



ENERGY BUSINESS ACADEMY

MODULE 3

BSJV TENDERING PROCESS

Dannie Azurra bin Hj Abu Basrah
SCM/611, SCM CP Transformation

INTRODUCTION

- Name: Dannie Azurra bin Hj Abu Basrah
- Position: SCM/611, SCM CP Transformation
- Name: Nur Aqillah Abdul Samad
- Position: SCM/75X, SCE

AGENDA

Time	Topic
08.30AM – 8.50AM	Introduction to Supply Chain Management
08.50AM – 9.00AM	Tender Process
09.00AM – 9.45AM	Activity 1 : EOI exercise
09:45AM – 10.00AM	Break
10.00AM – 10.20 AM	Tender Process continued
10:20AM – 10.30AM	Contract Payment
10.30AM – 11.00AM	Subcontracting
11.00AM – 11.30AM	Contracts & Cost
11.30AM – 01.15PM	Lunch Break
01.15PM – 02.15PM	Activity 2 : Tender Submission exercise
02.15PM – 03.30PM	Activity 3 : Tender Improvement exercise
03.30PM – 04.00PM	Winning a contract
04:00PM – 04.30PM	Funding: Credit Facility Program + DARE Co Matching scheme



RULES DURING TRAINING

- Respect each other
- Switch off / put on silent your mobile phones
- Take turns when asking questions
- No side discussion
- Free to move around
- Best time to ask questions



LEARNING OBJECTIVES

- To understand why BSJV sources out
- To understand SCM role
- To understand BSP tender process
- To be familiar with the EOI submission and process
- To be familiar with the basic elements for Tender submission
- To understand the Roles and Responsibilities of SMEs and BSP during each tender stage



INTRODUCTION TO SUPPLY CHAIN MANAGEMENT





CONTRACTING OUT

Why does BSJV contract out?

REASONS FOR CONTRACTING OUT

- The reason for deciding to contract out will typically be:
 - The contractor can supply the goods or perform the service cost effectively/at lower cost than doing in-house.
 - The contractors can supply the goods or perform the services with staff, labour and expertise that cannot, or cannot sufficiently and efficiently, be made available from in-house resources.
 - The goods or services to be provided are of a specialist nature or beyond the core business of BSJV, thus requiring skills and equipment that fall outside the capability of BSJV.
 - The goods or services are required to satisfy a temporary peak in BSJV's requirements

INTRODUCTION TO SCM

- Supply Chain Management is responsible for the management of the entire network of the material, services and information from the supplier to the customer within BSP.
- Develop suitable contracting strategy and tactics for BSP.
- Ensure that the goods and services are acquired on the most favourable commercial terms possible – we have a strict tendering process and approval process for this.
- Ensure that the desired requirements are met in terms of quality, delivery schedule and Health, Safety, Security & Environment (HSSE) considerations via tender.
- Ensure that BSP is not exposed to inappropriate risk as a result of the contracting strategy adopted.
- Ensure contract strategy is aligned with the Directives and Guidelines on Local Business Development for the Oil & Gas Industry issued by Ministry of Energy (ME).

