluated based on their quoted rates since they intentionally populated all the cells in the schedule of rates. The Team took this to imply not considering foreign procurement in their rates.
- The variation items (optional notional scope) will not be included as part of the main evaluation amount, but a Provisional Sum of 20% of the main scope value will be proposed in the ACV to cater for this since notional scopes are largely unknown and could only be ascertained upon completion of joint inspection when the tanks have been opened. The basis being that previous notional scopes for already refurbished tanks were within 20% of the main scope value and this was included in the Company estimate to cater for variation items.

Commercial Evaluation report for all 16 bidders was received from NCDMB on 25<sup>th</sup> October 2021.

#### NAPIMS REVISED BASIS FOR AWARD

However, upon conclusion of the evaluation in September 2021, NAPIMS proposed the changes detailed above in page 2 – CHANGES TO STRATEGY. This introduced a misalignment and set-back as their proposed approach was not in line with the approved contract strategy and NAPIMS benchmark did not take cognisance of the various tank sizes. Furthermore, this was determined after commercials were opened rather than defining the Industry benchmark as part of the evaluation parameters upfront. NAPIMS also insisted that the awardees should be indicated in the signed-off commercial sheet. SPDC further declined noting that the Recommendation to Award can only be made upon receipt of MCB approval.

To resolve the stalemate, NAPIMS Management then agreed to have a Minutes of Meeting signed-off stating their concerns and preferences. Ref **Attachment 9**. They subsequently requested for an updated MoM to adoption of exchange rate of NGN305 / \$1 in support of their revised minimum ACV benchmark of F\$51mln for BOGT and F\$43mln for FOT, which SPDC declined.

Further clarifications were thereafter sought from NAPIMS on the basis for the revised award strategy as applying their benchmark of F\$8.5mln for full rehab and F\$3.5mln for partial rehab (assumed for the smaller tank sizes) @N305 /\$1 vs N409/\$1 led to a higher ACV acceptance point (F\$40mln to F\$51mln for BOGT and F\$39.5mln to F\$43mln for FOT). The meeting was declined and NAPIMS rather stated that the exchange rate of NGN305 / \$1 that was included in the commercial ITT along with their proposed benchmark should be utilised for the evaluation purposes, with recommendation to Award issued – ref **Attachment 10**.

The revised commercial evaluation result is summarised in Table 2 below:

