

Total Upstream Nigeria Limited

Operator of the OML 130

RC 321517

Tender Opportunity for Provision of Riser Section Drilling Fluids Services for OML 130

NipeX Tender Ref: 1000001118

(1) INTRODUCTION

Total Upstream Nigeria Limited (TUPNI) operator of the OML 130 issues tender opportunity to interested and reputable Contractors with suitable equipment and relevant experience for consideration to tender for the Provision of Riser Section Drilling Fluids Services for its Deep Offshore OML130 operations.

(2) BRIEF DESCRIPTION OF WORK SCOPE AND SPECIFICATIONS

The expected duration of this contract is two (2) years plus one (1) year optional extension.

The scope of work shall include the following:

- Preparation, maintenance and measurement of various types of drilling fluids to comply with well program or Company's specifications and Contract requirements;
- Calculation on a portable field computer provided by Contractor, of drilling fluids rheology parameters, pressure loss, etc;
- Management of the stock of products, consumables and related costs;
- Assistance and reporting with cementing operations;
- In the absence of Company's fluid engineer, organize loading/offloading of fluids, bulk and chemicals with Drilling Contractor, work in cooperation with Company superintendent with provision of reports as required by Company.
- Maintenance and/or repair of all Contractor Equipment
- Preparation of technical reports as required by Company (data base, cementing, solids analysis, drilling phase & final reports).
- Drilling fluids engineering program preparation, discussion.
- Quality control of products supplied by Contractor.
- Pilot testing of proposed solutions to correct or enhance mud properties
- Specific test not performed on rig (tests including but not limited to Hydraulic calculations, ECD P,T rheology, e.t.c);
- Provision of all processes and facilities to have all Drilling and Completion Fluids mixed and ready to be shipped to Company's rigs and as well as a laboratory with sufficient facilities to carry out technical / engineering Services which include, but not limited to:
- QA/QC of mixed fluids and product, pilot testing of treatment including PST testing and PSD measurement.

(3) MANDATORY REQUIREMENTS

(a) To be eligible for this tender exercise, interested suppliers are required to be pre-qualified in the 3.04.15 Drilling Fluids/Mud Services category of the NipeX Joint Qualification System (NJQS). All successfully pre-qualified suppliers in this category will receive an Invitation to Technical Tender (ITT).

(b) To determine if you are pre-qualified and view the product/service category you are listed for; open www.nipex-ng.com and access NJQS with your log-in details, click on 'Continue Joint Qualification Scheme tool', then on 'Check my supplier status' and then click 'Supplier product group'.

(c) If you are not listed in the product/service category But you have registered with the Department of Petroleum Resources (DPR) to do business in the Nigerian Oil & Gas Industry, contact the NipeX administration office at 30, Oyinkan Abayomi Street, Ikoyi, Lagos with your DPR certificate as evidence for verification and necessary update.

(d) To initiate the NJQS pre-qualification process, access www.nipex-ng.com to download the application form, make necessary payments and contact NipeX office for further action.

(e) To be eligible, all tenders must comply with the Nigerian content requirements in the NipeX system.

(f) Only Nigerian indigenous service companies having verifiable Nigerian equity shareholding of 51 % and above shall submit bids for this tender.

(4) NIGERIAN CONTENT

TEPNG is committed to the development of the Nigerian Oil and gas business in compliance with the Nigerian Content Ad 2010 for Nigerian Content Development.

As from the commencement of this 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 targets as may be directed by the Nigerian Content Development and Monitoring Board (The Board)

Tenderer(s) shall comply with all the provisions of the Nigerian Content Act that relate to this advert and in particular comply with the minimum Nigerian Content percentage for the scopes which are covered in the Schedule of the Act, This also includes and any other requirement that may arise from time to time not explicitly stated in this advert but which apply to the services in fulfillment of the Nigerian Content Act, in the submission of their Tender.

Failure to fully comply with the Nigerian Content Act or demonstrate commitment to Nigerian Content Development Policy of the Nigerian government shall result in the disqualification of the tenderer from the bidding process.

