



SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED (SPDC)

TENDER OPPORTUNITY: PROVISION OF DRILLING WASTE MANAGEMENT SERVICES ON LAND, SWAMP & OFFSHORE LOCATIONS

NIPEX TENDER NUMBER: SPDC.00000474

TENDER REF: CW669829

NCDMB CERT. NO.: ES/NCDMB/SPDC/ADV/UPD/130922/

1.0 INTRODUCTION

The Shell Petroleum Development Company (SPDC) as Operators of the Joint Venture between itself and the Nigerian National Petroleum Corporation (NNPC), on behalf of the Joint Venture hereby invites reputable and competent registered Nigerian companies registered with Nigerian Upstream Regulatory Commission. (NUPRC), with proven experience in Provision of Drilling Waste Management to apply for inclusion into the bid list for the **Provision of Drilling Waste Management Services On Land, Swamp & Offshore Locations** listed in the scope of work below.

Bidders will be expected to demonstrate their capability and capacity to accept and deal with the financial and technical complexities associated with a contract of this magnitude and this evidence will be required in the next stage of this Tender. SPDC hereby invites submissions from reputable and competent Nigerian registered companies having requisite proven experience in the **Provision of Drilling Waste Management Services**

2.0 SCOPE OF WORK.

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The general scope of work is the provision of drilling waste management services for POBM cuttings treatment, spent Water-Based Mud, Brines, non-drilling effluents and top-hole cuttings under the following packages:

- **Package A: Water-Based Mud (WBM) treatment and Top-Hole Cuttings (THC) evacuation on Land and Swamp locations**

CONTRACTOR shall provide all work necessary and incidental to the satisfactory provisions of:

- Collection, containment, handling and treatment of spent water-based mud.
- Collection, containment, handling, and treatment on-site of all brine, deck/ drain, run-off, and other non-drilling effluents.
- Testing (Laboratory analysis) and disposal of treated fluids and solids; the treated fluids must conform to regulatory requirement for on-site discharge into the environment (offshore only).
- Collection, containment, handling, transportation and deposition of top-hole cuttings drilled with water-based mud from land and swamp locations / SPDC jetty or any other nominated jetty at SPDC's NUPRC approved legacy sites.
- All pre-mobbed equipment and personnel required to carry out work scope
- Technical description of workplan for the entire water-based mud section up to the point of disposal of the cuttings and treated "clean" water that meets the specifications outlined in the EGASPIN 2018 for each well as part of the Drilling Waste Management plan for planned wells.
- Submission of report to the COMPANY showing total waste collected and treated including the residual contaminants values against NUPRC regulations
- Submission of report to the COMPANY showing total waste collected and deposited at SPDC's NUPRC approved legacy sites.
- All services must be rendered in strict accordance with regulatory standards set by NUPRC.
- **Package B: Pseudo Oil-Based Mud (POBM) cuttings treatment and Water-Based Mud (WBM) disposal services using Thermal Desorption Unit (TDU) on Land and Swamp locations.**

CONTRACTOR shall provide all work necessary and incidental to the satisfactory provisions of:

- Collection, drying, containment, storage, handling, transportation, weighing and treatment via a high/low thermal processing (desorption) of POBM cuttings and oily waste fluids/sludge from land and swamp locations,

from SPDC jetty or any other designated jetties at contractor's TDU (processing at contractor's site) with the appropriate NUPRC permits (including but not limited to TDU permit and secondary waste permit).

- Collection, containment, storage, handling, transportation, treatment and disposal of oil-contaminated surface hole drilled cuttings, all excess mud, excess brine, spent chemicals, deck run-off and other waste fluids generated from well operations.
- Provision of all equipment, personnel and materials required to execute the POBM based cuttings and fluids treatment scope of work.
- Recovery of oil from dried and processed cuttings/ sludge that is not cracked and can be reused for the formulation of drilling mud/ fluids.
- Storage of recovered oil from thermal de-sorption process of POBM cuttings/sludge before being collected and transported away by SPDC. SPDC to provide transportation of recovered base oil to any designated SPDC location upon request.
- Disposal of resulting residue (clean cuttings/ash) in a manner approved by regulatory authorities and SPDC.
- Collection, containment, handling, transportation of treated Water-Based Mud (WBM) to contractor facility for incineration/ processing at TDU and disposal.
- Technical description of how it intends to carry out these services from drilling of the intermediate hole section (using POBM) up to the point of discharge of the treated cuttings and recovery of oil.
- All services must be rendered with strict accordance to regulatory standards set by the NUPRC.

