

# Overview

**THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED**

**OPERATOR OF NNPC/SPDC/TEPNG/AGIP JOINT VENTURE**

**TENDER OPPORTUNITY – PROVISION OF DRILLING BITS AND ENGINEERING SERVICES THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED**

**TENDER NO. NG01022761**

**NIPEX TENDER NUMBER: SPDC 00000238**

## **1.0 INTRODUCTION AND PROJECT OUTLINE**

The Shell Petroleum Development Company of Nigeria Limited (SPDC), Operator of NNPC/SHELL/ETF/AGIP Joint Venture is seeking qualified vendors having requisite experience in the Provision of Drilling Bits and Engineering Services.

## **2.0 SCOPE OF WORK**

The general work scope is for the provision of Drilling Bits, associated equipment and engineering services under a performance-based contract with a pricing structure in cost per foot (\$/ft.) drilled. As part of this, the contractor is expected to provide the following services as the minimum service requirement/scope of work;

- Various cutter types of drilling bits;
- Inventory Control, Stock Taking Analysis and general warehouse management for the bits
- Detailed reports for drill bit failures.
- Provide comprehensive bit proposals for each hole section on request
- Provide high quality engineering support to the Well Delivery Team by using the contractor's available expertise, databases and computer modelling-systems
- Perform inspection and maintenance of bits
- Perform drill bit repair services
- Provide all necessary staff, bits and back-up bits to ensure an uninterrupted service
- The contractor will also be required to provide detailed reports for drill bit failures, attend appropriate training and/ or workshop sessions aimed at performance improvement e.g. delivering the limit, value challenge, and drill the well on paper workshops etc.
- The shift from outright bit purchase to performance based contract is premised on the fact that a low cost bit, may not necessarily deliver the required performance in terms of footage drilled. The performance based contract will involve the rental of bits, with an

upfront guarantee from the vendor on the quality of the bit and capacity to deliver the minimum footage at the acceptable rate of penetration. Payment will be based on how the bit performs.

- It is believed that this contract structure will provide a win-win situation for SPDC and the vendors, as it will provide an incentive for performance via increased revenue for performing vendors as well as savings or cost containment for SPDC.

### **3.0 Mandatory Requirements**

(1) TO BE ELIGIBLE FOR THIS TENDER EXERCISE, INTERESTED CONTRACTORS ARE REQUIRED to be pre-qualified In Drill Bits and Accessories — 1.01.09 category in NipeX Joint Qualification System (NJQS) database. All successfully pre-qualified suppliers in this category will receive Invitation to Tender (ITT) for both Technical and Commercial Bids.

(2) To determine if you are pre-qualified and view the product/service category you are listed for; Open [www.nipex-ng.com](http://www.nipex-ng.com) and access NJQS with your log in details. Click on Products/Services Status tab to view your status and product codes.

(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 pre-qualification process, access [www.nipex-ng.com](http://www.nipex-ng.com) / click on services tab followed by NJQS registration

(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:**

(1) Tenderer shall be an indigenous service company having a minimum of 51% Nigerian equity shareholding.

(2) Tenderer shall provide evidence of CAC registration forms C02 & CO7 and provide details of your corporate ownership structure in percentages showing the percentage of Nigerian shareholders including registration on the NCDMB NOGIC JQS.

(3) Tenderer's plan describing how it shall execute all associated engineering and design in Nigeria. Tenderer to state Name and location of proposed engineering offices in Nigeria to execute the Nigerian scope of work.

(4) Tenderer's to state location and address of proposed Project Management and Procurement Centre in Nigeria, Tender's plan to domicile a minimum of 80% man-hours of the Project Management man-hours in Nigeria, detailing scope of activities to be performed in Nigeria/man-hours, scope of support to be provided from tenderers global teams/man-hours any infrastructure to be established/ the staffing and resourcing plan.

(5) Tenderer should describe how it intends to execute ALL (100%) of the fabrication/ assembly and; testing WORK In-country,

(6) Tenderer shall describe in its plan for the procurement of following project materials/ equipment packages and consumables for the associated works. The Plan should include details of how Tenderer will utilize the services of Nigerian companies for this WORK. Procurement of the following materials from Nigerian vendors and manufacturers is mandatory;

(a) Anti-corrosion coating materials

(b) Sacrificial anodes

(c) Valves

(d) Steel Rapes

(e) Pipe Pitting

(f) Flanges

(g) Cast Iron Products

(h) Gaskets

(i) Welding Electrodes

(j) Consumable Gas

(k) Insulation

(7) Tenderer shall describe his plans for the-provision of various logistics and third party services to support fabrication / construction activities in Nigeria, through Nigerian based companies. Tenderer's plan shall describe Name and Address of Nigerian based entity or Subcontractor (s) Scope of services to be provided. The plan shall describe the following activities:

- Custom clearance and land logistics support
- Heavy lift services
- Loadout and sea fastening
- Marine transportation within Nigerian inland water ways
- In-country support and coordination of marine transportation to installation site.
- QA/QC inspection services
- NDTs and certification of welding procedures and welders Laboratory mechanical tests.
- Plan to perform marine craft transportation of project items from Nigerian port to port or part/quayside.

(8) Tenderer is required to develop a programme for training and development of Nigerians in identified technical disciplines specific to this WORK, in particular, project management, detailed engineering, fabrication, construction, offshore installation and pre-commissioning, commissioning and start-up. Tenderer shall describe any specific training programme in place to transfer technology and skills to staff and indigenous sub-contractors over the next five years.

Tenderer shall describe how it shall achieve a minimum of 15% total project man-hours or 40,000 man-hrs (whichever is greater) for NC Human Capital Development in various technical and commercial disciplines involved in the work, spanning across all phases of the project from engineering to commissioning and start-up. The Plan shall identify and describe the training programmes relevant to the scope of work to be executed; the proposed location of the training, the number of trainees, duration of the programme and total man-hours.

(9) Tenderer to provide evidence of a valid category A & B Nigerian Content Equipment Certificate (NCEC) issued by the Nigerian Content Development & Monitoring Board in respect of any components, spares, equipment, systems and packages to be used on the project.

## **5.0 CLOSING DATE**

Only Tenderers who are registered In the NJQS product/category 1.01.09 – Drill Bits and Accessories as at **16/03/2018**, being the adverts close date shall be invited to submit Technical bids.

## **ADDITIONAL INFORMATION**

- All costs incurred in preparing and processing NJQS pre-qualification shall be to the contractor's accounts.
- The contract shall be awarded to five (5) successful contractors on call-off basis and contract value to be awarded to each in inverse proportion of the bids.
- 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 pre-qualified in NJQS.
- SPDC will communicate only with authorized officers of the pre-qualifying companies and NOT through individuals or Agents.

**Visit us on: <http://www.shellnigeria.com>**

**Please visit the NipeX portal at [www.nipex-ng.com](http://www.nipex-ng.com) for this advert and other information. Also note that this contract will be progressed via the NipeX system.**