

Overview

STERLING OIL EXPLORATION AND ENERGY PRODUCTION COMPANY LIMITED (STERLING) (TERLING)

OPERATOR OF THE ONSHORE BLOCKS OML 143, OML 146, OPL 2004, OPL 2005 & OPL 2006 PSC

TENDER OPPORTUNITY FOR PROVISION OF ALL RISK INSURANCE PACKAGE PROGRAM (CATEGORY- 3.14.05 & 3.14.07) FOR PSC BLOCKS OML 143, OML 146, OPL 2004, OPL 2005 & OPL 2006 STERLING

(NipeX Tender No 1000004254)

(1) INTRODUCTION:

Sterling Oil Exploration and Energy Production Company Limited (SEEPCO), Sterling Global Oil Resources Limited (SGORL), Sterling Global Exploration and Production Ltd (SGEPL), Sterling Exploration Limited (SEL) and Sterling International Resources Limited (SIRL) under the group of companies herein referred to as "STERLING" plans to engage the services of reputable Nigerian registered Insurance Companies having 'world class' experience in the provision of insurance services for STERLING PSC Blocks i.e. OML 143, OML146, OPL 2004, OPL 2005 & OPL 2006. This is a combine tender for the five blocks operated by Sterling group of Companies. The estimated primary duration of this contract is one year with an option to extend it for another two years.

(2) SCOPE OF WORK/SERVICE REQUIREMENTS:

(2.1) Provision of All Risk Insurance Package Program (Tender no: 1000004254) CATEGORY: 3.14.05 (Life Insurance services) & 3.14.07 (Non-life Insurance services)

The Oil & Gas Insurance would cover all well Operational Insurance to for physical loss and/or damage to property, and General third-party liability risk to wells and production facilities. The Insurer shall retain a percentage of the risk in Nigeria and re-insure the excess capacity with leading foreign underwriters with A+ rating by S & P. The Insurer will liaise with the jointly appointed re-insurance Broker for the purpose of re-insurance with foreign Underwriter. The Insurer shall retain 70 percent of the risk in Nigeria.

The insurer will handle all claim services, endorsements, policy documentation and other associated services.

For the Naira insurance policies, the insurer shall retain 100% of the risk and also liaise with the insurance Broker appointed by STERLING for the purpose of good underwriting, claims administration, policy documentation, renewals, endorsements etc.

For the Dollar insurance policy, the Insurer shall retain a percentage of the risk in Nigeria and reinsure the remainder of the risk with leading international underwriters. The Insurer shall justify, by verifiable proof of evidence with NAICOM approval certification, that all in-country capacity for the risk has been utilized before it can re-insure the excess capacity with leading international underwriters. The Insurer shall liaise with the appointed Reinsurance Broker for the purpose of reinsurance with foreign Underwriters with minimum of A rating by an international rating agency. The Insurer shall also handle claims services, policy documentation, renewals, endorsement etc.

(3) BASIC REQUIREMENTS:

Any Insurance Company seeking to be selected must satisfy the following conditions:

- Be a Limited Liability Company registered in Nigeria and licensed by the National Insurance Commission (NAICOM) to transact General Insurance Business.
- Have a net asset of not less than N3billion as per its last published Accounts for its general business.
- Have acquired good experience in Oil and Gas insurance business.
- Have adequate and qualified staff with experience in Oil and Gas Insurance business.
- Must be in good standing as regards prompt settlement of all claims reported to date.
- Must be a good corporate citizen of Nigeria that pays its taxes as and when due. (VAT, WHT and PAYEE Etc.)
- Certificate of compliance from the Pension Commission (PENCOM).
- Certificate of compliance from the Industrial Training Fund (ITF)
- Group Life Insurance Certificate for Employees.

(4) SUPPORTING DOCUMENTS:

The interested Insurer must have the following documents:

- A certified true copy of the Corporate Affairs Commission (CAC) of the Company's Certificate of Incorporation.
- A certified true copy by NAICOM of the Company's license as an Insurer to transact Life and/or General insurance business.
- Current registration with the Department of Petroleum Resources (DPR).
- Documentation/evidence demonstrating experience in similar Oil and Gas insurance cover that Insurer has provided in the last 3 years (2016 to 2018), including clients' name and dates of cover (please attach copies of participation slips/treaties).
- Provide company profile indicating Nigerian Shareholding, Company's financial details, and published annual Report and Accounts for the past 3years (2016 to 2018).

- Evidence of NAICOM's approval of Annual Returns and Accounts for previous underwriting year (2018)
- A profile of six (6) top management staff of the Company with their qualifications and insurance working experience in Oil and Gas insurance business.
- Provide evidence of qualified professional staff and training plans.
- In case of Joint Venture, an attached copy of Joint Venture Agreement and details of the interest of each of the Joint Venture partner, the roll of each party clearly indicated.
- A signed Declaration by the Chief Executive Officer that the Company has settled all discharged claims.
- Company's Tax Clearance certificates for the past three (3) years (2016 to 2018).
- Give brief description of re-insurance strategy and provide names of foreign Re-Insurers and principal Brokers.
- Provide relevant information of two (2) contact persons: name, telephone, fax numbers and email address.
- Certified true copy of NAICOM approval of Recapitalization and Consolidation to continue to transact business within the Federal Republic of Nigeria.
- Evidence of Statutory deposit with CBN.
- Documentary evidence showing clearly the pre capitalization status and the additional capital raised.