SUPPLY CHAIN MANAGEMENT

Business needs - materials & services e.g. Projects, Maintenance and Corporate

SCM

EFFECTIVE END TO END
SUPPLY CHAIN
MANAGEMENT

RIGHT TIME

RIGHT
PRODUCT

RIGHT
SERVICES

RIGHT
QUANTITY

RIGHT
LOCATION

ADD VALUE

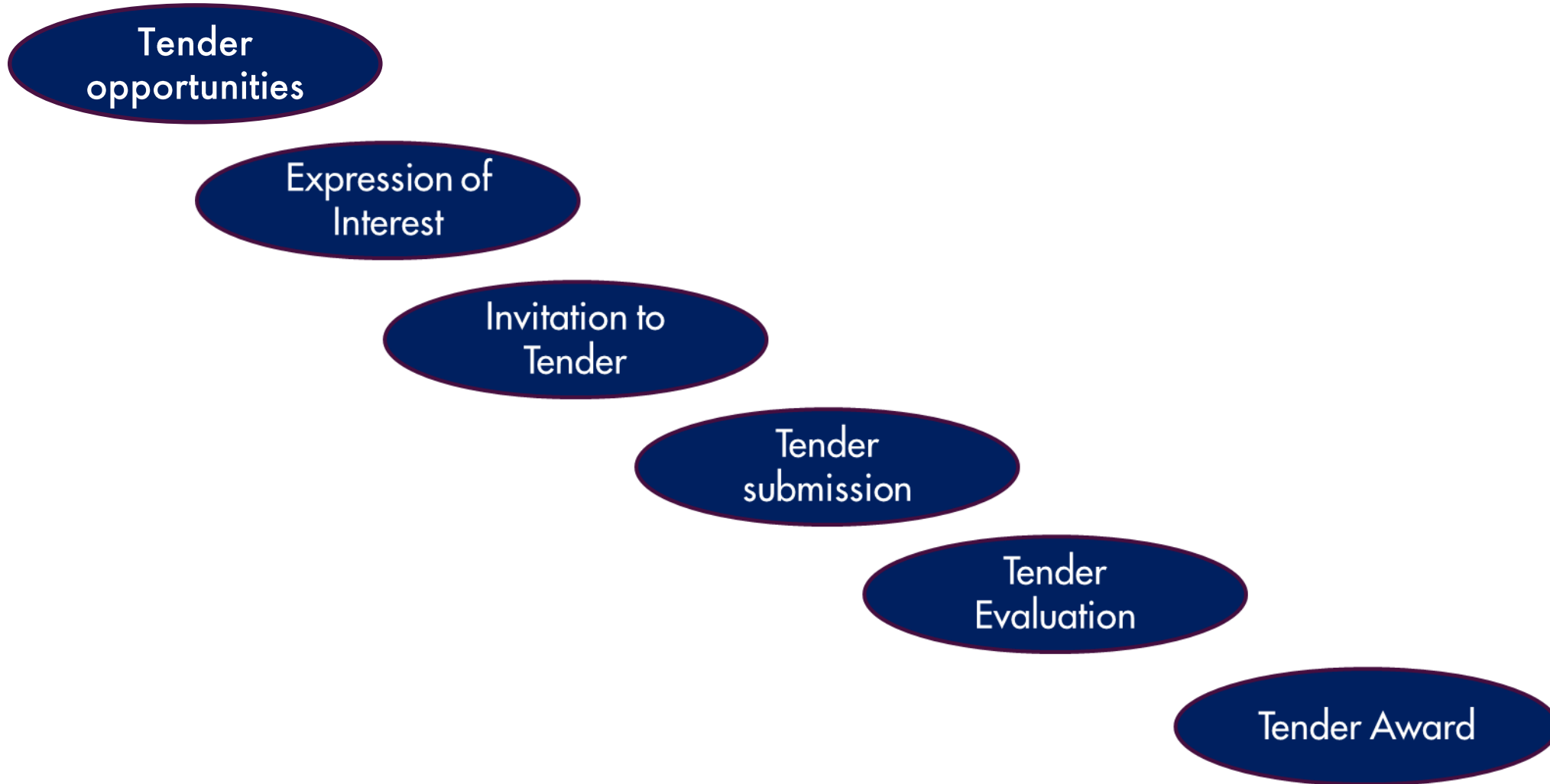
REDUCE COST

COMPETITIVE
ADVANTAGE

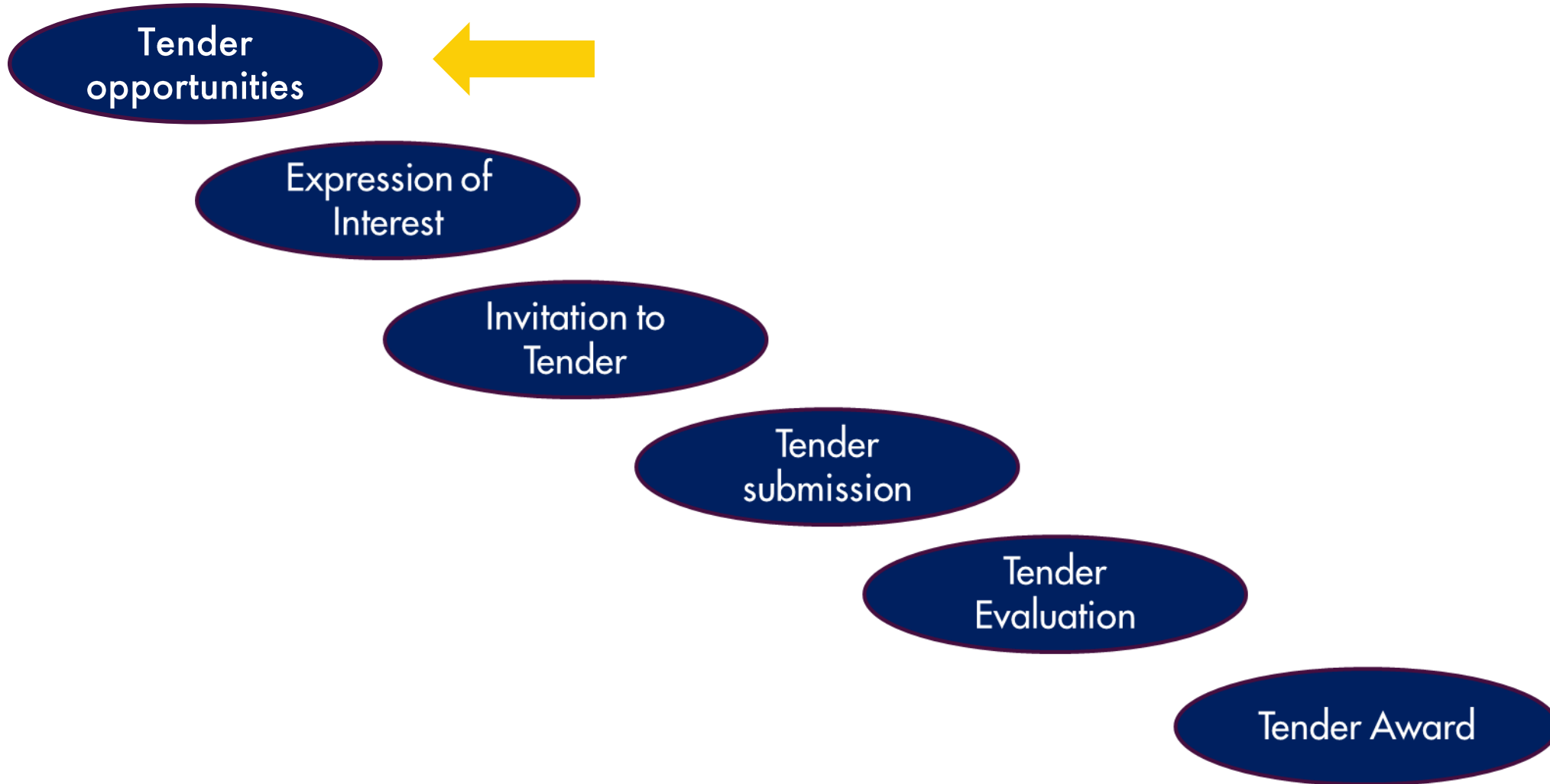
TENDER PROCESS

2

BSJV TENDER PROCESS



BSJV TENDER PROCESS



TENDER OPPORTUNITIES – LBD PORTAL

Steps to search for upcoming opportunities

Tender Opportunities

BSP Main Page
Home
Local Business Development
Doing Business with BSJV
BSJV Vendor Opportunities
Vendor Opportunities
Expression of Interest (EOI)
Tender Opportunities
BSJV Initiatives
Local Business Development News
General Information



