



**NIGERIAN NATIONAL PETROLEUM CORPORATION
NNPC TOWERS, HERBERT MACAULAY WAY,
P.M.B. 190, GARKI- ABUJA, NIGERIA**

INVITATION TO TENDER (“ITT”)

FOR THE

**2019 – 2020 DIRECT SALE OF CRUDE OIL AND DIRECT
PURCHASE OF PETROLEUM PRODUCT (DSDP)**

1. INTRODUCTION:

Nigerian National Petroleum Corporation (NNPC) is empowered pursuant to NNPC Act (LFN Cap. 320) to engage in all commercial activities relating to Petroleum Operations. In compliance with the Public Procurement Act 2007 and NNPC’s Policy and Procedures, NNPC intends to engage qualified and credible companies in a Direct Sale of Crude Oil and Direct Purchase of Petroleum product (DSDP) to ensure sustained product supply in the country.

2. BRIEF DESCRIPTION OF DSDP SCOPE:

NNPC shall deliver monthly crude oil lifting on Free on Board (FOB) basis to supplier who shall in return, deliver petroleum products of Nigerian standard specification to NNPC on Delivered at Place (DAP) basis, at designated safe port (s) in Nigeria. The petroleum products to be delivered shall be equivalent in value to the Crude Oil received from NNPC subject to the general terms and conditions as would be advised to successful companies subsequently via Term Sheet (TS).

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 categorizations:

- a. An established International end user who owns a Refinery with the capacity to process Nigerian crude oil grades and has a Nigerian affiliate or subsidiary experienced in downstream oil and gas business or in partnership with an experienced Nigerian company engaged in downstream oil and gas business particularly petroleum products trading.
- b. An established and globally recognized large volume Petroleum Product Trading Company and has a Nigerian affiliate or subsidiary experienced in downstream oil and gas business or in partnership with an experienced Nigerian company engaged in downstream oil and gas business particularly petroleum products trading.

For clarity, Affiliate or subsidiary used in items (a and b) 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 50% of the issued shares or voting rights in the company;

Partnership means a business association between two entities evidenced by an agreement.

Non-binding Memorandum of Understanding (MOU) shall not be considered.

- c. An Indigenous company engaged in Nigerian oil and gas downstream activities with trading of Petroleum product expertise.

***Indicate the category being applied for in the front page of your application letter and note that a bidder shall only apply for one category.**

4. DURATION AND COMMENCEMENT:

The duration of the 2019 – 2020 DSDP arrangement shall be a period of One year (12 calendar months) commencing from a date that will be advised to successful bidders.

5. ISSUANCE OF TERM SHEET:

The TS shall be subsequently issued to successful pre-qualified companies only as the basis for the eventual agreement between the parties.

6. PRE-QUALIFICATION REQUIREMENTS:

Interested bidders shall submit the following documents:

- 6.1 Certificate of Incorporation and/or similar evidence of company registration issued by Corporate Affairs Commission (CAC) for Nigerian companies or issued by Home Country's Government agency for foreign companies.
- 6.2 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.
- 6.3 Company Profile showing full details of company's resume and demonstrating company's capabilities.
- 6.4 Provide on company's letterhead, contact details of the company including the name of authorized contact person(s), official address, email and telephone number (s).
- 6.5 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.
- 6.6 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.
- 6.7 Evidence of compliance with the Nigeria Social Insurance Trust Fund (NSITF) Act 2010 by inclusion of copy of current NSITF Clearance Certificate (for Nigerian companies).
- 6.8 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 (ITF) (for Nigerian

companies) or similar documents for foreign companies.

