



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

***INVITATION TO TENDER FOR THE SELECTION OF  
FINANCIAL ADVISORY (CONSULTANCY) SERVICES FOR NNPC***

**1. INTRODUCTION**

The Nigerian National Petroleum Corporation (NNPC) is a Statutory Corporation established under the laws of the Federal Republic of Nigeria (FGN) with its Head Office at NNPC Towers, Herbert Macaulay Way, Central Business District, Abuja, Nigeria.

NNPC is an integrated oil and gas company with diverse operations across the value chain, in the upstream, midstream and downstream sectors of the petroleum industry. NNPC conducts its activities through its subsidiaries, commonly referred to as Strategic Business Units (SBUs) and associated companies.

NNPC is exploring alternative funding options and other creative ways of raising funds for financing commercial activities relating to Petroleum Operations and viable projects along its value chain and seeking to engage and retain the services of local and international Financial Advisers that can be called on demand to assist in actualizing any of its financing initiatives that may be approved for implementation from time to time.

NNPC therefore invites interested and credible local and international Institutions/ Firms to participate in this tender process for the subsequent engagement of qualified and reputable Financial Institutions/Firms to support its Joint Finance Team (JFT) on a framework agreement (on call

basis) for the negotiation, execution, closure and implementation of financing transactions.

## **2. NNPC's Financing Objectives**

NNPC is seeking to engage the services of local and International Financial Advisor(s) on call basis to assist the financing team in putting together a financing package for any of its bankable projects in the Upstream, Midstream or Downstream Sectors taking the following objectives into consideration:

### a) Minimize risk and cost:

- Align short, medium and long term objectives at optimal cost
- Use tested, well understood and bankable structures
- Achieve the lowest cost of funding with minimum complexity
- The risk of transferring any upstream funding to the midstream should be properly evaluated and fully mitigated
- Raise the expected finance in a timely manner
- Optimize tenors of facilities
- Financing to be at competitive terms and conditions
- Financing to optimize applicable tax regimes
- Preferably explore and use financing options that are Non-recourse to NNPC.

### b) Maximize operational flexibility:

- The financial solutions considered or recommended for one project should not jeopardize NNPC's capacity to fund any of its other projects
- The financial solutions recommended should have no adverse impact on NNPC's extant cash flow trend
- Balance lender requirements and minimize onerous operational covenants
- Ensure limited impact on future projects and ring-fence the preferred solution
- Ensure maximum business flexibility and minimize project restrictions
- Avoid physical assets and shares pledge while still providing reasonable security to the lender(s). The preference is to raise the appropriate level of debt commensurate with the projects' cash flows.

### c) Tap into new pools of liquidity:

- Approach new pools of liquidity outside Nigeria's regular domestic/regional and European Financial Institutions

- Explore, propose and use opportunities for the support of relevant Export Credit Agencies, Development Finance Institutions and other potential sources of concessionary loans.

d) Compliance with Applicable Local & international Regulations:

- a. Financing is to involve Nigerian Banks in line with the Nigerian Oil and Gas Industry Content Development Act (2010)
- b. Optimize the amount of funding that can be secured from Nigerian Banks
- c. Ensure compliance with World Bank Negative Pledge
- d. Ensure compliance with all applicable local & International laws and regulations particularly with regards to environmental laws

**3. BRIEF DESCRIPTION OF SCOPE OF THE FINANCIAL ADVISER**

The scope of services is expected to include but not limited to the following as detailed scope would be negotiated and concluded prior to formal engagement:

- a. Upgrade the transaction structure and financial model to the required level that meets the expectations of sponsor and lenders;
- b. Review and Revalidate the cash flow model, financial assumptions and economics for Projects from a lender's perspective, coordinate development and distribution of a "data book" containing agreed assumptions to be used in financial modelling (including, but not limited to, debt service capacity, financing costs, cover ratios, etc.) and to develop a financial model as required to enable analysis of various funding scenarios and risk allocation options developed and analysed by the Advisor in the course of developing the Preliminary Funding Plan as well as Identify any issues critical to the success of Projects which require resolution;
- c. Identify and analyse Project risks from sponsor and lender perspectives. Propose risk allocation and mitigation mechanisms acceptable to the Sponsor and lenders which take into account the objectives and likely risk tolerance of the various parties to Project agreements (e.g., off-takers, EPC contractors, etc.). Prepare a report

on Project issues and risk analysis, including a review of force majeure and any inter-creditor issues;