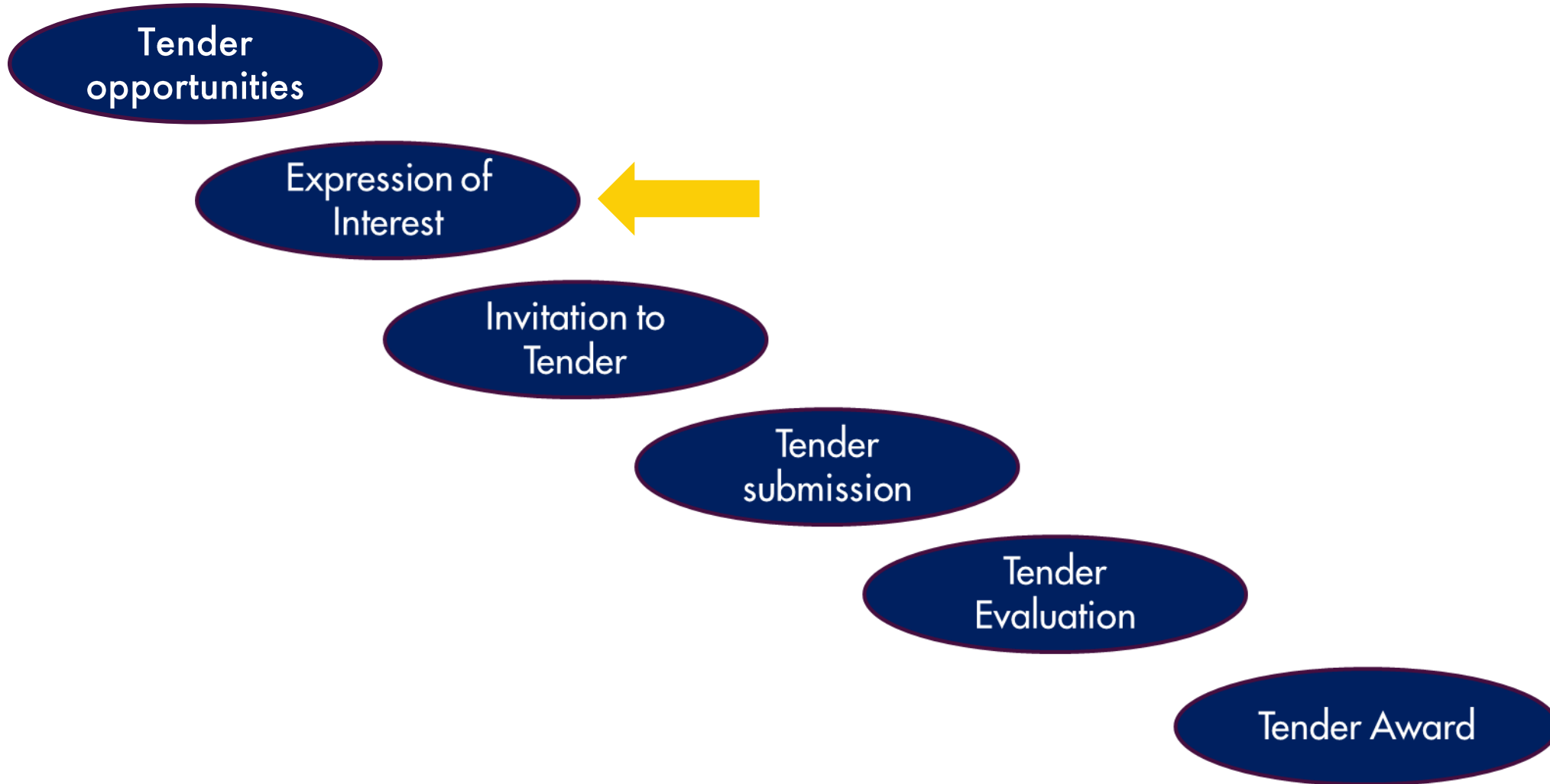
TENDER OPPORTUNITIES

BSP offers the upcoming tender opportunities available for vendors to participate. Please click on the tender title for more description.

The Tender plan is subject to change without prior notice.

Contract Title	Work Category	LBD Quadrant	Planned Tender Date	Closing Tender Date	Expected Contract Duration	Current Status
Road Safety Training	Training, HSE	Basic (i-Usahawan)		Jan-20	3 Years + 2 Years ext.	Strategy
The Supply of Personnel Protective Equipment		Basic		Feb-20	3 + 2 years	Tender package development
Hospital Support Services	Office Support Services	Basic		Q1 2020	3 years + 1 + 1	EOI
Integrated Facilities Services Contract (IFSC)	Facility Management	Basic		Q1 2020	3 + 1 + 1 years	Strategy
Provision of Estate Maintenance Services for BSP HC Areas	Facility Management - Estate Maintenance	Basic		Sep-19	3 years + 1	Evaluation

BSJV TENDER PROCESS



EOI PROCESS

- EOIs are issued in newspaper. EOIs are normally issued on last Wednesday and Saturday of the month
- Visit BSP LBD portal
<https://www.bsp.com.bn/main/icv>
- Vendor submits EOI via BSP LBD portal
- Vendor register in SMART system under respective work category
<https://www.bsp.com.bn/main/icv/doing-business-with-bsjv/getting-registered>
- BSP evaluates EOI
- BSP will send notifications to successful and unsuccessful vendor on their EOI.

SAMPLE OF EOI ADVERTISEMENT

EXPRESSIONS OF INTEREST

Brunei Shell Petroleum Company Sendirian Berhad (BSP) is seeking Expressions of Interest (Eoi) from companies for the following supply/services:

NO.	CONTRACT NO.	CONTRACT TITLE	EOI CLOSING DATE
1.	-	BSP HQ HVAC Replacement Project (Installation, Commissioning and Removal)	8th January 2020
2.	C190619/EPM	Provision of Offshore Catering and Hotel Services for East	11th January 2020
3.	C190625/WOP	Provision of Catering and Hotel Services for X-26 Complex	11th January 2020
4.	-	BSP Hydrocarbon Facilities Management Hard Services	16th January 2020
5.	-	BSP Hydrocarbon Facilities Management Soft Services	16th January 2020

Requirements:

1. All submissions for EOI participation are to be sent online via the BSJV LBD Portal.
2. For further information on the EOI, please visit the BSJV LBD Portal at <https://www.bsp-lbd.com.bn> and click on “**BSJV Vendor Opportunities**” and select “**Expression of Interest (EOI)**”. Outcome of the EOI will be corresponded to the participating companies via e-mail.



EXPRESSIONS OF INTEREST

Brunei Shell Petroleum Company Sendirian Berhad (BSP) is seeking Expressions of Interest (Eoi) from companies for the following supply/services:

NO.	TITLE	EOI CLOSING DATE
1.	Expressions of Interest (EOI) and Tender Prequalification for Project Management Contractor (PMC) for Merpati Meragi Onshore Gas Plant (OGP)	28th February 2020

Requirements:

1. All submissions for EOI participation are to be sent online via the BSJV LBD Portal.
2. For further information on the EOI, please visit the BSJV LBD Portal at <https://www.bsp-lbd.com.bn> and click on “**BSJV Vendor Opportunities**” and select “**Expression of Interest (EOI)**”. Outcome of the EOI will be corresponded to the participating companies via e-mail.