- **Package C: Drilling waste management on Offshore locations**

CONTRACTOR shall provide all work necessary and incidental to the satisfactory provisions of:

- Provision of dryer capable of drying POBM cuttings to <5% oil-on-cutting
- Disposal of top-hole cuttings (water Based Mud) offshore at a water depth >200ft and distance of 12nm from shore and clean-up of vessel under-tank. This includes the provision of hydraulic submersible pumps, slurrification unit, automatic tank cleaning system, chemicals (polymers), hoses and personnel
- Handling of top-hole cuttings, including provision and installation of equipment for the transfer of top-hole cuttings from rig to storage tank on a marine vessel (not limited to slurrification unit, hoses, hydraulic submersible pumps, chemicals to keep cuttings in suspension etc)
- Disposal of spent water-based mud (including brines) in a manner approved by regulatory authorities and SPDC
- Provision of all equipment, personnel and materials required to execute the drilling waste management on offshore locations scope of work.
- Submission of report to the COMPANY showing total waste collected and disposed and any other required information
- All services must be rendered with strict accordance to regulatory standards set by the NUPRC .

3.0 MANDATORY REQUIREMENTS

1. To be eligible for this tender exercise, interested contractors are required to be pre-qualified in the Product/Service category in the NipeX Joint Qualification System (NJQS) below. Only successfully pre-qualified suppliers in NJQS database Product Group – (**3.08.06 Disposal / Distribution and Waste Transport Services, 3.15.07 Waste Management Services and 3.01.08 Wastewater Treatment Services**) will receive Invitation to Technical Tender (ITT). Bidders shall be required to respond to any of the 3 separate TITT & CITT for each work scope and comply with the Nigerian content requirement for each of the scope of work.

2. To determine if you are pre-qualified and view the product/service category you are listed for, open www.vendors.nipex-ng.com and access NJQS with your login details, click on continue Joint Qualification Scheme tool, click check my supplier status and then click supplier product group.
3. There shall be separate awards for the WBM and POMB (package A&B) and Offshore scope (package C) SPDC shall create separate ITT for each package, and bidders shall be required to submit separate ITT & CITT document for both onshore and Offshore work scopes.
4. If you are not listed in a product/service category and you are registered with NUPRC to do business, contact NipeX office at 8-10 Bayo Kuku Street, Ikoyi, Lagos with your NUPRC certificate as evidence for necessary update.
5. To initiate the JQS prequalification process, access www.nipex-ng.com to download the application form, make necessary payments and contact NipeX office for further action.
6. To be eligible, all tenders must comply with the Nigerian Content Requirements in the NipeX system.

4.0 MINIMUM REQUIREMENTS

1. **A cover letter summarizing the content of the Pre-Qualification Document.**
2. **Nigerian Registration**
 - (a) Evidence of Contractor's registration in Nigeria (Certificate of Incorporation), Contractor's legal status and profile including Nigerian shareholding and details of any formal technical support agreement with foreign companies.
Failure to provide any of these requirements shall constitute a Fatal Flaw.
 - (b) In the case of joint venture, attach copy of the Joint Venture Agreement or Memorandum of Understanding (MOU), clearly stating the roles, obligations and responsibilities of each party.
 - (c) Copy of current certificate of registration of the NUPRC, NOSDRA and Rivers State Ministry of Environment or evidence of renewal

5.0 NIGERIAN CONTENT REQUIREMENTS

Vendors are to demonstrate strict compliance with the provisions of Nigerian Oil & Gas Industry Content Development Act and provide the following requirements for each package:

a) Onshore Scope:

