NEW GUIDELINES FOR REGISTRATION OF CONTRACTORS, VENDORS AND SUPPLIERS WITH THE NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC)

Background

In line with the Transformation Agenda of Mr. President and the dedicated commitment of the Hon. Minister of Petroleum Resources to reposition the Nigerian Oil & Gas Industry for visible efficiency and effectiveness, the Nigerian National Petroleum Corporation (NNPC) is changing its business processes to aggressively reposition the Corporation to a world class standard.

Pursuant of the above, NNPC has acquired System Applications and Products Enterprise Resource Planning (SAP-ERP) Solution as its official platform for managing its business processes; including vendor management, contracting & procurement, invoicing, contractors’ payments, etc. In the same vein, effective now NNPC will cease to register contractors and vendors on a manual basis.

Effective from the date of this publication and up until 30th September, 2014 any Nigerian registered company who wishes to conduct business with NNPC requires new registration. Entities that did not complete the stated requirements on the aforementioned date will not be able to conduct business with NNPC until they perform this necessary activity.

A new NNPC vendor management Database will be activated in our SAP system by 1st October, 2014.

The purpose of this initiative is to cleanse our vendor database and ensure that all contractors are classified under specified work categories in addition to capturing
all relevant statutory and regulatory requirements of working in the Nigerian oil and gas industries.

To this end, this initiative is designed with the principal aim of entrenching transparency into the contracting and procurement process, enhancing excellence in vendor capabilities and increasing visibility of contract opportunities to indigenous contractors / suppliers with the following attendant benefits to the contracting community:

1. Registration fees abolished (for contracts with value 25M Naira and below)
2. Multiple registration in NNPC business areas abolished (One Stop Shop Online registration)
3. Briefcase contractors discouraged (contractors categorized into specific work areas; etc.)

NNPC has developed a new strategy for managing contractors as part of its transformation initiative. Under this new initiative, contract values have been grouped into two different financial thresholds:

1. Contract values up to ₦25m (Twenty Five Million Naira)
2. Contract values above ₦25m (Twenty Five Million Naira)

Contractors, vendors and suppliers who wish to operate within the threshold of ₦25m (Twenty Five Million Naira) are required to register with NNPC as per the requirements stated in Table A. While, those who wish to operate above the threshold of ₦25m (Twenty Five Million Naira) are required to be pre-qualified and registered with the Nigerian Petroleum Exchange (NipeX) as per the requirements stated in Table B. This registration will provide them access to both NNPC contracts and others in the Nigerian Oil and Gas Industry.

**Table A – Steps / Requirements for Registration for Contract values below and up to N25m**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Steps / Requirements</th>
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<tbody>
<tr>
<td>1.</td>
<td>Visit NNPC website (<a href="http://www.nnpcgroup.com">www.nnpcgroup.com</a>) to access registration form</td>
</tr>
<tr>
<td>2.</td>
<td>Complete registration form online with particular attention to your area of specialization(s)</td>
</tr>
<tr>
<td>3.</td>
<td>Upload statutory documents as follows:</td>
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• Certificate of incorporation (CAC)/Registered Business name
• 3 years current tax clearance certificate
• DPR certificate (where applicable)
• VAT Certificate (where applicable)
• Reference letter from your bank
• PENCOM certificate (where applicable)
• Current ITF Registration certificate (where applicable)

4. Submit Registration Form
5. Verification and confirmation of documents provided (by NNPC)
6. Issuance of Registration Certificate to qualified contractors, vendors and suppliers (by NNPC)

Notes:
   a) No Registration fees required
   b) This new method of contractors, vendors and suppliers registration will be hosted in NNPC website (www.nnpcgroup.com)
   c) The SCM department of all NNPC business areas shall manage the contractors, vendors and suppliers database on a continuous basis
   d) For further clarifications contact the nearest NNPC office, Supply Chain Management Department nation-wide

Table B – Steps / Requirements for Registration for Contract values above N25m

<table>
<thead>
<tr>
<th>S/N</th>
<th>Steps for the registration/pre-qualification process</th>
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<tbody>
<tr>
<td>1.</td>
<td>Login to NipeX portal <a href="http://www.nipexng.com">www.nipexng.com</a> and comply with the instructions therein</td>
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<tr>
<td>2.</td>
<td>Contractors, Vendors and Suppliers already registered with NipeX need not to re-register</td>
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NOTES:
   A. All documents submitted shall be verified
   B. Submission of fake document will attract sanctions and automatic blacklisting
   C. NNPC shall start enforcing this new policy with effect from 1st October, 2014

MANAGEMENT