ACTIVITIES

Activity 1 – EOI submission

1. Participants will be divided into four groups.
2. A mock EOI will be handed out to these groups.
3. Each group will come up with a proposed submission for :



Tender : Provision of Grass Cutting, Ditch Cleaning and Re-grading Services for Non-Hydrocarbon Areas

Objectives	:	1) Participants are able to understand the EOI requirements (HSSE, Active Ownership and BSJV Details, Scope of Work) 2) Able to submit EOI in accordance to the requirements
Expectations	:	1) Participants to submit EOI documents and pass.

SAMPLE OF EOI SUBMISSION



شریٹ میپ برونئی شیل سنڈیرین برحد

Brunei Shell Petroleum Co Sdn Bhd
Jalan Utara, Panaga
Seria KB3534
Negara Brunei Darussalam
Website: www.bsp.com.bn

Tel: +673 3373999
Fax: +673 3372040

EXPRESSIONS OF INTEREST FOR C180ABC – Provision of Grass Cutting for BSP Non-Hydrocarbon Areas (from Rasau to Muara)

- Please list down the details of all owners of your company:

Full Name	I/C Number AND/OR Sijil Kerakyatan/Akuan Kerakyatan	I/C Colour	Bumiputra/Local/ Non-Local ¹
SITI NUR BAIZURA BINTI HAJI AHMAD	00-123456	YELLOW	BUMIPUTRA
SITI NUR BAZILAH BINTI HAJI AHMAD	00-654311	YELLOW	BUMIPUTRA
SITI NUR BAYU BINTI HAJI AHMAD	00-123654	YELLOW	BUMIPUTRA

- Please complete this section by ticking YES or NO:

		Yes	No
1	Are you willing to comply with all applicable laws and regulations of Brunei Darussalam, including Tabung Amanah Pekerja (TAP) and Supplementary Contribution Pension (SCP) requirements?	/	
2	Please confirm that the owners of your company are actively managing the day-to-day operations of your company. (Kindly provide owner's details in table 'A' provided below)	/	
3	Have you or any of your key personnel worked for BSJV Companies? (If 'YES' kindly provide details in table 'B' provided below)	/	

- A. Kindly provide owner details in the table below:

Full Name	% of Shares	Actively Managing Company's Operation (Y/N)	Position	Authorised Signatories (Y/N)
SITI NUR BAIZURA BINTI HAJI AHMAD	50%	YES	MANAGING DIRECTOR	YES
SITI NUR BAZILAH BINTI HAJI AHMAD	50%	YES	FINANCIAL DIRECTOR	YES
SITI NUR BAYU BINTI HAJI AHMAD	0%	YES	OPERATIONAL MANAGER	NO



شریٹ میپ برونئی شیل سنڈیرین برحد

Brunei Shell Petroleum Co Sdn Bhd
Jalan Utara, Panaga
Seria KB3534
Negara Brunei Darussalam
Website: www.bsp.com.bn

Tel: +673 3373999
Fax: +673 3372040

- Please provide the following documentations including any revision made:

		Yes	No
1	Certificate of Incorporation/Section 16 & 17	/	
2	Memorandum of Association		/
3	Article of Association		/
4	Share Certificate		/
5	Form X		/
6	Bank Letter of Authorized Signatories	/	
7	Scanned Coloured Copy of I/C of Owners (and Sijil Kerakyatan/Akuan Kerakyatan if any)	/	

I, hereby, declare that all the information provided herein is accurate and acknowledge that BSJV companies reserve the right to exclude my Company from any subsequent tenders, should there be any deviations to such information.

Signature : *Baizura*

Dated this 12 day of February, 2020

Name : SITI NUR BAIZURA BINTI HAJI AHMAD

Position Held : MANAGING DIRECTOR

Contact No. : +673337XXXX (O)

: +67388XXXX (M)

Email : baizura@companyx.com

Duly authorised to sign Eois for and on behalf of: -
COMPANY X, JALAN A, SIMPANG 123, KB INDUSTRIAL AREA

..... (Registered Address)



KEY IMPORTANT AREAS OF EOI



شركة ميپت بروني شيل سنديرين برحد

Brunei Shell Petroleum Co Sdn Bhd
Jalan Utara, Panaga
Seria KB3534
Negara Brunei Darussalam
Website: www.bsp.com.bn

Tel: +673 3373999
Fax: +673 3372040

11 February 2020

Dear Sir/Madam,

Invitation for 'Expressions of Interest' for C180ABC – Provision of Grass Cutting for BSP Non-Hydrocarbon Areas (from Rasau to Muara)

Brunei Shell Petroleum Co. Sdn Bhd (BSP) is seeking an Expression of Interest (Eoi) from interested companies for the Provision of Grass Cutting for BSP Non-Hydrocarbon Areas (from Rasau to Muara)

Tender Scopes:

- To provide grass cutting services at BSP Vacant Residential Areas, BSJV management houses and all BSP non-hydrocarbon areas (from Rasau to Muara).
- Worksites may include:
 - Bangau Building
 - Belayan S42 Building
 - Belatok Building
 - Bubut Building
 - Bugang Building
 - F18 Porta Cabin
 - G17 Archive
 - Gagak Building
 - Helang Building
 - K-Block
 - Kelawar Building
 - Keluang Building
 - Kenawai Building
 - Keruai Building
 - BSRC + Horse Riding area
 - KBBC
 - OGDC
 - Panaga Club
 - Panaga Health Centre
 - Panaga Schools
 - H7 Apartment
 - E1 Flat
 - F17 Flat
 - G5 Bachelor Bungalow
 - F19 Bachelor House
 - BSP Bomba
 - F18 KACA
 - F18 IFM Store
 - NIA Punggok to Puragang Building
 - Apartment 80
 - Apartment 29
 - Vacant Residential Areas
 - BSP Management Houses
 - Security Huts
- The Contractor shall comply to BSP/Shell standards and procedures in Health, Safety, Security and Environment (HSSE) including quality and the requirements of the relevant authorities.

Local Business Development (LBD)

Brunei Shell Joint Venture (BSJV) Companies' LBD requirements are in line with the LBD Directives as issued by the Ministry of Energy. This scope falls under the Basic Quadrant of the LBD Framework.