- Tenderer shall demonstrate that entity is a Nigerian-registered company with greater than 51% or more shareholding capacity. Submit certified true copies of CAC forms 10, 02 & 07 (or its equivalent; CAC 2.3, 2.4, 2.5, etc).
- Tenderer shall provide evidence of registration with the NCDMB NOGIC JQS and NUPRC.
- Provide evidence of what percentage of your key management positions is held by Nigerians and what percentage of the total work force are Nigerians. Also, show overall percentage of work to be performed in Nigeria and those by Nigerian resources relative to total work volume.
- Tenderer shall provide detailed description of the location of in-country committed facilities not limited to administrative office, technical office, TDU. for execution of the work scope.
- Tenderer shall comply with the latest approved version of NCDMB HCD guideline by committing (via a letter of undertaking) to providing Project-Specific training, man-hour, budget, skill development and understudy plan for Nigerian personnel utilizing OGTAN registered trainer(s) or other approved NCDMB training institution(s).
- Tender shall provide Valid Category 1,2, or 3 Service and Support (SS) group NCEC and or Category 1,2, or 3 Construction and Moveable Equipment NCEC demonstrating ownership of TDU, Incinerator, and all other Waste management equipment to execute work scope.

b) Offshore work scope:

- Tenderer shall demonstrate that entity is a Nigerian-registered company. Submit certified true copies of CAC forms 10, 02 & 07 (or its equivalent; CAC 2.3, 2.4, 2.5, etc).
- Tenderer shall provide evidence of registration with the NCDMB NOGIC JQS and NUPRC.
- Provide evidence of what percentage of your key management positions is held by Nigerians and what percentage of the total work force are Nigerians. Also, show overall percentage of work to be performed in Nigeria and those by Nigerian resources relative to total work volume.
- Tenderer shall provide detailed description of the location of in-country committed facilities not limited to administrative office, technical office, TDU. for execution of the work scope.

- Tenderer shall comply with the latest approved version of NCDMB HCD guideline by committing (via a letter of undertaking) to providing Project-Specific training, man-hour, budget, skill development and understudy plan for Nigerian personnel utilizing OGTAN registered trainer(s) or other approved NCDMB training institution(s).
- Tender shall provide Valid Category 1,2, or 3 Service and Support (SS) group NCEC and or Category 1,2, or 3 Construction and Moveable Equipment NCEC demonstrating ownership of offshore drilling waste management equipment not limited to Augers, of hydraulic submersible pumps, slurrification unit, automatic tank cleaning system, chemicals (polymers), hoses, to execute work scope

6.0 CLOSING DATE:

Only tenderers who are pre-qualified with NJQS in **(3.08.06 Disposal / Distribution and Waste Transport Services, 3.15.07 Waste Management Services and 3.01.08 Wastewater Treatment Services** as at 16:00hrs on 10/10/2022 being the advert closing date shall be invited to submit Technical Bid and Commercial bids as per double envelope strategy.

6.0 ADDITIONAL INFORMATION

- Proposed contract start date is Q1 2023.
- Contract Duration: 2 years + 1 year extension option.
- All costs incurred in preparing and processing NJQS prequalification shall be fully borne by interested contractors
- All respondents to SPDC must ensure full compliance with the Nigerian Oil and Gas Industry Content Development Act, 2010. (NOGICD) All respondents should educate themselves on the requirements of the NOGICD and ensure full compliance. Non-Compliance is a FATAL FLAW.
- This advertisement of "Invitation to tender" shall not be construed to be a commitment on the part of NNPC/SPDC to award any form of contract to any company and/or associated companies, sub-contractors or agents; nor shall it entitle any company submitting documents to claim any indemnity from NNPC/SPDC and/or any of its partners. NNPC/SPDC reserves the right to take final decision on any of the documents received in the pre-qualification/ Technical package.
- SPDC shall communicate only with authorized/responsible personnel of prequalified companies in NJQS and not through unauthorized individuals or agents.
- Contractors that are prequalified for this product/service category in NJQS must ensure that the name and contact details (physical address, email address and telephone number) of their company and authorised/responsible personnel are up to date in their company profile in the NJQS database.
- Successful contractors shall be subjected to a Shell facilitated Integrity Due Diligence screening.

Please visit NipeX portal at www.nipex-ng.com for this advert and other information and note that this contract procurement process will be progressed through NipeX system.