**Table 2: Commercial Evaluation Result Summary**

#### BONNY TERMINAL PACKAGE

| S/N | BIDDERS                                       | NGN               | USD            | BIDDER'S QUOTED ACV (FUSD @409) | % Company Estimate | % Industry Benchmark - A | Technical Score | PROVISIONAL SUM (20%) | TOTAL PROPOSED ACV | Rank |
|-----|---|-------------------|----------------|---------------------------------|--------------------|--------------------------|-----------------|-----------------------|--------------------|------|
|     | IN-HOUSE ESTIMATE                             | 5,240,582,325.67  | 53,760,556.38  | 66,573,716.10                   | 100%               |                          |                 | 12,960,613.34         | 79,534,329.44      |      |
|     | INDUSTRY BENCHMARK A - 409                    |                   |                | 40,000,000.00                   | 60%                | 100%                     |                 |                       |                    |      |
|     | INDUSTRY BENCHMARK B - 305                    |                   |                | 51,000,000.00                   | 77%                | 128%                     |                 |                       |                    |      |
| 1   | SANAGLOBE NIGERIA LIMITED                     | 2,023,141,284.00  | 20,490,438.00  | 25,436,993.71                   | 38%                | 64%                      | 71              | 5,067,398.74          | 30,524,392.45      | DQ   |
| 2   | TOMBA RESOURCES NIGERIA LTD                   | 6,848,254,096.25  | 14,968,861.41  | 31,712,758.96                   | 48%                | 79%                      | 75              | 6,342,551.79          | 38,055,310.75      | DQ   |
| 3   | ADANO ENG. CO. NIG. LTD                       | 13,277,200,180.01 | 0.00           | 32,462,592.13                   | 49%                | 81%                      | 86              | 6,492,518.43          | 38,955,110.55      | DQ   |
| 4   | ANCHOR-MARIC NIGERIA LTD                      | 3,571,486,264.66  | 26,672,326.60  | 35,404,566.85                   | 53%                | 89%                      | 74              | 7,080,913.37          | 42,485,480.22      | DQ   |
| 5   | STRIDES ENERGY AND MARITIME LTD               | 8,982,400,788.52  | 19,633,662.93  | 41,595,523.04                   | 62%                | 104%                     | 75              | 8,319,104.61          | 49,914,627.65      | 1st  |
| 6   | HOPIC NIGERIA LTD                             | 9,005,528,117.28  | 19,679,714.46  | 41,698,120.62                   | 63%                | 104%                     | 88              | 8,339,624.12          | 50,037,744.74      | 2nd  |
| 7   | ELIXIR SERVICES LIMITED                       | 9,185,638,679.63  | 20,073,308.75  | 42,532,083.03                   | 64%                | 106%                     | 87              | 8,506,416.61          | 51,038,499.63      | 3rd  |
| 8   | STEVE INTEGRATED TECHNICAL SERVICES LTD       | 5,793,232,192.38  | 28,491,306.62  | 42,655,688.51                   | 64%                | 107%                     | 73              | 8,531,137.70          | 51,186,826.21      | 4th  |
| 9   | SUDELETTTRA NIGERIA LTD                       | 14,016,229,840.83 | 25,955,981.19  | 60,225,491.80                   | 90%                | 151%                     | 89              | 12,045,098.36         | 72,270,590.16      | 5th  |
| 10  | BAYWOOD CONTINENTAL LIMITED                   | 13,145,067,884.94 | 28,732,388.82  | 60,871,919.10                   | 91%                | 152%                     | 88              | 12,174,383.82         | 73,046,302.92      | 6th  |
| 11  | DICCEE NIGERIA LIMITED                        | 18,423,722,282.12 | 29,700,871.22  | 74,746,646.97                   | 112%               | 187%                     | 87              | 14,949,329.39         | 89,695,976.36      | 7th  |
| 12  | TRIUMPH SUPPLIES AND SERVICES NIGERIA LIMITED | 11,894,709,447.92 | 82,860,867.17  | 111,943,286.35                  | 168%               | 280%                     | 69              | 22,368,657.27         | 134,331,943.62     | 8th  |
| 13  | KTV MAINTENANCE SERVICES LTD                  | 13,453,457,926.07 | 116,384,394.50 | 149,277,934.66                  | 224%               | 373%                     | 90              | 29,855,586.93         | 179,133,521.59     | 9th  |
| 14  | DORMAN LONG ENGINEERING LIMITED               | 49,327,272,883.46 | 109,132,287.02 | 231,203,858.86                  | 347%               | 578%                     | 78              | 46,240,771.77         | 277,444,630.63     | 10th |



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**FORCADOS TERMINAL PACKAGE**