- Eoi is open for Rakyat Jati companies only;
- The owners of the company must actively participate in its management and day to day running of the business;
- Target for recruitment and development of suitably qualified Bruneian staff, including graduates will be part of Tender / Contract.

Tender/Contract Schedule

- Planned tender date: December 2020
- Contract Duration: 3 years + 1 + 1



شركة ميپت بروني شيل سنديرين برحد

Brunei Shell Petroleum Co Sdn Bhd
Jalan Utara, Panaga
Seria KB3534
Negara Brunei Darussalam
Website: www.bsp.com.bn

Tel: +673 3373999
Fax: +673 3372040

Vendor Online Registration System (VORS)

- Kindly register your company under Facility Management, Estate Maintenance by 10th March 2020
 - For non-BSJV registered vendor, please refer to <https://www.bsp-lbd.com.bn/SitePages/Register%20with%20BSJV.aspx> for further information on how to register with BSJV.
- For details on Work Category and Product Group, please refer to:
 - <https://www.bsp-lbd.com.bn/SitePages/Product%20and%20Services%20Categories.aspx>
- For existing BSJV vendors, please update your company details online via VORS.
- Acceptance of your company registration shall be in compliance to our registration checklist and criteria

For any VORS registration-related queries, kindly email to: BSP-SCM13-Vendor-Registration@shell.com or phone at: 337-5903.

For any EOI related queries, kindly email to: Nuurul-H.Ismail@shell.com

Kindly fill in the questionnaire attached herein and indicate your acceptance by ticking (✓) in the respective boxes no later than 25 February 2020 and submit via the BSJV LBD Portal at <https://www.bsp-lbd.com.bn>.

This Expression of Interest shall not be deemed to be an invitation to tender. BSP shall have the right and sole discretion to reject any part or all of the response made by the Contractor. BSP shall have the right and sole discretion to determine the bidders for this tender. This letter serves solely for the purpose of obtaining Expressions of Interest and shall neither in any way be construed as to create any legal obligation on the parties responding to this advertisement nor mentioned herein. Expenses incurred in connection to this shall be borne in its entirety by the interested parties.

Yours faithfully,

For BRUNEI SHELL PETROLEUM COMPANY SENDIRIAN BERHAD

NUURUL HAFIZAH BINTI HAJI ISMAIL
SCM/741, SCE FOR FACILITIES MANAGEMENT NHC



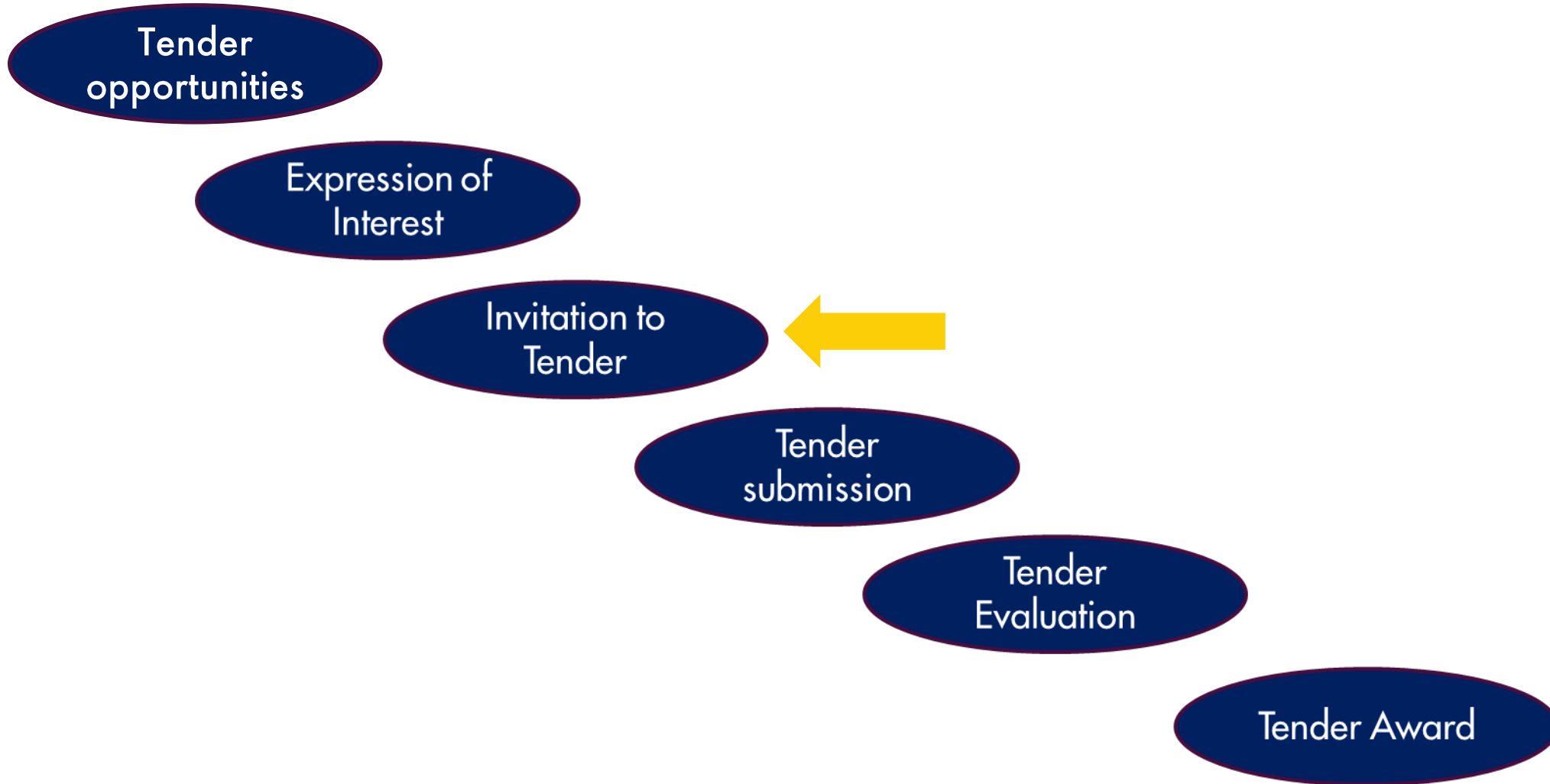
LEARNINGS & OBSERVATIONS FROM SUBMITTED EOI

- EOI submitted are for different tender
- Incomplete submission
- Missing attachments of the required documents
- EOI submitted not as per dateline – submitted via email
- Vendor not registered in SMART
- Vendor registered in different work category
- Misunderstanding on the information required – Authorised Signatories vs Bank Statement



BREAK

BSJV TENDER PROCESS



ISSUANCE OF INVITATION TO TENDER (ITT)

- Successful contractors from EOI stage will receive an e-mail to register into SMART. SMART is BSJV tool to conduct electronic tendering.
- Password to SMART will be e-mailed to vendors.
- An e-mail will be sent to inform vendors the tender is opened in SMART.
- From the invite contractors will be able to access and view tender package from BSP.
- The package will include ITT pack and contract document.
- Contractors will be invited for a tender briefing and contractors are advisable to attend.

