

**Nigerian National Petroleum Corporation (NNPC)**  
**NNPC Towers, Herbert Macaulay Way, Central Business District**  
**P.M.B 190, Garki, Abuja – Nigeria**

**Invitation to Bid:**

**Management of Investors as Joint Venture Technical Partners for the Rehabilitation and Operations of NNPC Refineries**

**1.0 Introduction:**

The Nigerian National Petroleum Corporation (NNPC) is seeking to engage reputable and qualified investors to enter into a Joint Venture (JV) arrangement with toe NNPC to fund, rehabilitate and jointly operate any of the three (3) Refineries for commercial viability including but not limited to off-take of refined products for sale primarily in the Nigerian market. The refineries will be jointly operated by NNPC and the selected investors for a defined period until investments are fully recovered.

**2.0 Objective:**

The objective of this tender is to integrate the technical, operational and financial requirements to rehabilitate the three existing refineries in Nigeria with a view to meeting and/or exceeding the defined performance metrics for operations at 100% capacity utilization.

The tender is for proposals for a technical/commercial framework through a partnership with NNPC; to achieve high levels of operating performance for the three existing NNPC Refining assets with a combined refining capacity of 445,000 barrels per stream day (BPSD) as listed below;

- (1) Port Harcourt Refining Company (PHRC) – 210,000 BPSD
- (2) Warri Refining & Petrochemical Company (WRPC) -125,000 BPSD
- (3) Kaduna Refining & Petrochemical Company (KRPC) -110,000 BPSD

Bids should be submitted separately for each refining company, The prospective investors can bid for a refinery or refineries of interest. However, only one refinery shall be awarded to each successful bidder. Preference will be given to bidders with demonstrable International experience in world-class, profitable refinery operations with strong safety track record. All refinery rehabilitations/upgrades are to be completed by December 31, 2016 or the nearest possible date as agreed by NNPC and the investor(s).

It is important to note that the investor(s) eventually selected will be required to develop operational effectiveness models that will cover projected increased production at each location in line with the recently advertised NNPC Refineries Relocation and Collocation Tender (February 2016) targeted at increasing domestic crude oil refining capacity from the present level of 445,000 BPSD to 695,000 BPSD,

**Who May Apply:**

NNPC is looking for credible investors with strong foot prints in the Hydrocarbon Industry for technical and financial support to achieve 100% capacity utilization of the existing Refineries. The prospective investors) must meet any of the following criteria:

- (1) A major Integrated oil and gas company
- (2) An established, Internationally recognised Oil Trading Company with demonstrable refining capacity
- (3) A reputable Refinery Owner(s) or Process Licensor(s)
- (4) Original Refinery Builders (ORB) of existing NNPC refineries.
- (5) Engineering Procurement and Construction (EPC) Contractors with local refinery mechanical works expertise.
- (6) Engineering Procurement and Construction (EPC) Contractors in partnership with reputable Refinery Owner(s) or Process Licensors

Foreign investors will be required to demonstrate evidence of a local Nigerian partner(s) that meets criteria listed in (5) or (6) above as part of its submission.

**3.0 Scope of Work:**

**(a) Technical:**

**The scope of work shall cover but not limited to the following:**

- (i) Carry out detailed site survey and inspection on any selected Refinery slated for joint partnership and technical service back-up
- (ii) Establish technical requirements for operational performance of the Refineries covering detailed Technical Assessment, Rehabilitation Program; and Equipment Refurbishment and/or Replacement. Technical requirements will cover Plant Design,

Conceptual Refurbishment Plan, Detailed Design, Process Revalidation and Infrastructure integration with other NNPC companies.

(iii) Integrate all relevant technical project parties including EPC contractors and equipment providers for the rehabilitation works. Project parties to include independent Engineers and Project Management

(iv) Operational & Maintenance structure for credible operations and maintenance arrangement to ensure high capacity utilization of the facilities.

(v) Establish hands-on technical and vendor training for all operating personnel to improve domestication of Refinery operations expertise,

(vi) All operational exigencies take precedence over any Process Unit Rehabilitation works to ensure products availability to the market.

(vii) Rehabilitation works shall be optimized to ensure production of prime products especially gasoline (PMS) either from CRU or FCC UNIT at all times to meet market obligations.

**(b) Commercial;**

**Design, negotiate and implement all commercial agreements processes including but not limited to:**

(i) Structuring of crude supply arrangements in partnership with NNPC.

(ii) Integration of credible / bankable off-take program for all refined products from the facilities.

(iii) Marketing of products for maximum efficiency of delivery.

**(c) Financial:**

(i) Assess total funding requirements and contribute/arrange requisite funding for the rehabilitation program.

(ii) Proposal for repayment of invested funds via proceeds from sale of refined products over a defined minimum tenor.

**(d) Operations:**

The JV will require NNPC and the investor to jointly Operate the refineries and would be given all offtake and marketing rights to the refined products. Operations are to include

provisions for technical processes & procedures strong safety policies, performance and profitability metrics, Nigerian Content plans; including technology/capacity transfer and training program(s).

#### **4.0 Issuance of Memorandum of Understanding (MOU):**

Memorandum of Understanding (MOU) shall be issued immediately to successful pre-qualified investors as a working document, to proceed with the Joint Venture arrangement pending when full contract obligations are executed between the relevant parties. Investors will be required to demonstrate evidence of a local Nigerian partner(s) as listed in Section 2 above.

