



NIGERIAN NATIONAL PETROLEUM CORPORATION

NNPC TOWERS, HERBERT MACAULAY WAY,

P.M.B. 190, GARKI- ABUJA, NIGERIA

INVITATION TO TENDER (“ITT”)

FOR THE

**2019 – 2021 SALE AND PURCHASE OF NATURAL GAS LIQUIDS (NGLs)
(DOMESTIC AND EXPORT).**

1. INTRODUCTION

The Nigerian National Petroleum Corporation (NNPC) is an integrated Oil and Gas Company empowered under the NNPC Act to engage in all commercial activities relating to petroleum operations including petroleum exploitation, production, refining, transportation, storage and marketing. Against this backdrop, NNPC desires to engage qualified and reputable companies for the Sale and Purchase of Natural Gas Liquids (NGLs) in line with the Public Procurement Act 2007 and NNPC's Policy and Procedures.

2. BRIEF DESCRIPTION OF SCOPE

The scope entails sale by NNPC of its equity share of NGLs (Domestic or Export) on Free on Board (FOB) basis and purchase by company of the delivered NGLs, subject to the general terms and conditions that would be subsequently advised to successful bidders via agreements:

3. WHO MAY APPLY:

NNPC hereby invites interested and credible companies to participate in this tender process. The bidder shall apply under any of the following categories:

i) **DOMESTIC SALES**

- a) An established Nigerian registered end user who owns NGL storage and handling facility in Nigeria.
- b) An established Nigerian registered company with LPG distribution footprints and operates a valid throughput arrangement with NGL facility owner in Nigeria.

ii) **EXPORT SALES**

- a) An established International large volume NGL trader or end user having a Nigerian affiliate or subsidiary engaged in oil and gas business.

For clarity, Successful International bidders shall jointly enter into the sale agreement with its affiliate as a consortium and the tax obligations of the consortium shall be satisfied through the Nigerian affiliate; and

Affiliate or Subsidiary used herein means a legal entity which directly or indirectly owns a party or which is directly or indirectly owned by a party with ownership implying more than fifty percent (50%) of the issued shares or voting rights in the company.

- b) An established Nigerian large volume oil and gas trading company.

***Indicate the category of application on the front page of your tender application letter. A bidder is permitted to apply under ONE category ONLY.**

***Memorandum of Understanding (MOU), Partnership Agreement or Letter of Introduction from any company shall NOT be considered.**

4. DURATION AND COMMENCEMENT

The duration of the 2019 – 2021 NGLs sale and purchase contracts shall be two years (24 calendar months) commencing from a date that will be advised to successful bidders.

5. PRE-QUALIFICATION REQUIREMENTS

Interested bidders are required to submit the following documents:

- 5.1 Certificate of Incorporation and/or similar evidence of company registration issued by Corporate Affairs Commission (CAC) for Nigerian companies or by Home Country's Government agency for foreign companies
- 5.2. Certified true copies of Memorandum and Articles of Association of the company and/or similar statutory documents indicating ownership structure of company, name(s) of directors, major shareholders and percentage shareholding.

- 5.3 Company Profile showing full details of company's resume demonstrating company's capabilities.
- 5.4 Company Tax Clearance Certificate for the last three (3) years (2016, 2017 and 2018 for Nigerian companies) or similar tax certification documents for foreign companies. In the case of Tax exemption, evidence of Exemption from the respective authority.
- 5.5 Audited Account for the past three (3) years (2016, 2017 and 2018) which must bear the stamp and seal of a reputable Audit Firm.
- 5.6 Requisite DPR license/permits and other regulatory authority approvals.
- 5.7 (a) International companies applying under the Export Sales Category indicated in Section 3(ii)(a) shall provide evidence of minimum annual turnover of **US\$100 Million** (or the Naira Equivalent) and net worth of at least **US\$50 Million** (or the naira equivalent) for 2017 or 2018 whichever is the current financial year.
- (b) Nigerian companies applying under the Export Sales Category indicated in Section 3(ii)(a) shall provide evidence of a minimum annual Turnover of **US\$50 Million** (or the Naira Equivalent) and net worth of at least **US\$25 Million** (or the Naira equivalent) for 2017 or 2018 whichever is the current financial year.
- 5.8 Nigerian companies applying under the Domestic Sales Category indicated in Section 3 (i) (a) and (b) shall provide evidence of a minimum annual turnover of **NGN 2 Billion** and net worth of at least **NGN1 Billion** for 2017 or 2018 whichever is the current financial year.
- 5.9 Evidence of compliance with the Industrial Training Fund (ITF) Amendment Act 2011 by inclusion of copy of current Compliance Certificate from the Industrial Training Fund (for Nigerian companies) or similar documents for foreign companies.
- 5.10 Evidence of compliance with Pension Reform Act 2004 by inclusion of copy of current Pension Clearance Certificate (for Nigerian companies) or similar document for foreign companies.