TENDERING DOCUMENTS & SUMMARY OF DOCUMENTS

Sections	Contents
Part I – Instructions to Tenderer	Timelines, tender instructions, language, how to submit, request for further information etc.
Part II – Conditions of Tender	Conditions on company's rights, acceptance of tender, rules for tender clarification, anti bribery and corruption etc.
Part III – Forms Applicable to the Tender	Forms applicable to the tender to be submitted via SMART
Form of Acknowledgement	Acknowledgement in the receipt of ITT, any clarification required, etc.
Non-Disclosure Agreement	Confidentiality Agreement
Appendix A – Commercial Submission	Form of Tender, Schedule of Prices, Proposed Cashflow, Invoice Payment Details
Appendix B – Commercial Qualification (Optional)	Proposed Commercial qualification
Appendix C – Technical Submission	Information for inclusion for tender e.g contract organization, key personnel, tenderer's experience, vehicle proposed, HSE, etc.
Appendix D – Technical Qualification (Optional)	Proposed Technical qualification
Appendix E – Local Business Development submission	LBD submission on Ownership, Local Financing, Social Contribution and Porposed LBD targets
Part IV – Proformas for the Tender	Additional documents such as non disclosure agreements, parent company guarantee, performance bond etc.

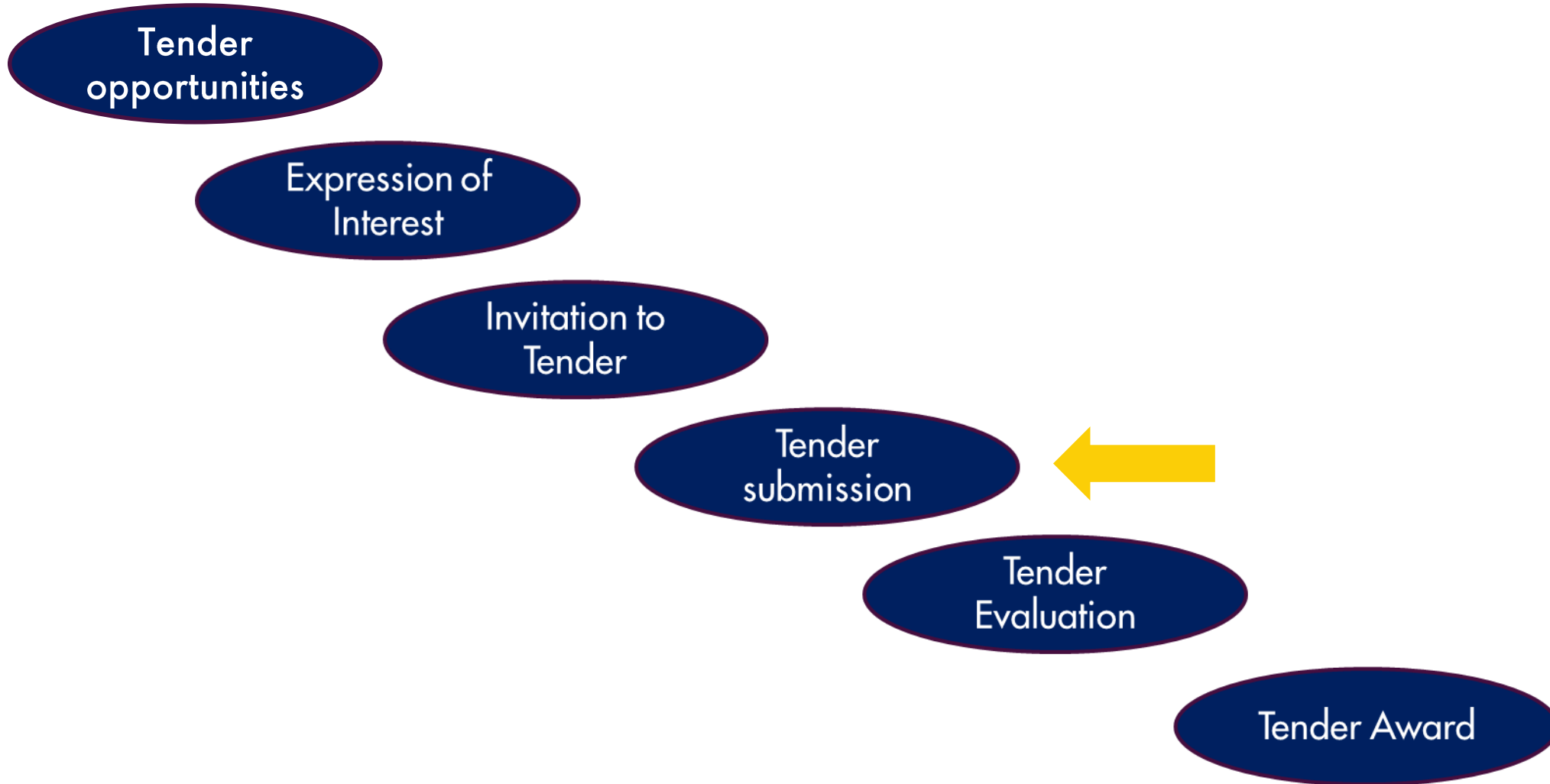
CONTRACT DOCUMENTS & SUMMARY OF CONTENTS

Sections	Contents
Section I – Formation of Contract and Notice Parties	Acceptance of contracting parties, signatures of Authorized signatories and contract duration.
Section II – Definitions and Interpretation	Legal terms that provide the definitions of key terms used in a Contract
Section IIIA – Special Terms and Conditions	Legal terms such as Purchase Order, Requirements pertaining to services, Quality Assurances
Section IIIB – General Terms and Conditions	Legal terms such as taxes, liens, suspension, termination, etc.
Section IVA – Scope of Work	Description of scope of work as well as detail specifications such as personnel qualifications, working hours, equipment, leave and relief, BSP applicable locations, international certificates requirements, KPIs etc.
Section IVB – Specifications	
Section V – Schedule of Prices	Preambles and proposed rates and services against requirements e.g Lump sum, unit rate, time and material
Section VI – Insurance requirement	Types of insurance to be provided by Contractor.
Section VII – HSSE requirement	HSSE standards and procedures, Contract HSSE plan, emergency response
Section VIII – LBD requirement	Minimum employment requirements, Local employment targets, local content/spent, LBD reporting requirements, personnel roll over process etc.
Section IX – Administration instruction	Communications and correspondences, variation process, PO, invoicing procedure, subcontracting and etc.