- d. Analyse Funding Scenario Options for the transaction and further define and develop an implementation strategy and timetable;
- e. Prepare a Preliminary Funding Plan report summarizing conclusions reached as a result of work performed and describing details concerning the funding scenario agreed with lenders and recommend course of action and timeline;
- f. Prepare an assessment of Environmental and Social Impact Assessment (ESIA) requirements and the identification of third –
- g. party(s) which would be required by potential lenders;
- h. Prepare a strategy paper for engaging lenders to achieve quick financial close;
- i. Prepare a timeline detailing all deliverables under financial transactions and hold regular update calls to ensure that the items set forth in the timeline are delivered on the agreed timeline;
- j. Assist with the appointment and management of the external legal counsel and other technical consultants including the preparation of Engagement Letters and the selection process;
- k. Create a special purpose vehicle for the financial transactions;
- l. Coordinate the negotiation of the financing documents;
- m. Coordinate the establishment of the project accounts in accordance with agreed cash waterfall, as further described in the term sheet or elsewhere;
- n. Support the JFT as appropriate, to ensure approval of the financing documents and a smooth closing;
- o. Act as Coordinator to facilitate alignment and fairness between the Sponsor and banks based on pre-agreed objectives and regular quantification of the 'cost of delay to timeline' or 'do nothing' for

circulation to top management as a tool to improve commercial alignment;

- p. Follow through implementation of the Sponsor's decisions on a formal and informal basis throughout the process to ensure timelines are achieved and financial close is achieved; and
- q. Such other services ancillary to the above as may be reasonably requested by the Sponsor.
- r. Detailed proposal for ensuring efficiency in the deployment of resources for engagements, optimizing value for NNPC, and managing costs;

#### **4. WHO MAY APPLY?**

Reputable Local and International Financial Consulting and Advisory Firms, Banks and other relevant institutions with proven record and vast experience in handling and structuring project financing in the Oil and Gas industry in Nigeria.

The prequalification of prospective bidders would be based on the minimum of the following criteria;

- a. Firms' technical capability,
- b. Industry footprint,
- c. Relevant financial advisory services experience in any or a combination of projects in the upstream, midstream and downstream sectors of the Oil & Gas industry. Preference will be given to firms that:
  - Have provided advisory services for financing deals that cut across the oil and gas value chain.
  - Previous experience with NNPC
  - Responsiveness and ability to deliver on assignment within agreed timeframe.
- d. Dedicated deal team with adequate and experienced manpower.

## **5. DURATION AND COMMENCEMENT**

The duration of the Call off term Contract shall be for period of three (3) years. However, this will lapse on the 31<sup>st</sup> of December 2023 irrespective of the effective date of such engagement subject to the timeline for the completion of any financing initiative that may be assigned by NNPC.

## **6. STATUTORY 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 include the general experience of the firm as well as satisfy the following requirements:

- a. Full details of company profile including postal address, telephone/fax number and email address where correspondences may be directed;
- b. Evidence of Certificate of Incorporation issued by Corporate Affairs Commission (CAC), certified true copies of Memorandum and Articles of Association of the company, CAC form C02 and C07 (Particular of Directors) for Nigerian companies and/or similar document of Incorporation for foreign companies, certified true copies of statutory documents indicating ownership structure of company, name(s) of major shareholders and percentage shareholding;
- c. Evidence of firm's tax clearance certificate for the last three years (i.e. 2017, 2018, & 2019 for Nigerian companies) and similar tax certification documents for foreign companies;
- d. Evidence of compliance with the provisions of Industrial Training Fund (ITF) Amendment Act 2011 by inclusion of current copy of compliance certification from the Industrial Training Fund expiring in December 2020 (for Nigerian companies);