- 5.11 Evidence of compliance with Nigeria Social Insurance Trust Fund (NSITF) Act by inclusion of copy of current NSITF Clearance Certificate (for Nigerian companies)
- 5.12 Evidence of registration on the Bureau of Public Procurement (BPP's) National Data Base of Federal Contractors, Consultants and Service Providers (NDCCSPs) by inclusion of interim Registration Report (IRR) (for Nigerian companies).
- 5.13 Company's CASHES and QA/QC Policy and details of safety recovery for accidents, incidents, injuries and damages for the past three (3) years (2016 - 2018) e.g. lost time incident, and down-time etc.
- 5.14 Details of the applicant's markets and volume of NGLs traded over the last three years (2016, 2017 & 2018) for **NGLs Export** bidders.
- 5.15 Storage facility or evidence of valid throughput agreement with depot/tank farm owner detailing size, location etc. of the facility in Nigeria for **NGLs Domestic** bidders.
- 5.16 Evidence of direct involvement in the LPG Value chain within the last five years (2014 - 2018) such as Bill of lading, Certificate of quantity, DPR discharge certificate etc.
- 5.17 Evidence of verifiable similar services carried out within the last five years (2014 - 2018).
- 5.18 Contact details of the company on Company's letter head showing name of authorized contact person(s), official address, email and telephone number.
- 5.19 Evidence of Certainty of business integrity and pre-signed undertaking to strictly comply with Nigerian Anti-Corruption laws in processing the bid and executing the contract if successful.
- 5.20 **Compliance with the Nigerian Content Act:**
Compliance with Nigerian Content Act shall be a major consideration in the selection of applicants to lift Nigerian Gas.

5.21 Applicants must submit a detailed Nigerian Content execution strategy to the satisfaction of the Nigerian Content Development and Monitoring Board (NCDMB) clearly setting out Nigerian Content commitments in areas of:

- a) Patronage of Nigerian shipping companies
- b) Insurance and Legal Services
- c) Banking and Financial Services
- d) Nigerian Content plan that demonstrates full utilization of Nigerian labour and services with detailed description of role, work scope and man-hours in order to achieve minimum target as set out in the requirement of the NOGICD Act 2010.
- e) Current and in-place organizational structure with detailed experience and skills of key management personnel with names. Provide percentage evidence of Management that are Nigerian nationals and the percentage of the total workforce that are Nigerians (personnel list and position organizational chart).
- f) Detailed past/present commitment to staff training and development of Nigerian personnel (where applicable).

5.22 A bidder shall make provision of sworn affidavit to support action as follows:

- a) To allow NNPC verify all claims made in your submission.
- b) To allow NNPC verify that your organization is not in receivership, nor the subject of any form of insolvency or bankruptcy proceedings or the subject of any form of winding up petition or proceedings.
- c) To confirm that the company is not a replacement for a hitherto tax defaulting company.
- d) To confirm whether or not any of the members of the Board of relevant committees of NNPC or Bureau of Public Procurement (BPP) is former or present Director, shareholder, or has any pecuniary interest in your Company.
- e) A written statement confirming that your company does not have any Director who has been convicted in any country for a criminal offence relating to fraud or any financial impropriety or criminal misrepresentation or falsification of facts relating to any matter.

6 TENDER SUBMISSION

- 6.1 All completed bids shall be sealed and submitted in Two (2) separate envelopes clearly marked **ONE Original, ONE Hard Copy & ONE Electronic Copy (FLASH DRIVE)**. The bid shall also be duly signed by the bidder's authorized representative and clearly marked:

INVITATION TO TENDER FOR: 2019 – 2021 SALE AND PURCHASE OF NATURAL GAS LIQUIDS (EXPORT) or INVITATION TO TENDER FOR: 2019 – 2021 SALE AND PURCHASE OF NATURAL GAS LIQUIDS (DOMESTIC) as the case may be.

- 6.2 The documentation on Nigerian Content (Sections 5:20 and 5:21) shall be in a separate envelope clearly marked- **INVITATION TO TENDER FOR: 2019 - 2021 SALE AND PURCHASE OF NATURAL GAS LIQUIDS (EXPORT or DOMESTIC) – LOCAL CONTENT**

- 6.3 **The Submission/closing date:** All documents shall be addressed and submitted on or before **Tuesday, 28th May, 2019 at 12 noon** prompt to:

**The Secretary
NNPC Tenders Board (NTB)
Nigerian National Petroleum Corporation
The Bid Management Room
Room 45B, 1st Floor, Block D, NNPC Towers
Herbert Macaulay Way,
Central Business District
Abuja, Nigeria**

- 6.4 All bids received shall be publicly opened and endorsed immediately following the deadline for the submission in the presence of invited observers and bidders.

- 6.5 All bidders are invited to attend the bid opening session that would hold at:

**The NNPC's Amphitheatre
First Floor, Block A
NNPC Towers,
Nigerian National Petroleum Corporation
Herbert Macaulay Way
Central Business District
Garki, Abuja.**

7 IMPORTANT INFORMATION

It is hereby noted as follows:

- 7.1 Late submission shall be rejected
- 7.2 All Submissions shall be clearly arranged and numbered in the order listed in Section 5 above in a folder or binder.
- 7.3 Only companies who submit the required information and meet the prequalification criteria shall be contacted after evaluation.
- 7.4 NNPC shall deal directly with only authorized officers of the interested companies and not through individuals or agents.
- 7.5 All costs incurred by your company as a result of this invitation to Tender and other associated cost in respect of this exercise shall be borne solely by your company.
- 7.6 This process of prequalification neither creates any commitment nor establishes any legal relationship with NNPC.
- 7.7 All information shall be provided in **English Language**

SIGNED: NNPC MANAGEMENT