TENDERING PERIOD

- Usually will give 4 weeks to 6 weeks for tender preparation
- Vendor :
 - Familiarize with the tender document
 - Attend tender briefing
 - Fill in the tender appendices
 - Submit into SMART as per tender closing date

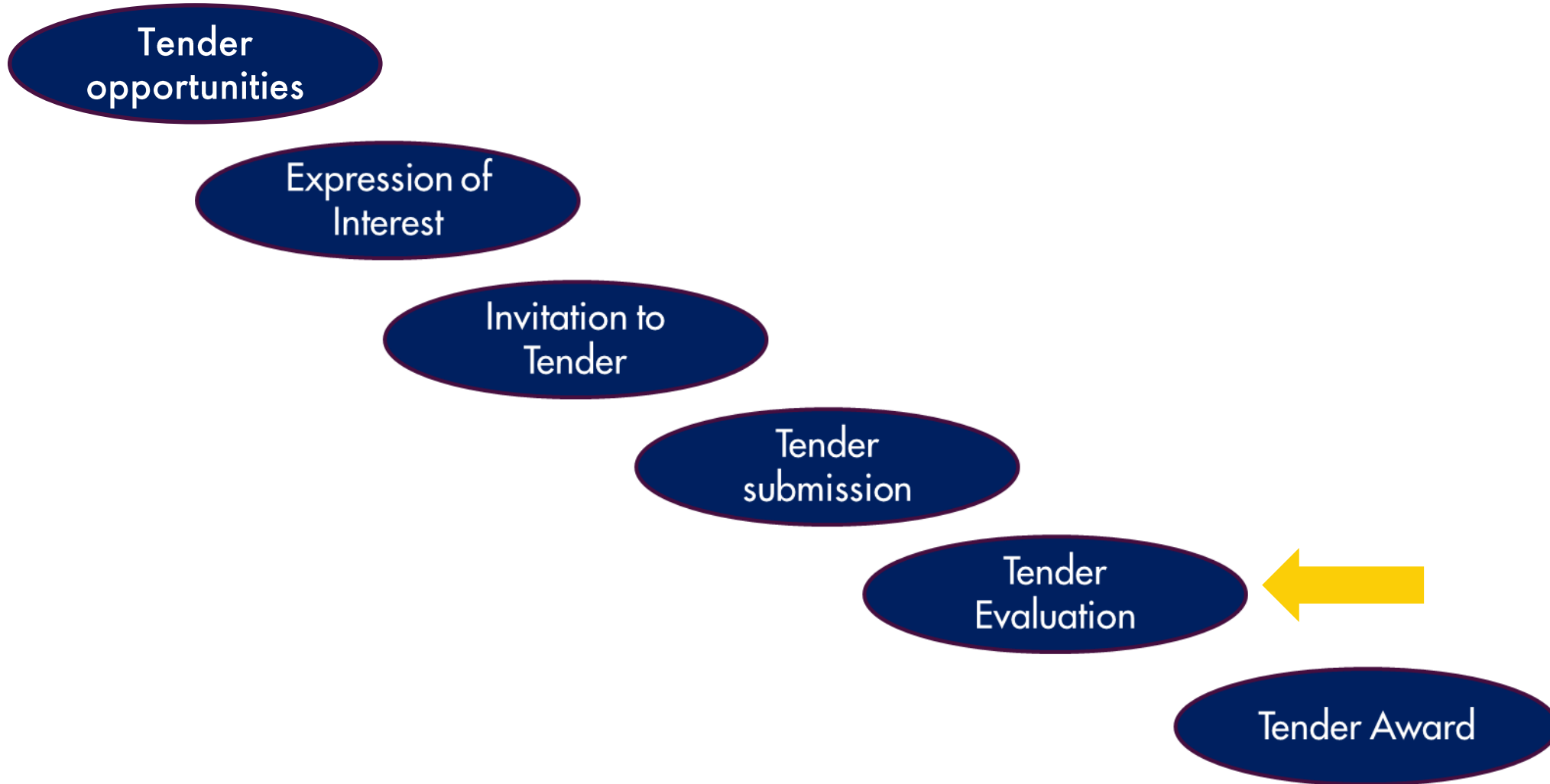
BSJV TENDER PROCESS



TENDER SUBMISSION

- Submission – Part I - Instruction to Tenderer
 - The TENDER must follow the order and form provided in the ITT
 - The TENDER must include the following documents noted in PART III – Forms Applicable to the Tender
 - TENDERER must enter its rates, prices and other information onto the tables provided in the Schedule of Prices.
 - Alternative bids may be included but only if there is a clause on it is included.
 - Alternative bids will only be opened or considered if there is a base bid. Base bid is mandatory.
 - TENDERS will be submitted online using SMART.
 - Contractor are required to submit their TENDER no later than the TENDER DEADLINE. COMPANY may reject without consideration or stated reason any late bids.

