

OPERATOR OF THE OML18 ASSET

TENDER OPPORTUNITY FOR PROVISION OF DRILLING AND COMPLETION FLUIDS SERVICES IN OML 18 EROTON E & P COMPANY LIMITED

(EEP16-0094)

NipeX Tender Number: 1000003194

1.0 INTRODUCTION

EROTON E&P Company Limited; the operator of NNPC/ Eroton JV invites interested and reputable contractors with suitable equipment and relevant experience to tender for the provision of drilling and completion fluids services in OML 18. The Company plans to initiate a field development programme in OML 18 which will necessitate drilling and completion of thirty-six new and work over wells within a three-year period (2018-2021).

2.0 SCOPE OF WORK

The Service includes the provision of personnel and equipment required for the execution of drilling and completion fluids services aboard a drilling rig (and/ or any other potential unit) operating in OML18 swamp Nigeria, for field development or any other additional Permit Area in which COMPANY has the right to conduct petroleum operations within Nigeria. The contractor shall be responsible for the provision of the following:

1. Drilling and completion fluids services
2. Mud engineering
3. Onsite support facilities; laboratory and test equipment
4. Bulk Storage & Transfer Facility in Warri, Onne Port or Port-Harcourt for provision of Barite and/or Bentonite and/or Calcium Carbonate plant activities for maintaining equipment (preparation, maintenance and redress)
5. All products for Non Aqueous Drilling Fluid (NADF) as required by Company, Such NADF may be formulated with any of the following Base Fluids; Isomerized Olefin (10), Synthetic Paraffin (SP) or Low Toxicity Mineral Oil (LTMO). Such facility shall provide a minimum storage capacity solely dedicated to COMPANY of 1,000 metric tonnes with a minimum transfer rate for Barite of 250 metric tonnes per hour
6. Bulk Storage & Transfer Facility in Warri, Onne Port or Port-Harcourt for provision of Base Fluid to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 10,000 barrels with a minimum transfer rate of 800 barrels per hour.

7. Bulk Mixing & Storage Facility in Warri, Onne Port or Port-Harcourt for provision of NADF to Company's vessels as and when required by COMPANY. Such facility shall provide a minimum storage capacity solely dedicated to Company of 10,000 barrels with a minimum transfer rate for a 10.0 ppg fluid of 600 barrels per hour. Such facility shall be equipped with adequate mixing equipment and adequate solids removal equipment (including a centrifuge) for mixing, treating and conditioning NADF as and when required by COMPANY
8. All products for Water Based Drilling Fluids (WBDF) as required by Company.
9. All products for Reservoir Drill-in-Fluids as required by Company.
10. All products for Completion Brines as required by Company.
11. Bulk Mixing & Storage Facility in Warri, Onne Port or Port-Harcourt for provision of WBDF to Company's vessels as and when required by COMPANY. Such facility shall provide a minimum storage capacity solely dedicated to Company of 4,000 barrels with a minimum transfer rate for a 10.0 ppg fluid of 600 barrels per hour. Such facility shall be equipped with adequate mixing equipment for mixing and treating WBDF as and when required by Company.
12. Bulk Mixing & Storage Facility in Warri, Onne Port or Port-Harcourt for provision of Completion Brine to Company's vessels as and when required by COMPANY. Such facility shall provide a minimum storage capacity solely dedicated to Company of 6,000 barrels and a minimum transfer rate for a 10.0 ppg fluid of 600 barrels per hour. Such facility shall be equipped with adequate mixing equipment for mixing and treating Completion Brine as and when required by Company.
13. Measurement and reporting
14. All other related equipment, tools, consumables, spare parts and experienced personnel necessary to satisfactorily perform the above services
15. The contract duration shall be for a period of two (2) firm years plus one (1) year optional extension. The contract strategy of multiple awards to two bidders, the lowest and second lowest bidders at the evaluated tender rates/ price of the lowest bidder shall apply.

3.0 MANDATORY REQUIREMENTS

To be eligible for this tender exercise, interested contractors are required to be pre-qualified in the 3.04.13 Drilling Fluids Services category of the NipeX Joint Qualification (NJQS) Database. All successfully pre-qualified suppliers in this category will receive Invitation to Technical Tender (ITT).

To determine if you are pre-qualified and view the product/service category you are listed for: Open <http://vendors.nipexjqs.com> and access NJQS with your log in details. Click on Products/Services Status tab to view your status and product codes.

If you are not listed in a product/service category you are registered with DPR to do business, contact NipeX office at 8, Bayo Kuku Street, Ikoyi Lagos with your DPR certificate as evidence for verification and necessary update.

To initiate the JQS pre-qualification process, access www.nipex-ng.com, click on services tab followed by NJQS registration.

To be eligible, all tenderers must comply with the requirements of the Nigerian Oil and Gas Industry Content Development Act, 2010. Non-compliance shall result in disqualification from bidding for this opportunity.

4.0 CLOSING DATE

Only Tenderers who are registered with NJQS Product/category (3.04.13 Drilling Fluids Services) as at **August 30, 2018** being the advert close date shall be invited to submit Technical Bids.