| S/N | BIDDERS                                       | NGN               | USD            | BIDDER'S QUOTED ACV (FUSD @409) | % Company Estimate | % Industry Benchmark - A | Technical Score | PROVISIONAL SUM (20%) | TOTAL PROPOSED ACV | Rank                  |
|-----|---|-------------------|----------------|---------------------------------|--------------------|--------------------------|-----------------|-----------------------|--------------------|-----------------------|
|     | SPDC IN-HOUSE ESTIMATE                        | 3,942,594,555.13  | 39,412,009.78  | 49,051,605.27                   | 100%               |                          |                 | 9499634.16            | 58,551,299.43      |                       |
|     | INDUSTRY BENCHMARK A - 409                    |                   |                | 39,500,000.00                   | 81%                | 100%                     |                 |                       |                    |                       |
|     | INDUSTRY BENCHMARK B - 305                    |                   |                | 43,000,000.00                   |                    | 109%                     |                 |                       |                    |                       |
| 1   | SANAGLOBE NIGERIA LIMITED                     | 2,045,291,634.00  | 20,708,677.00  | 25,709,390.04                   | 52%                | 65%                      | 71              | 5,141,878.01          | 30,851,268.05      | DQ                    |
| 2   | TOMBA RESOURCES NIGERIA LTD                   | 6,213,549,453.65  | 13,581,528.86  | 28,773,581.31                   | 59%                | 73%                      | 75              | 5,754,716.26          | 34,528,297.58      | DQ                    |
| 3   | STRIDES ENERGY AND MARITIME LTD               | 6,425,465,239.80  | 14,044,732.90  | 29,754,917.00                   | 61%                | 75%                      | 75              | 5,950,983.40          | 35,705,900.40      | DQ                    |
| 4   | ADANO ENG. CO. NIG. LTD                       | 13,886,848,831.36 | 0.00           | 33,953,175.63                   | 69%                | 86%                      | 86              | 6,790,635.13          | 40,743,810.75      | DQ                    |
| 5   | ANCHOR-MARIC NIGERIA LTD                      | 3,440,546,364.58  | 25,846,533.02  | 34,258,626.82                   | 70%                | 87%                      | 74              | 6,851,725.36          | 41,110,352.19      | DQ                    |
| 6   | HOPIC NIGERIA LTD                             | 8,853,162,256.89  | 19,351,174.33  | 40,997,047.82                   | 84%                | 104%                     | 88              | 8,199,409.56          | 49,196,457.39      | Awarded BOGT Contract |
| 7   | ELIXIR SERVICES LIMITED                       | 9,030,225,502.03  | 19,738,197.81  | 41,816,988.77                   | 85%                | 106%                     | 87              | 8,363,397.75          | 50,180,386.53      | 1st                   |
| 8   | BAYWOOD CONTINENTAL LIMITED                   | 9,442,059,669.28  | 20,638,381.79  | 43,724,102.25                   | 89%                | 111%                     | 88              | 8,744,820.45          | 52,468,922.70      | 2nd                   |
| 9   | SUDELETTRA NIGERIA LTD                        | 13,259,667,874.55 | 24,505,290.39  | 56,325,016.24                   | 116%               | 144%                     | 89              | 11,385,003.25         | 68,310,019.49      | 3rd                   |
| 10  | STEVE INTEGRATED TECHNICAL SERVICES LTD       | 8,181,975,840.00  | 40,239,223.63  | 60,244,054.53                   | 123%               | 153%                     | 73              | 12,048,810.91         | 72,292,865.44      | 4th                   |
| 11  | DICCEE NIGERIA LIMITED                        | 17,210,945,806.94 | 28,095,451.35  | 70,176,003.45                   | 143%               | 178%                     | 87              | 14,035,200.69         | 84,211,204.14      | 5th                   |
| 12  | TRIUMPH SUPPLIES AND SERVICES NIGERIA LIMITED | 10,677,292,956.77 | 83,448,317.60  | 109,554,168.35                  | 223%               | 277%                     | 69              | 21,910,833.67         | 131,465,002.02     | 6th                   |
| 13  | KTV MAINTENANCE SERVICES LTD                  | 14,744,959,413.72 | 128,432,002.60 | 164,483,248.11                  | 335%               | 416%                     | 90              | 32,896,649.62         | 197,379,897.73     | 7th                   |
| 14  | DORMAN LONG ENGINEERING LIMITED               | 45,326,199,607.93 | 99,082,335.66  | 209,904,339.60                  | 428%               | 531%                     | 78              | 41,980,867.32         | 251,885,207.51     | 8th                   |

**OTHER INFORMATION (ANALYSIS BY CMT):**

The practicality of NAPIMS position has been internally reviewed and CMT conducted the following analysis on the award strategy and benchmark being proposed by NAPIMS:

1. Compared rates of one of the incumbent Contractor (HOPIC) that participated in the tender against their quote in the new tender. Finding - their quote in the tender were lower than the current execution cost by 36% for BONNY but higher for FOT. – ref Attachment 8

2. Engaged Legal on the following clauses:

- The SPDC JV reserves the right to accept or reject any price considered unrealistic and unresponsive, which was included in the ITT.
- Award to 2 technically qualified responsive and commercially acceptable lowest bidders at the lowest bidder's evaluated prices / rates with ACV split ratio of 60:40 introduced by NAPIMS

Legal's advised that the Company is under no obligation to accept any bid and though we are legally covered, we could still be petitioned by a disgruntled bidder.

3. Further assessed the possibility of the lowest bidder in both locations (Sanaglobe Nigeria Limited) to execute the work at their quoted rate. Sanaglobe's bid was considered to be unrealistic with likely performance issues it is much lower than the current Baywood contract rates and Baywood can only execute partial rehabilitation scopes in Bonny due to their low cost (Ref Table 3 below). Furthermore, Sanaglobe's technical evaluation rating from SPDC was also low (at 57%).

**Table 3.1 – CMT AWARD OPTION ANALYSIS**

| DESCRIPTION               | BONNY TERMINAL DATA |         |
|---------------------------|---------------------|---------|
|                           | AMOUNT - F\$        | % of CE |
| Company Estimate          | 66,573,716.10       | 100%    |
| NAPIMS benchmark          | 51,000,000.00       | 77%     |
| Baywood current contract  | 30,306,245.40       | 46%     |
| Sanaglobe (Lowest Bidder) | 25,436,993.71       | 38%     |

4. A stakeholder engagement session was held, and the following award options were considered to address identified concerns:

**Table 3.2 – CMT AWARD OPTION ANALYSIS**

| S/N | Award Option  | Pros   | Cons   |
|-----|---|--|--|
| 1   | Award to the 2 lowest bidders per location  | * Number of awards complies with MCB & NAPIMS approved strategies.   | * Learning from the Baywood (BOGT Tank Rehab Contract) indicates that the lowest bidder cost cannot execute the workscope.<br>* NAPIMS will not support this option given their position as contained in their letter.<br>* Possible stalled award process with Business continuity and cost recovery concerns   |
| 2   | Increase number of awards to 3 or 4 per location and award at the lowest bidder's rates       | * Lowest bidder is included in the award - complies with MCB strategy approval.<br>* Offer lowest bidder's rates to other Contractors and graduate upwards until it is accepted.<br>* 3 or 4 tanks assigned to each of the Contractors and remaining 2 will be awarded based on performance.   | * Increased numbers not compliant with Part A strategy award approval.<br>* Budget may not be available to mobilize 3 or 4 tanks at the same time in 2022.<br>* High potential of contractor non-performance due to low bid, more cost will be required to recover (lessons from Baywood BOGT Contract).<br>* Increased mobilization costs<br>* More time before we can get to full award due to possible delays in NAPIMS approval<br>* Possibility of Contractors accepting lower ACV is very low going by lessons from last contract. This will further stall contract award and could lead to variations (lessons from Diccee & Hopic BOGT). |
| 3   | Increase numbers to 3 or 4 per location and award to the lowest bidders at their quoted rates | * Lowest bidder is included in the award - complies with MCB strategy approval.<br>* No complaints from Contractors as they are given their own rates to execute the work.<br>* 3 or 4 tanks each assigned to all Contractors and remaining 2 will be awarded based on performance.  | * Increased numbers not compliant with Part A strategy award approval.<br>* Multiple pricing terms could lead to post contract award management complications.<br>* Both MCB and NAPIMS may be unwilling to approve various rates considering possible value loss.<br>* Increased mobilization costs<br>* Performance cannot be ascertained on a level playing field as those with higher rates will finish executing faster.<br>* Potential for failure for low and unrealistic bids is high and cost of recovery very high defeating the rationale for awarding at the low cost in the first instance.   |
| 4   | Award based on the industry benchmark advised by NAPIMS to 2 bidders per location             | * Number of awards aligns with MCB & NAPIMS approved strategies.<br>* Tanks will be rehabilitated at a fair price.<br>* Aligns with NAPIMS benchmarks<br>* Incumbency - utilizing Contractor who has executed scope previously & familiar with the host community activities as two incumbents - Hopic and Baywood fall within this bracket.<br>* Represents the greatest opportunity for successful execution Based on the Technical assessment of the bidders. | * Petitions could arise from lowest bidders, stalling award process.<br>* Time and effort to be spent addressing and pushing back on complaints if they come.  |