- e. Evidence of compliance with the Nigerian Social Insurance Trust Fund (NSITF) Act by inclusion of current copy of compliance certificate expiring in December 2020. (for Nigerian companies);
- f. Evidence of compliance with PENCOM Reform Act 2004 by inclusion of valid Pension clearance certificate expiring in December 2020;
- g. 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);
- h. Evidence of Financial advisory services provided over the last 5 years (2015, 2016, 2017, 2018 & 2019). Please attach reference letters, value of project, including client company full contact details (not P. O. Box), functional phone numbers and e-mail address for at least three (3) of such completed jobs

## **7.0 FINANCIAL REQUIREMENTS**

Audited Accounts for the past three (3) years (2016, 2018 & 2019) which must bear the stamp and seal of a credible Audit Firm.

## **8.0 BUSINESS INTEGRITY REQUIREMENTS**

**8.1** A prospective bidder shall make provision of a 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 organisation 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) To confirm whether any of the members of relevant companies 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; and
- f) A written statement providing full names, contact addresses of current directors and beneficial owners to including their email address, and telephone number.

**8.2** 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.

## **9.0 COMPLIANCE WITH THE NIGERIAN CONTENT ACT**

As in all prior engagements of international financial advisers, NNPC has always complied with NCD requirements by making sure a local financial services firm is appointed to jointly provide these services. This is designed to help develop local financial advisory capacity with the hope that in the long run the locals will develop appropriate expertise to play the leading role in small to medium size fund raising efforts.

In furtherance of the above, NNPC intends to select a pool of local and international financial advisers with right to nominate and engage a combination of the selected firms to jointly act as financial advisers on call basis as earlier indicated.

To this end, any or a combination of International Financial Advisers that may be selected by NNPC should be prepared to be engaged to act as Joint Financial Adviser with any local financial advisory firm that may be nominated by NNPC.



## **10.0 SUBMISSION OF BID DOCUMENTS**

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

**10.2** To be eligible for this tender exercise, **interested** bidders are required to submit these mandatory details as outlined below to SCMTenders@nipex.com.ng on or before **Wednesday, 16<sup>th</sup> September, 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

**10.3** Provision of 10.2 (a-e) above is a mandatory requirement to register your company for participation in this tender process in the NNPC/NipeX tender process portal

**10.4** All interested bidders who do not provide as requested in 10.2(a-e) above as at **Wednesday, 16<sup>th</sup> September, 2020** will no longer have access to submit the mandatory details.

**10.5** Individual bidders would be duly notified on their registration in the NNPC/NipeX tender portal.

**10.6** Thereafter, the bidder would have access to make their submissions on the NNPC/NipeX Tender Portal

**10.7** All submitted bids should be labelled "**INVITATION TO TENDER FOR THE PROVISION OF FINANCIAL ADVISORY SERVICES**"

### **10.8 The submission/closing date:**

All documents should be submitted online through the electronic NNPC/NIPEX Tender Portal on or before **Wednesday, 7<sup>th</sup> October, 2020** to: **[www.nipex-ng.com](http://www.nipex-ng.com)**

**10.9** All bids shall be opened virtually, and the entire process shall be visible to all parties following the deadline for bids submission, using Microsoft Teams, Zoom or any such media.

**10.10** All bidders who have submitted bids and external observers shall be invited to attend a virtual live stream bid opening session.

**11.0 IMPORTANT INFORMATION**

**11.1** All submission should be numbered.

**11.2** Only companies who submit the required information will be contacted. NNPC shall deal directly with only authorized officers of the interested companies and not through individuals or agents.

**11.3** At the deadline of bids submission, bidders will no longer be able to submit bids online.

**11.4** In case of any unscheduled holiday on the Bid Opening Date, the Bids will be opened on the next working day. Accordingly, Bid Closing Date/time will get extended up to the next working day and time.

**11.5** 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.

**11.6** This Invitation to tender process and any related process neither creates any commitment by NNPC nor establishes any legal relationship.

**11.7** NNPC reserves the right to annul this tender process at any time prior to award of the contract, without thereby incurring any liabilities to the affected bidder or bidders or any obligation to inform the affected bidder or bidders the reasons for the Corporation's action

**11.8** All information must be provided in English Language.

**SIGNED: NNPC MANAGEMENT**