#### **5.0 Pre-qualification Requirements:**

- (I) Detailed Company Profile, including Certificate of Incorporation in Nigeria (where applicable), certified true copies of Memorandum and Articles of Association.
- (II) Company Tax Clearance Certificate for last three (3) years (2012, 2013 & 2014).
- (III) Evidence of VAT Registration and remittance (where applicable)
- (IV) Evidence of current Registration with PENCOM and Section 1(2) Pension Reform Act 2004 (where applicable)
- (V) Evidence of compliance with Industrial Training Fund (ITF) Amendment Act 2011 by inclusion of copy of Compliance Certificate from Industrial Training Fund (where applicable).
- (VI) Audited accounts for the past three (3) years (2012, 2013 and 2014).
- (VII) Company's Refinery Operations & Management track record over last ten (10) years, including Refinery Operations History, Capacity Utilization, Products Matrix, etc.
- (VIII) Evidence of partnership with local Nigerian firm(s) as part of consortium for bid.
- (IX) Details of Refineries operated by Company (location, configuration, design specifications, processes, maintenance policies, licensors,
- (X) Current Refinery organizational structure with detailed experience and Skills of key management personnel with names.

(a) Provide evidence (personnel list and position organizational Chart) percentage of management that are Nigerian Nationals and percentage of total workforce that are Nigerians (as applicable).

(XI) Refinery Economics, Cash Flow, Profit & Loss (P & L) Statements over last five (5) years, including refining cost/barrel, refining margin and maintenance costs.

(XII) Evidence of provision and fund guarantee of at least three hundred million US Dollars (\$300,000,000.00) for each refinery.

(XIII) Refinery Supply Chain Model and Products Evacuation strategy.

(XIV) Evidence of financial and Fund-raising Capabilities, including evidence of such activities to enhance brown field refinery operations in the last five (5) years

(XV) Company's Safety, Health & Environmental (SHE) Model and policies, including safety records for accidents, incidents, injuries and damages, refinery effluents management for the past five (5) years.

(XVI) Company's Quality Assurance / Quality Control (QA/QC) Policies/Processes

(XVII) Evidence of Nigerian Content plan showing full utilization of Nigerian labour and services with detailed description of role, work scope and man-hours in order to achieve minimum target(s) as set out in the NOCIC Act 2010.

(XVIII) Detail past/present commitment to staff training and development of Nigerian personnel,

(XIX) Provide evidence of products quality and certification for the last five (5) years of operation.

(XX) Company's Corporate Social Responsibility Policy and proposed Refinery Security Plan/Philosophy.

(XXI) Any additional information that will enhance the potential of Company as a successful bidder.

(XXII) Certainty of business integrity and pre-signed undertaking to strictly comply with Nigeria anti-corruption laws in processing bid and executing contract if successful

(XXIII) All Bidders/Investors should indicate NNPC Refinery of interest (either PHRC, KRPC or WRPC) for refurbishment and operations if selected.

**(6.0) Submission of Bid Documents:**

All prospective companies willing to tender for the refurbishment and operation of NNPC refineries project as described above shall submit all relevant documentation as stipulated in Section 5.0 above.

- Requested information and supporting documents with reference to the requirements should be submitted in ONE (1) original plus ONE (1) hard copy and ONE (1) electronic flash drive in sealed envelopes and clearly marked: **“ENGAGEMENT OF INVESTORS AS JOINT VENTURE TECHNICAL PARTNERS FOR THE REHABILITATION AND OPERATIONS OF NNPC REFINERIES”**
- Local content requirement as stated in 5 (XVII) above must be submitted in a separate envelope
- The submission should reach the address below **on or before Monday May 30<sup>th</sup> 2016 at 12.00noon**

**The Secretary,  
Refineries Dexcom Tenders Board,  
Room 458, First Floor, Block D,  
NNPC Towers, Central Business District,  
Herbert Macaulay Way,  
Abuja, F.C.T, Nigeria.**

**Bids shall be opened and endorsed immediately thereafter. All bidders are invited to attend the bid opening ceremony.**

**Venue: Amphitheatre  
Stock A, First Floor  
NNPC Towers,  
Garki, Abuja**

**7.0 Important Information**

It must be noted that;

- (a) This tender does not include any provision for transfer of assets; it, however, is to cover a partnership to make the refineries operational and increase overall productivity via technically and financially capable private operators.
- (b) Only Shortlisted Companies will be contacted for collection of Memorandum of Understanding (MOU).
- (c) Late submission(s) shall be rejected.
- (d) All claims shall be verified for authenticity.
- (e) All costs incurred by prospective investors as a result of this pre-qualification exercise and any subsequent request for information shall be at the investor's expense.
- (f) Site inspection commences from the day of this publication on TUESDAYS-THURSDAYS (between 11 am to 3pm) within the first three weeks. Appointments for site inspections must be made via the following email addresses: [siteinspection@nnpcgroup.com](mailto:siteinspection@nnpcgroup.com). All site inspections must be concluded **not later than 3pm, Thursday 3rd May, 2016**.
- (g) The pre-qualification and any other related process neither creates any commitment by NNPC; nor any legal relationship.
- (h) All Information must be provided in English Language

**Signed: Management**

**Visit us at:** <http://www.nnpcgroup.com>

<http://www.facebook.com/nnpcgroup>

<http://www.twitter.com/nnpcgroup>