Pursuant to the foregoing, it is proposed that Option 4 be adopted since

- this planned award is based on NAPIMS recommendation. So far, NAPIMS has maintained their position on this and are unlikely to support any award recommendation to the contrary which would stall the award process. They may also be unwilling to support Business continuity plan in the interim with possible cost recovery exposure.
- it includes two (2) bidders who are incumbents currently providing the service with already acquired capability. Furthermore, one of the newly proposed bidder - Elixir is a technical partner working with Hopic as such has the requisite Tank rehabilitation experience too; Thus mitigating any envisaged risks. Also the current non-performance issues with one of the incumbents- Baywood will likely be addressed with the increased rate.

The Contract Management team (CMT) therefore recommend to progress with the revised award strategy as aligned with NAPIMS.

### **BASIS OF AWARD & RECOMMENDATION**

- Award is made to the acceptable bidders based on NAPIMS industry benchmark.
- No bidder is awarded more than one contract
- Award is made at the responsive and commercially acceptable Lowest bidder's tendered rates while negotiation will be carried out with the next acceptable bidders per location to accept the adopted JV acceptable bidder's rates.
- Contract value is derived by applying the rates to notional quantities
- The negotiated lowest recommended awardee's rates from selected bidders will be utilised for execution of the Provisional sum's optional notional scope.

Based on the above, the acceptable two (2) lowest bidders for each Terminal are proposed for award. The bidders highlighted red in Table 2 above were disqualified as their quotes is not within the industry benchmark range. While those awarded a contract in one Terminal consequently had the next acceptable bidder being proposed for award. Furthermore, for Forcados Terminal, since the lowest acceptable bidder has already been awarded a contract in the Bonny Terminal, their quoted lumpsum value has been utilised to derive the Estimated Contract Value (ECV), while negotiation will be carried out with the next two bidders to accept the adopted JV's responsive bidder's rates, inclusive of negotiating their mobilization cost.

#### **Award Recommendation:**

In line with the Part A strategy approved by SPDC / NAPIMS, award of four (4) contracts comprising of two (2) contracts per Terminal is proposed with ACV split ratio of 60:40 in favour of the lowest acceptable bidder.

1) Bonny Terminal Package - award is proposed to STRIDES ENERGY AND MARITIME LTD as the 1st acceptable responsive bidder at their quoted rates and 60% lumpsum value of F\$49,914,627.75 inclusive of 20% provisional sum for notional scopes. While the second award of 40% lumpsum ACV is proposed to HOPIC NIGERIA LTD subject to acceptance of negotiation rate, if rejected negotiations will be held with subsequent acceptable bidders.

2) Forcados Terminal Package - Similarly for Forcados Terminal, award is proposed to ELIXIR SERVICES LIMITED as the 1st acceptable responsive bidder at the lowest acceptable JV adopted rates and 60% lumpsum value of F\$49,196,457.39 inclusive of 20% provisional sum for notional scopes subject to acceptance of negotiation rate. While the second award of 40% lumpsum ACV is proposed to Baywood Continental Limited subject to acceptance of negotiation rate, if rejected negotiations will be held with subsequent acceptable bidders.

