



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

INVITATION TO TENDER (“ITT”)

FOR THE

**2021 – 2022 DIRECT SALE OF CRUDE OIL AND DIRECT
PURCHASE OF PETROLEUM PRODUCT (DSDP)**

1. INTRODUCTION:

Nigerian National Petroleum Corporation (NNPC) is empowered pursuant by the 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 who fall under any of the under listed categories to participate in this tender process. The prospective bidder(s) must:

Mandatory

- I. Indicate the category being applied for in your application letter
- II. Note that a prospective bidder can only apply under **one** category.

CATEGORIES GROUPING	CATEGORIES	REMARKS
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.	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;
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.	A partnership means a business association between two entities evidenced by an agreement.
C	An Indigenous company engaged in Nigerian oil and gas downstream activities with trading of petroleum product expertise.	

- III. Each applicant would be assessed on its own merit.
- IV. Non-binding Memorandum of Understanding (MOU) shall not be considered and would render your bid null and void.

4. DURATION AND COMMENCEMENT:

The duration of the 2021 – 2022 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 term sheet shall be subsequently issued to successful pre-qualified companies only as the basis for the eventual agreement between the parties.

6. BID DOCUMENTATION REQUIREMENTS:

In accordance with the Public Procurement Act of 2007, extant laws and NNPC policies and guidelines all interested bidders seeking to be considered must satisfy the following requirements:

6.1 STATUTORY REQUIREMENTS

- 6.1.1 Certificate of Registration/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.
- 6.1.2 Certified true copies of memorandum and Articles of Association of the company (statement of share capital and return of allotment) and CO7 (particulars of directors) and /or similar statutory documents indicating ownership structure of company, name(s) of directors, major shareholders and percentage shareholding.
- 6.1.3 Company's Tax Clearance Certificate for the last three (3) years (2017, 2018 & 2019) expiring on 31st December 2020, for Nigerian companies and similar tax certification documents for foreign companies in the case of tax exemption, evidence of exemption from the respective Country.
- 6.1.4 Evidence of compliance with Pension Reform Act 2004 by inclusion of valid Pension Compliance Certificate expiring on 31st December 2020 (for Nigerian companies) or similar document for foreign companies.
- 6.1.5 Evidence of compliance with the Nigeria Social insurance Trust Fund (NSITF) Act by inclusion of current NSITF Compliance Certificate expiring on 31st December 2020 (for Nigerian companies).
- 6.1.6 Evidence of compliance with the Industrial Training Fund (ITF) Amendment Act 2011 by inclusion of copy of Industrial Training Fund

(ITF) Compliance Certificate expiring on 31st December 2020 (for Nigerian companies) or similar documents for foreign companies.

- 6.1.7 Evidence of Registration on the National Database of Federal Contractors, Consultants and Service Providers by submission of Interim Registration Report (IRR) expiring on 31st December 2020 or valid certificate issued by BPP.

***Note: Each requirement as listed above is deemed as mandatory (for Nigerian Companies) and non-submission of documentation stated in 6.1.1, 6.1.2 & 6.1.3 (for foreign companies) will be considered as a 'Fatal flaw'.**

7 GENERAL REQUIREMENTS:

- 7.1 Detailed Company's Profile with full details of company's resume demonstrating company's capabilities.
- 7.2. Evidence of current relevant certification with Department of Petroleum Resources. (For Nigerian Companies)

8. FINANCIAL REQUIREMENTS

- 8.1 Audited Accounts for the past three (3) years (2017, 2018 & 2019) which must bear the stamp or seal of a credible Audit Firm.
- 8.2 Demonstration of an average minimum turnover of US\$ 500 million (or the Naira equivalent) and net worth of not less than US\$ 250 million (or the Naira equivalent) for the Financial Years Ending: 2017, 2018 and 2019 respectively for applications under Categories A and B as detailed in section 3 above.

****Note: Foreign companies applying under categories A and B of Section 3 above, shall be required to demonstrate evidence of partnership with an experienced Nigerian downstream company that meets a minimum average annual turnover of N20billion for the financial years ending: 2017, 2018 and 2019 respectively.**

- 8.3. Indigenous companies applying under the category specified under paragraph 3 (c) above shall meet the average minimum turnover of \$400 Million (or the Naira Equivalent) and net worth of \$200 Million (or the Naira

Equivalent) for the financial years ending: 2017, 2018 and 2019 respectively.

- 8.4. Ability to establish an irrevocable Letter of Credit for the payment of any allocated Crude Oil subject to the contract terms.

9. TECHNICAL REQUIREMENTS

9.1 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 (2016, 2017, 2018 and 2019) in the following regions.

- a) Africa
- b) Asia and the Far East
- c) North America
- d) South America
- e) Europe

Table 1: Premium Motor Spirit (PMS) traded

S/No	PMS	Region	Consignee	Consignor	B/L Date	Quantity (MT)	Other Info

Table 2: Other Petroleum Products Traded

S/No	Product Type	Region	Consignee	Consignor	B/L Date	Quantity (MT)	Other Info

9.2 Evidence of at least three verifiable similar services (crude oil and petroleum product exchange) carried out within the last four years (2016, 2017, 2018 and 2019). All crude oil volumes shall be presented in barrels while petroleum products shall be presented in metric tons.

9.3 Company's current CASHES policy statement which must be signed

9.4 Detail of safety records for accidents, incidents, injuries, and damages for the past three (3) years (2017, 2018 & 2019).