- 6.9 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 current interim Registration Report (IRR) (for Nigerian companies).
- 6.10 Audited Account for the past three (3) years (2016, 2017 and 2018) which must bear the stamp and seal of the assigned Audit Firm.
- 6.11 Minimum Turnover of US\$500 Million (or the Naira Equivalent) and Net worth of US\$250 Million (or the Naira Equivalent) for the year 2017 or 2018 whichever is the current financial year.
 - a. **Foreign companies applying under category (a or b) of Section 3 shall be required to demonstrate evidence of partnership with experienced Nigerian downstream company that meets a minimum turnover of US\$65 Million (or the Naira equivalent) and Net worth of US\$32.5 Million (or the Naira Equivalent).**
 - b. **Indigenous companies applying under category (c) of Section 3 shall meet the minimum Turnover of US\$400 Million (or the Naira Equivalent) and Net worth of US\$200 Million (or the Naira Equivalent).**
- 6.12 Evidence of current relevant certification with the Department of Petroleum Resources (where applicable).
- 6.13 Details of the applicant's volume of Premium Motor spirit (PMS) and other petroleum products traded in metric tons. The submission shall be in tabular form over the last four years (2015, 2016, 2017 and 2018) in the following regions.
 - a) Africa
 - b) Asia and the Far East
 - c) North America
 - d) South America
 - e) Europe
- 6.14 Evidence of verifiable similar services (Crude oil and Petroleum product exchange) carried out within the last four years (2015,

2016, 2017 and 2018). All crude oil volumes shall be presented in barrels while petroleum products shall be presented in metric tons.

6.15 Company's HSEQ Policy and QA/QC policy for the past three years 2016, 2017 and 2018 detailing safety records.

6.16 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 or relevant committees of NNPC or Bureau of Public Procurement (BPP) is a 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.

6.17 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.

6.18 Compliance with the Nigerian Content Act

- a) Compliance with Nigerian Content Act shall be a major consideration in the tender process. Companies must provide a detailed Nigerian Content execution strategy in satisfaction of the Nigerian Content Development and Monitoring Board ("NCDMB"), clearly setting out Nigerian Content commitments in areas of:
 - b) Patronage of Nigerian shipping companies.
 - c) Insurance and Legal Services.

- d) Banking and Financial Services.
- e) 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.
- f) Current and in-place organizational structure with detailed experience and skills of key management personnel with names. Provide evidence (personnel list and position organizational chart) percentage of management that are Nigerian nationals and the percentage of the total workforce that are Nigerians. (where applicable).
- g) Detailed past/present commitment to staff training and development of Nigerian personnel (where applicable).

7 TENDER SUBMISSION:

- 7.1 All completed bids shall be sealed and submitted in **Two (2) separate envelopes** clearly marked – One (1) original, One (1) copy and one (1) electronic copy (Flash drive)duly signed by the bidder’s authorized representative and clearly marked **INVITATION TO TENDER FOR: “2019 – 2020 DIRECT SALE OF CRUDE OIL AND DIRECT PURCHASE OF PETROLEUM PRODUCT (DSDP)**
- 7.2 The documentation on Local Content as stated above (Section 6.18) shall be submitted in a separate envelope and clearly marked **“INVITATION TO TENDER FOR: “2019 – 2020 DIRECT SALE OF CRUDE OIL AND DIRECT PURCHASE OF PETROLEUM PRODUCT (DSDP) – LOCAL CONTENT**
- 7.3 **The Submission/Closing date:** All documents shall be submitted on or before **Thursday 2nd May, 2019 at 12noon prompt** addressed 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

- 7.4 All bids received shall be publicly opened and endorsed immediately after the deadline of bid submission in the presence of invited observers and bidders.
- 7.5 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
Abuja, Nigeria**

8. IMPORTANT INFORMATION

It is hereby noted as follows:

- 8.1 Late submission shall be rejected
- 8.2 All submissions shall be arranged and numbered in the order listed in Section 6 above in a folder or binder.
- 8.3 Only companies who submit the required documentation and meet the prequalification criteria shall be contacted after evaluation. NNPC shall deal directly with only authorized officers of the prequalified companies and not through individuals or agents.
- 8.4 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.
- 8.5 This process of prequalification of a company neither creates a commitment nor establishes any legal relationship with NNPC.
- 8.6 All information shall be provided in **English Language**

SIGNED: NNPC MANAGEMENT