#### **Post-Award Contract Management:**

- Though a tactical contract, performance reviews will be conducted to manage performance.
- Robust performance indicators (KPIs) shall be included as part of the contract and monitored.
- Rigorous Premobilisation and Kick-off meetings.
- Increased frequency of Management Facility Engagement (MFE) to identify and close identified gaps.
- Optimized work allocation per contractor leveraging on vendor capability.

### **TRANSITION PLAN / COST OF IMPROVEMENTS**

- Two (2) of the Four (4) recommended contractors (Hopic and Baywood) are incumbent and will therefore be readily available to mobilise to site for work execution upon award of the contract. While Elixir is a technical partner working with Hopic as such are already used to working in both Terminals.
- The contractor performance management framework is in place and will be the structure deployed to manage the new vendors. The Contract Management Team (CMT) will also develop a change management Plan as part of the Contract Management Plan (CMP) that will capture seamless transition from the current contracts to the new.
- Internal Kick-off meetings with all critical stakeholders and contract users will be held to align internally on the expectations and requirements of these new contracts. Similar Kick-off meeting (external) will be held with the



contractors. SMART Key performance indicators (KPI) to be included in the CMP and tracked periodically in line with the CMP requirements.

- The incumbent contractors will be demobilised in accordance with the contract terms and contracts closed out in line with the CMCP requirements.
- All efforts will be put in to ensure that contractors deliver at the negotiated rates to guarantee the anticipated savings without compromising on safety and quality

#### APPROVED CONTRACT VALUE

Four (4) contracts (two per location) proposed to be awarded at the acceptable bidder's negotiated rates per location. The contract award value is in source currencies as follows:

**BONNY TERMINAL – F\$49,914,627.75 - NGN11,102,247,374.62 + USD24,267,207.38**

**FORCADOS TERMINAL – F\$49,196,457.39 - NGN10,942,508,549.52 + USD23,918,051.48**

**Table 4.- Proposed ACV (inclusive of 20% Provisional Sum):**

| S/N                      | BIDDER                          | % ACV ALLOCATION SPLIT | RECOMMENDED ACV incl of 20% PROVISIONAL SUM (F\$) | 3% HCD (F\$)        | TOTAL ACV (F\$)      |
|--------------------------|---------------------------------|------------------------|---|---------------------|----------------------|
| <b>BONNY TERMINAL</b>    |                                 |                        |   |                     |                      |
| 1                        | STRIDES ENERGY AND MARITIME LTD | 60                     | 29,948,776.65                                     | 898,463.30          | 30,847,239.95        |
| 2                        | HOPIC NIGERIA LTD               | 40                     | 19,965,851.10                                     | 598,975.53          | 20,564,826.63        |
|                          | <b>TOTAL</b>                    | <b>100%</b>            | <b>49,914,627.75</b>                              | <b>1,497,438.83</b> | <b>51,412,066.58</b> |
| <b>FORCADOS TERMINAL</b> |                                 |                        |   |                     |                      |
| 1                        | ELIXIR SERVICES LIMITED         | 60                     | 29,517,874.43                                     | 885,536.23          | 30,403,410.67        |
| 2                        | BAYWOOD CONTINENTAL LIMITED     | 40                     | 19,678,582.96                                     | 590,357.49          | 20,268,940.44        |
|                          | <b>TOTAL</b>                    | <b>100%</b>            | <b>49,196,457.39</b>                              | <b>1,475,893.72</b> | <b>50,672,351.11</b> |

The contracts will be awarded for a 5-year period (4-year + 1-year extension option) at a split ratio of 60:40 in favour of the lowest acceptable bidder

NB: These contracts are not tank specific as this will enable issuance of Purchase Orders for multiple tanks based on Contractor's execution capacity.

#### COMPLIANCE TO MODEL TERMS & CONDITIONS

MCL based and localized standard terms and conditions were used for the specimen contract document attached to the Commercial ITT.