9.5 Company's current QA/QC policy document.

10 BUSINESS INTEGRITY REQUIREMENTS

1. A prospective bidder shall make provision of a sworn affidavit to support his submission 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 wrong up petition or proceedings.
- c) To confirm that the company is not a replacement for a hitherto tax defaulting company.
- d) Disclosing whether or not any officer of the relevant committees of Nigerian National Petroleum Corporation or the Bureau of Public Procurement is a former or present Director, shareholder or has any pecuniary interest in the bidder.
- e) To confirm that all information presented in its bid submission are true and correct in all particulars.
- f) 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.
- g) A written statement providing full names, contact addresses of current directors and beneficial owners including their email address, and telephone number.

2. Certainty of business integrity and pre-signed undertaking to strictly comply with Nigerian Ant-Corruption laws in processing the bid and executing the contract if successful.

11. COMPLIANCE WITH THE NIGERIAN CONTENT REQUIREMENTS

Compliance with Nigerian Content Act shall be a major consideration in the selection of applicants to lift Nigerian Crude Oil and supply petroleum products.

All Bidders bidding for this tender shall in compliance to the Nigerian Oil and Gas Industry Content Act provide the following,

- a. Submit a Nigerian Content Plan/Nigerian Content execution plan clearly setting out Nigerian Content commitments to demonstrate full utilization of Nigerian labour and services with detailed description of role, work scope and man-hours to achieve minimum target as set out in the requirement of the NOGICD Act and provide how it will give first consideration to services of Nigerian origin in the following areas:
- b. Utilization of Nigerian shipping companies/marine vessel vendors that are categorized A/AA in the latest NCDMB NOGIC JQS Marine vessel Categorization report.
- c. Banking, Legal and Financial Services.
- d. All vendors in tender who are not categorized A/AA in the NCDMB Marine vessel report shall submit an MOA with Nigerian shipping companies/marine vessel vendors categorized A/AA in the NCDMB NOGIC JQS Marine Vessel Categorization report in compliance with giving first consideration to Nigerian goods and services in this contract.
- e. Submit a 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 national and the percentage of the total workforce that are Nigerians.
- f. In line with the NCDMB Human Capacity Development Guidelines, bidders shall commit to providing Project-Specific training, man-hour, budget, skill development and understudy for sea-time training onboard for Nigerian trainee Quartermasters, Marine engineers and Seafarers. The list of personnel to be trained shall be drawn from the NCDMB NOGIC JQS portal.

- g. Competitive advantage shall be given to bidders who give first consideration to utilization of Nigerian insurance companies and brokers as well as those that demonstrate sea-time training onboard crude vessels carrier for Nigerian cadets.

12. SUBMISSION OF BID DOCUMENTS/CLOSING DATE

DUE TO THE COVID-19 PANDEMIC, ALL BIDS MUST BE SUBMITTED ELECTRONICALLY ON THE NNPC/NipeX TENDER PORTAL

1. To be eligible for this tender exercise, interested bidders are required to submit the following mandatory details as outlined below to SCMTenders@nipex.com.ng on or before **12:00 noon, Tuesday, 22nd December, 2020:**
 - a. Company's name
 - b. Company's full address
 - c. Company's authorized contact person(s) name to include
 - d. Phone number
 - e. Company's e-mail address
2. Section 12.1 (a-e) above is a mandatory requirement to register your company for participation in this tender process on the NNPC/NipeX tender process portal.
3. All interested bidders who do not provide the mandatory details as requested in Section 12.1 (a-e) above as at **12:00 noon, Tuesday, 22nd December 2020**, will no longer have access to the NNPC/NIPEX Portal.
4. Individual bidders would be duly notified on their registration in the NNPC/NIPEX tender portal.
5. Thereafter, the bidder would have access to make their submissions on the NNPC/NipeX Tender Portal.
6. All documents should be submitted online through the electronic NNPC/NIPEX Tender Portal on or before **12:00 noon, Thursday, 21st January 2021** to: **www.nipex-ng.com**
7. All bids shall be opened virtually, following the deadline for bids submission at **12:00 noon, Thursday, 21st January 2021**, using the NNPC Microsoft Teams.
8. In case of any unscheduled holiday on the bid submission date, the deadline for submission of bids will be on the next working day.

Accordingly, Bid Closing Date/time will be extended to the next working day and time.

13. IMPORTANT INFORMATION

Bidders acknowledge and accept, with respect to this tender that:

1. NNPC will only accept documents received electronically via the designated NipeX portal. Bids received in any other form shall not be accepted
2. Timely submission is the responsibility of the bidder.
3. At the deadline of bids submission, bidders will no longer have access on the NipeX portal to submit their bid.
4. The uploading of large electronic files may take time and as such bidders must allow for sufficient time to fully transmit all files prior to the bid closing time.
5. All submissions must be in a readable PDF format. If the electronic files containing the tender documents are corrupted, contains a virus or are unreadable for any reason, NNPC reserves the right to reject the tender documents.
6. Bidders are advised to note that NNPC may not discover corrupted or unreadable files submitted via the NipeX portal until after the tender submission deadline elapses.
7. NNPC is not responsible for errors or failures in the Bidder's own systems, and no extension of the submission deadline or time will be granted.
8. NNPC accepts no responsibility for Bidder's misunderstanding of the instructions or incorrect usage of the NipeX portal system.
9. All bidders who have submitted their mandatory details and registered on the NipeX portal and external observers shall be invited to attend a virtual bid opening session through Microsoft Teams to be communicated in due course.
10. NNPC shall deal directly with only authorized officers of the interested companies and not through individuals or agents.
11. All costs incurred by your company as a result of this invitation to tender exercise and any subsequent request for information shall be to your account.
12. This invitation to tender process and any related process neither creates any commitment by NNPC nor establishes any legal relationship.

13. Only companies adjudged qualified by NNPC under this ITT bid process will be invited to participate in the next stage of the tender process.
14. All information must be provided in English Language.

SIGNED: NNPC MANAGEMENT