As part of their submissions, Tenderer shall:

- (a) Develop a Nigerian Content Plan (NCP), which shall explain the methodology of how it intends to comply with the requirements of The Act and how to achieve the set target(s) in the Schedule of Nigerian Oil & Gas Industry Content Development Act and any targets set by The Board.
- (b) Develop a Research & Development Plan which shall explain the methodology of how it intends to promote education, attachments, training, research and development in Nigeria in relation to the contract.
- (c) Develop a Technology Transfer Plan which shall explain the methodology of how it intends to promote the effective transfer of technologies from alliance partners to Nigerian individuals and companies.
- (d) Develop an employment and training plan which shall explain how first considerations shall be given to employment and training of Nigerians in work programme on the contract, hiring and training needs with a breakdown of the skills needed and anticipated skill shortage in the Nigerian labour force including the training and understudy program for succession planning.
- (e) Submit a plan for how you intend to give first consideration to services provided from within Nigeria with a list of work packages, 3rd party services and subcontracts that should be reserved for Nigerian indigenous contractors and those for Community Contractors including the list of services that will be provided by companies of Nigerian origin.
- (f) Submit a plan for how you intend to give first consideration to raw materials and manufactured /assembled goods of Nigerian origin. This shall include a breakdown of all raw materials to be utilized and identify those that are found locally. Finished products and materials that will be procured from Nigerian Manufacturing & assembly plants; finished foreign goods that can be ordered by Nigeria through Nigerian authorized vendors and accredited agents and those that would be directly imported.
- (g) Demonstrate that entity is a Nigerian indigenous company or an indigenous company in genuine alliance with a foreign-owned or multinational company registered in Nigeria. Submit 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/or evidence of entity's incorporation, shareholding & ownership structure in Nigeria. Where applicable, evidence of the Partnership/JV Agreement (where applicable) between Indigenous Company and their

alliances with duly signed exclusive binding Memorandum of Agreement by the CEO of the entities in the alliance.

(h) Provide detailed description of the location of in-country committed facilities & infrastructure (assets, equipment, technical office, and administrative space, storage, workshop, assembly area, repair & maintenance, testing, laboratory, etc) in Nigeria to support this contract. Evidence that 50% of all equipment deployed to work by multinational and international companies is owned by the local subsidiaries is a necessity.

(i) Provide a project-specific training, man-hour budget, skill development and technology transfer plan for Nigerian personnel or indigenous business including evidence of past performance on training and development for Nigerians nationals & indigenous business. Plan for sponsorship of Nigerians to acquire competence and/or certification. Further development of local employees as professionals. Proposed training plan for Nigerians on the project including a brief training outline for OEM products, engineering, software & hardware, project management, procurement, construction, installation, start-up & commissioning, maintenance, testing and operations.

(j) Provide evidence (personnel list and positions with organization chart to substantiate) of percentage of management that are Nigerian Nationals and the percentage of the total workforce that are Nigerians.

(k) Submit tenderer's corporate organization's overall human resources structure (mgt, supervisors, senior & junior skilled officers, etc.) identifying positions manned/occupied.

(l) Tenderer shall be expected to submit verifiable evidence of the OEM's Nigerian Content Equipment Certificate (NCEC) issued by NCDMB during the technical phase of bidding.

(m) All bidders during tendering shall demonstrate how the NC targets of the NOGICD Act would be achieved in accordance with the services.

NOTE: Failure to comply with the provision of the Nigerian Content Act 2010 or to demonstrate commitment to the development of the Nigerian Content Policy shall result in the disqualification of the tenderer from the bidding process.

(5) CLOSING DATE

Only suppliers, who are registered with Drilling Fluids/Mud Services (3.04.15) as at **2nd December, 2016**, being the advert closing date, shall be invited to submit technical tenders.

(6) ADDITIONAL INFORMATION

(a) Failure to provide any of the listed documents or information may automatically disqualify the tenderer.

(b) All costs incurred in registering and prequalifying for this and other service categories in NJQS shall be borne solely by the Contractors/suppliers.

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

(d) The ITT and any further progression of this tender shall be via NipeX. Interested bidders are therefore advised to ensure that their profiles in NipeX are active with a valid official email address accessible by their organization as this shall be the only means to transmit the ITT.

(e) Tendering process will be the NNPC contracting process requiring pre-qualified companies to submit technical tender first. Following a technical review, only technically and financially qualified contractors will be requested to submit commercial tenders.

(f) Man hour figures for Capital Project Portfolios are estimates to provide definition to the scope and do not constitute guaranteed quantities.

(g) TEPNG will only recognize and correspond with duly authorized officers of the pre-qualified bidders and NOT through individuals or agents acting on their behalf.

(h) Interested tenderer(s) should note that TEPNG has very cordial relationship with the host communities of the sites where these services will be performed based on existing Memorandum of Understanding (MOU). Prospective tenderer(s) will be required to implement the obligations of the MOU as part of their contract.

Please visit NipeX portal at www.nipex-ng.com for this advert and other information