#### 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 & HSE CAPABILITY ASSESSMENT STATUS

The IDD and HSE Capability Assessment status of the recommended bidders is as follows:

| S/N | VENDOR NAME | STATUS     | STATUS                           | BAND | EXPIRY DATE |
|-----|-------------|------------|----------------------------------|------|-------------|
|     |             | IDD Status | HSE Capability Assessment Status |      |             |

|   |                                 |         |                    |       |             |
|---|---------------------------------|---------|--------------------|-------|-------------|
| 1 | Strides Energy and Maritime Ltd | Cleared | Valid              | Amber | 14-Oct-2024 |
| 2 | Hopic Nigeria Ltd               | Cleared | Assessment Ongoing |       |             |
| 3 | Elixir Services Limited         | Cleared | Assessment Ongoing |       |             |
| 4 | Baywood Continental Limited     | Cleared | Assessment Ongoing |       |             |

IDD STATUS - All 4 bidders are IDD cleared.

HSE CAPABILITY ASSESSMENT – The HSE capability assessment for two (2) of the vendors is expired and revalidation is currently ongoing along with assessment for the vendor (Elixir) that was never assessed. Contracts will only be signed with vendors with either green/amber valid HSE Capability Assessment status.

## SECTION C: POST AWARD CONTRACT MANAGEMENT

### KEY PERFORMANCE INDEX (KPI) (FROM PART A)

| Business Objective           | KPI  | Measure                      | Target | Frequency Measured   |
|------------------------------|--|------------------------------|--------|----------------------|
| HSSE                         | Total Recordable Case Frequency (TRCF)                 | Per million man hours        | 0      | Monthly cumulative   |
| Quality                      | Method statement and quality plan compliance           | Non-Conformance Report (NCR) | 0      | Monthly cumulative   |
| Schedule                     | Approved schedule delivery                             | Actual delivery versus plan  | 100%   | Monthly              |
| Cost                         | Project Cost   | Cost Variation               | 0      | Per work order       |
| Nigerian Content Development | Compliance with Nigerian Content Development (NCD) Act | NCD Plan                     | 100%   | Quarterly cumulative |

### CONTRACT MANAGEMENT PLAN (CMP)

Not applicable for Tactical contract. However, the CMT will implement a light-CMP Post Award; performance will also be monitored based on the stated KPIs.

### HSE PLAN

Contract HSE plan will be finalised post-award.

### 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 |
|--------------------------------|-----------------|----------------------|-------------------|--|
| Rehabilitation of Storage Tank | 85%             | 100%                 | Manhour           | NA   |

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 also in line with the human development capacity guide 2014

|   | Training Type       | No of Trainees | Total Man-hours/man-years | Name / Level of Certification |
|---|---------------------|----------------|---------------------------|-------------------------------|
| 1 | As detailed in NCCC |                |                           |                               |

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.

**NIGERIAN CONTENT COMPLIANCE CERTIFICATE (NCCC)**

The NCCC for the four (4) bidders have been reviewed by NCDMB and will be processed for sign-off once award recommendation is supported by MCB.

**COMMUNITY CONTENT NIGER DELTA CONTENT EXECUTION PLAN**

As part of contribution to sustainable community development, the major Contractors will be required to employ local labour and subcontract some specific work scope and services to the local community contractors thereby stimulating enterprise and hence increasing the net Community Content of the project. The following have been identified as specific work items/areas some of which can be sub-contracted to competent sub-contractors from the communities to further the NCDMB Community Content Guidelines aspirations:

- Unskilled and Semi-Skilled Labour (100% unskilled and minimum 60% for semi-skilled)
- Catering Services
- Marine Vessels Services
- Bussing and Work Crew Land Logistics
- Cleaning and Maintenance Services
- Waste Collection, Fumigation and Disposal Services
- Security Surveillance Services
- Medical Services (Retainer Clinics, Medical Personnel and Ambulance Services)

Where the skills required for the delivery of some of the work scope above cannot be found in the local communities, the Main Contractors will be encouraged to implement a capacity development programme to close gaps.