(5) MANDATORY REQUIREMENTS:

- To be eligible for this tender exercise, only interested Bidders are required to be prequalified in the Product Service Category (as mentioned against tender under SI. No. 2 'Scope of Work/Service Requirements' above) in NipeX Joint Qualification System (NJQS) database. All successfully pre-qualified Bidders in above category by the Bid close date will receive Invitation to Technical Tender (ITT).
- Please note, interested bidders including their sub-contractor(s) shall be required to:

o Meet all JQS mandatory requirements to be listed as "PRE-QUALIFIED" for a category in the NJQS database.

o Meet all Nigerian Content requirements stated in this advert in their responses to the invitation to technical tender. (Failure to meet the Nigerian Content requirements is a "FATAL FLAW".)

- To determine if you are pre-qualified and view the product/service category you are listed for:

Open <http://vendors.nipex-ngcom> and access NJQS with your log-in details, click on continue Joint Qualification Scheme tool, click check 'My Supplier Status' and then click 'Supplier Product Group'.

- If you are not listed in a product/service category noted above, and you are registered with DPR to do business for this category, please contact Nipex office at 8/10 Bayo Kuku Road Ikoyi Lagos with your DPR Certificate as evidence for review and necessary update.
- To initiate and complete the JQS prequalification process, access www.nipex-ng.com to download the application form, make necessary payments and contact Nipex office for further action.

(6) NIGERIAN CONTENT REQUIREMENTS:

Sterling Oil Exploration and Energy Production Company Limited (SEEPCO) is committed to the development of the Nigerian Oil & Gas business in accordance with the Nigerian Oil and Gas Industry Content Development Act 2010 (NOGICD Act) enacted by the Federal Government of Nigeria in April 2010.

Pursuant to enactment of the NOGICD Act, the minimum Nigerian Content in any project, service or product specification to be executed in the Nigerian Oil and Gas Industry shall be consistent with the level set in the schedule of the Act and any other target as may be directed by the Nigerian Content Development and Monitoring Board (NCDMB).

Interested bidders shall comply with the provisions of the NOGICD Act and all applicable regulations. Bidders that do not meet the Nigerian Content criterion will not be allowed to participate in next tender stage.

Nigerian Content (NC) in Nigeria Oil and Gas industry is defined as:

“The quantum of composite value added to or created in the Nigeria Economy by a systematic development of capacity and capabilities through the deliberate utilization of Nigerian human, material resources and services in the Nigerian Oil & Gas industry.”
 “Nigerian company is a company formed and registered in Nigeria in accordance with the provision of Companies and Allied Matters Act with not less than 51% equity share by Nigerians”.

The following are the Nigerian Content requirement bidders are expected to comply with in their technical submission:

- Only Nigerian Indigenous Service Companies having verifiable Nigeria Equity Shareholding of 51% and above are eligible to submit tender documents.
- Tenderers to provide evidence of 50% Nigeria ownership of equipment to be deployed for operations.
- Demonstrate that entity is a Nigerian registered company as defined in the NOGICD Act 2010 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.

- Furnish details of company ownership and shareholding 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 show overall percentage of work to be performed by Nigerian resources relative to total work volume.
- Provide a Nigerian Content Plan providing a detailed description of the role, work scope, manhours and responsibilities of all Nigerian companies and personnel that would be involved in executing the work; 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 name and addresses including evidences of well-equipped offices and workshop; attach past experience of such patronage.
- Specific to this project, provide detailed plan for staff training and development in Insurance and related activities (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.
- Provide Location of in-country offices (all branches)
- Provide evidence of any Memorandum of Agreement (MOA) with Oil and Gas Trainers Association of Nigeria (OGTAN) registered trainer to conduct classroom module of training and on the job attachment.
- Provide human capacity building development plan including budget which must be a minimum of 10% of project man-hours or cost. Training must be targeted at developing capacity other than bidder's personnel. Trainees will be nominated from a database maintained by NCDMB and the services of OGTAN registered trainers utilized to cover classroom modules
- State any further innovative proposals that would enhance the Nigerian Content for the service.
- Provide clear photocopy of current NAICOM registration certificate.

(7) CLOSE DATE:

Only tenderers who are registered with NJQS Product/Category 3.14.05 Life Insurance Services and 3.14.07 Non-Life Insurance Services by **16:00 hours, February 20, 2020** being advert close shall be invited to submit technical bid.

(8) PLEASE NOTE THE FOLLOWING:

- Suppliers eligible for this tender opportunity are expected to be pre-qualified in NJQS under the specified product/service category.
- The invitation to tender (ITT) and any further progression of this tender shall be via Nipex. Interested bidders are therefore advised to ensure they are set-up in Nipex with a valid and active official company email address accessible by all in their organization as this shall be the only means to transmit the ITT.

- All costs incurred in preparing and processing NJQS prequalification shall be to the contractors' accounts.
- This advertisement shall neither be construed as any form of commitment on the part of STERLING to award any contract to any company and or associated companies, subcontractors or agents, nor shall it entitle pre-qualified companies to make claims whatsoever, and/or seek and indemnity from STERLING and or any of its partners by virtue of such companies having been pre-qualified in NJQS.
- The tendering process shall be the NNPC contracting process requiring pre-qualified companies to submit technical tenders first. Following a technical review, only technically qualified contractors will be requested to submit commercial tenders.
- STERLING / NNPC reserve the right to reject any and or all pre-qualified supplier at its sole discretion and at no cost whatsoever.
- STERLING will communicate only with authorized officers of the pre-qualifying companies and NOT through individuals or agents.

Please visit the Nigerian Petroleum Exchange (Nipex) Public Opportunity Portal, www.nipex-ng.com for copy of this advertisement and any other required information.