5.0 NIGERIAN CONTENT

Bidders are to note that they will be requested during the technical tender to give full details of their relevant strategy to ensure that they fully comply with provisions of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010. Consequently, bidders' submissions shall be evaluated strictly with the minimum evaluation criteria defined in 'The Act'. Failure to meet the Nigerian Content requirements is a "FATAL FLAW".

In line with the above, Tenderers responding to this advertisement are required to submit the following in compliance with the Nigerian Content Act, 2010:

(1.) Demonstrate that the entity is a Nigerian-registered/ owned company. Submission of certified true copies of CAC forms 10, 02 & 07 (or its equivalent; CAC 2.3, 2.4, 2.5, etc.) including company memorandum & article of association and other evidence of entity's incorporation, shareholding & ownership structure in Nigeria.

(2.) Develop a Nigerian Content Plan that demonstrates the full utilization of Nigerian labour and services with detailed description of role, work scope and man-hours in order to achieve the minimum target as set out in the requirements of the NOGICD Act 2010 (80% man-hour; Other Drilling Services) for this project. Where in-country capacity is inadequate, propose innovations to bridge the gap.

(3.) A plan of how it intends to give first consideration to materials, manufactured as well as assembled goods of Nigerian origin which shall include a breakdown of all materials and consumables to be utilized and identifying those that are found locally, finished products and materials that will be procured from Nigerian manufacturing and assembly plants, finished goods that order can be placed from outside Nigeria through Nigerian authorized vendors and accredited agents and those that would be directly imported.

(4.) Details of the company's corporate organizations, overall human resources structure (management, supervisors, senior and junior skilled officers, etc.), identifying positions manned/occupied by Nigerian nationals with evidence of type of employment in-country and identifying the positions manned/occupied by other nationals.

(5.) Where the bidding entity lacks capacity, genuine alliances with other Nigerian companies or multinational companies for the purpose of technology transfer shall be encouraged. The alliance/joint venture shall be executed with binding Memorandum of Agreement (MOA) signed by chief executives of both entities stating clear work-share ratio among the parties and time frame for growth or transfer to be achieved.

(6.) A detailed description of the location of in-country committed facilities and infrastructure (assets, equipment, technical office, and administrative space, storage, etc.) in Nigeria to support this contract.

(7.) Tenderers to submit a detailed training plan which shall provide sustainable training and development (including certification as applicable) for Nigerians in line with the Human Capacity Development Initiative Guideline of the Nigerian Content Development and Monitoring Board (NCDMB). The training plan will include contract-specific training and estimated man-hours. Tenderer is required to submit MOA with Oil and Gas Trainers Association of Nigeria (OGTAN) trainers to support their training plan, which shall be 15% of the project Man-hours or 3% of the total contract sum.

(8.) Provide evidence to show that a minimum of 50% of the equipment to be deployed for the work is owned by the Nigerian subsidiary if international or multinational company is working through the Nigerian subsidiary including equipment list (Tenderer to provide verifiable evidence (purchase receipt, bill of sale, etc.) of ownership of equipment in executing this contract.

(9.) Provide evidence of approved Nigerian Content Equipment Certificate or status of the application submitted to NCDMB for the certificate for the procurement of all equipment, systems and packages to be supplied on the contract (where applicable). Where Tenderer intends to use subcontractor(s)/ supplier(s), Tenderer shall provide same information for the nominated supplier(s)/sub-contractor(s).

(10.) All bidders for a project/contract/service with a completion period of 12 months or more are required to submit as part of the Nigerian Content requirement, a signed Memorandum of Agreement (MOA) between it and one of the research and development (R&D) Clusters established by the Nigerian Content Development and Monitoring Board (NCDMB). The MOA shall be relevant to the project and shall indicate how the bidder intends to use the relevant R&D Clusters during project execution.

(11.) Detailed specific programmes in place to transfer technology and skills to Nigerian businesses

(12.) Provide evidence of completed registration on NCDMB NOGICD JQS portal.

Note: Land and Swamp operations are exclusively for Nigerian indigenous service companies that have a minimum of 51% equity shareholding.

6.0 ADDITIONAL INFORMATION

Interested suppliers must be pre-qualified for this product/service category in NJQS.

Full tendering procedure will be provided only to contractors that have been successfully pre-qualified in NJQS.

This advertisement shall neither be construed as an Invitation to Tender (ITT) nor a commitment on the part of EROTON to award a contract to any supplier and/or associated companies, subcontractors or agents.

This advertisement shall not entitle pre-qualified companies to make any claims whatsoever and/ or seek any indemnity from EROTON and/ or its partners by virtue of such companies having been pre-qualified in NJQS.

All costs incurred in registering and pre-qualifying for this and other products/ services categories in NJQS shall be borne solely by suppliers.

Suppliers that are pre-qualified for this product/service category in NJQS must ensure that the name and contact details (physical address, email address and telephone numbers) of their company and authorised/ responsible personnel is up to date in their company profile in the NJQS data base.

EROTON shall communicate only with the authorised/responsible personnel of pre-qualified companies and not through unauthorised individuals or agents.