In addition to the contract opportunities above, the project will generate some incidental training. All trainings will follow the JIT (Just-In-Time) principle such that they will be completed on time for the requisite aspects of the project work scope. All trainees will be required to meet set minimum entry qualifications where applicable. The timings of the planned trainings as shown in Table 1 below are tentative and will be adjusted based on changes in the project.

**Community Training Plan**

| SN | Training Description                                      | Schedule |
|----|---|----------|
| 1  | Vendor Development & Opportunity Reviews, 3Nos.           | Q4 2022  |
| 2  | Community Skills and Enterprise Development (CS&ED).      | Q3 2023  |
| 3  | Project Management Training, 5Nos. (Classroom/on project) | Q3 2024  |

**RISK ASSESSMENT**

| Risk Description   | Likelihood<br>(H / M / L) | Impact<br>(H / M / L) | Mitigating Actions  | Action Owner        |
|--|---------------------------|-----------------------|---|---------------------|
| Schedule Slippage  | M                         | H                     | Prepare and sign-off an adequately resourced work programme with contractor for assigned scope of works. Establish a structure to address issues on site. Review performance monthly, agree and implement recovery measures where performance lags behind plan. | Contract Holder     |
| Community Disruption of Work   | M                         | H                     | Engage community upfront and sign CTS prior to commencement of work. Establish a structure to resolve community grievances proactively. Implement terms and conditions of CTS.  | Contract Holder, ER |
| Loss of control during movement of materials and equipment to site (Land and Marine) | M                         | H                     | Specify the following requirements in the contract<br>(i) vessel/vehicle specifications and pre-mob requirements<br>(ii) Competence and qualification of vessel master and crew/vehicle driver<br>(iii) SCiN Journey management requirements                    | Contract Holder     |

|  |   |   |  |                      |
|--|---|---|--|----------------------|
| Deployment of workers without requisite brown field experience   | H | H | Conduct training/induction of workers on the risks associated with brown field work.   | Contract Holder, HSE |
| Armed Attack and Kidnapping during transportation (land and marine) of personnel, equipment and material | M | H | Specify the following in the contract<br>(i) Requirements for armed escort for all movements<br>(ii) Compliance with SPDC approved security plan<br>(iii) Compliance approved Journey management plan  | Contract Holder &    |
| Fire and explosion from welding activities   | M | H | Include the following in the contract<br>(i) All activities to be performed under SPDC PTW<br>(ii) Compliance with IOGP-577 (Fabrication Site Construction Safety Recommended Practices)   | Contract Holder &    |
| Lifting and Hoisting, Working at height, heavy vehicle and machines and confined space entry             | M | H | Include the following in the contract<br>(i) Compliance with IOGP Report 376 - Lifting & hoisting safety recommended practice<br>(ii) IOGP-577 Fabrication Site Construction Safety Recommended Practices<br>(iii) SPDC Confine space entry requirements | Contract Holder &    |
| Inadequate Funding   | M | H | Assign scope of works, issue work order and phase activities based on available budget   | Contract Holder      |
| <b>ATTACHMENTS:</b>  |   |   |  |                      |

|   |  |   |  |
|---|--|---|--|
| <b>Attachment 1</b> – Approved Part A1          | <b>Attachment 2</b> – NAPIMS Strategy Approval                   | <b>Attachment 3</b> – SPDC / NAPIMS Technical Evaluation Result | <b>Attachment 4</b> – NCDMB Technical Report                     |
| <b>Attachment 5</b> - Part A2 Approval          | <b>Attachment 6</b> – SPDC / NAPIMS Commercial Evaluation Result | <b>Attachment 7</b> - NCDMB Commercial Evaluation report        | <b>Attachment 8</b> - Detailed Evaluation and Benchmark Analysis |
| <b>Attachment 9</b> - Commercial Evaluation MoM | <b>Attachment 10</b> -- NAPIMS Decline of RTA Meeting request    |   |  |