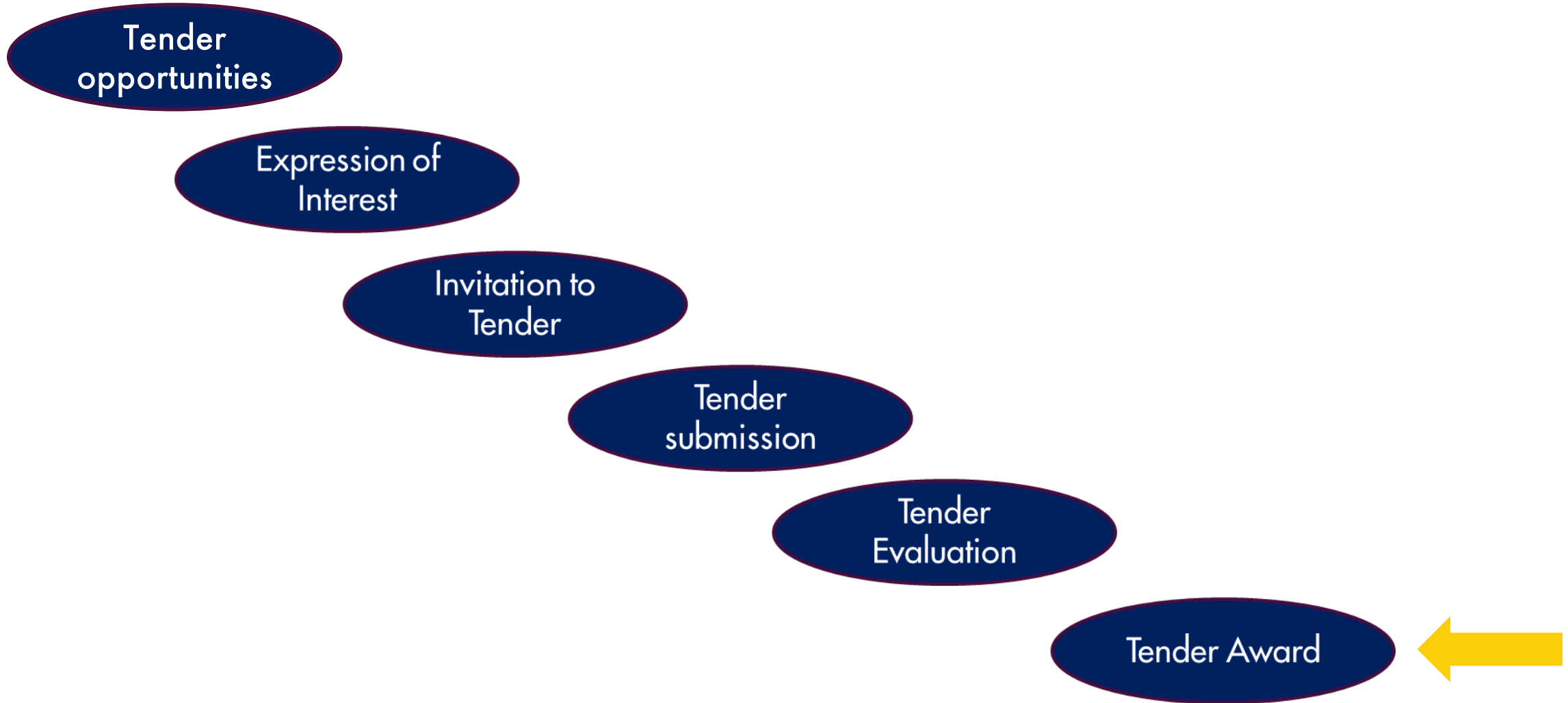
BSJV TENDER PROCESS



TENDER EVALUATION – TENDER CLARIFICATION

- Once tenders are submitted, the tenders will be evaluated by BSP.
- During evaluation,
 - COMPANY reserves the right to request any further information it may deem necessary to evaluate the TENDER and additional information necessary for the appraisal of the TENDER.
 - COMPANY may visit TENDERER for the purpose of obtaining further information or require that TENDERER visit COMPANY's offices or worksites

BSJV TENDER PROCESS



TENDER AWARD

- Contractor will be informed of award via an official BSP Award Letter.
- A signing of contract will follow.
- Kick off meeting between BSP and contractor.
- Mobilization period.
- Milestone Zero.
- Operationalizing the contract.
- Contract Management Plan where applicable.

BSJV TENDER PROCESS & ROLES & RESPONSIBILITIES

	BSJV	VENDOR
Expression of Interest	<ul style="list-style-type: none">• Issue Eol to determine vendors• Conduct pre-qualification for vendors who has expressed interest	<ul style="list-style-type: none">• Register through VORS and submit documents according to Eol requirements
Invitation to Tender	<ul style="list-style-type: none">• Issue Tender to bid list approved by TB• Conduct Tender Briefing• Attend tender clarifications via SMART	<ul style="list-style-type: none">• Register with SMART• Attend Tender Briefing• Raise clarifications via SMART• Submit tender documentation in accordance to Invitation to Tender
Tender submission	<ul style="list-style-type: none">• To ensure SMART is working to accept vendor submission	<ul style="list-style-type: none">• Ensure submission to be submitted is as per tender requirement• To submit within the tender closing date
Tender Evaluation	<ul style="list-style-type: none">• Conduct Tender Evaluation• Raise clarifications via SMART• Open and evaluate based on base bid• Alternative bid opening is only done if valid base bid is submitted	<ul style="list-style-type: none">• Attend tender clarifications via SMART and submit documentation requested• Tender submitted must be a fully completed and compliant base bid• Alternate bid will be opened only if base bid is submitted
Tender Award	<ul style="list-style-type: none">• Issue award letter to vendor endorsed by TB• Issue regret letter to unsuccessful vendors• Optional: conduct de-briefing session	<ul style="list-style-type: none">• Successful tenderer - Once received award letter, vendor to start mobilizing after kick off meeting• Unsuccessful tenderers - Once received regret letter, vendor may request for de-briefing session (optional)

UNSUCCESSFUL BIDDERS

- Letter of Regrets to be issue to all the unsuccessful bidders
- Local tenderers may request for tender de-briefing

 	<p>شریکت میپ برونئی شیل سنڊیرین برحد Brunei Shell Petroleum Co Sdn Bhd Jalan Utara Panaga Seria KB2933 Negara Brunei Darussalam Website: www.bsp.com.bn</p> <p>Tel: +673 337 3999 Fax: +673 337 2040</p>
<p>COMPANY ABC JALAN A, SIMPANG 123, INDUSTRIAL AREA, NEGARA BRUNEI DARUSSALAM</p>	
<p>Dear Managing Director,</p>	
<p>SUBJECT: Tender No.: C180ABC Tender Title : PROVISION OF GRASS CUTTING, DITCH CLEANING AND RE-GRADING SERVICES FOR BSP NON-HYDROCARBON AREAS</p>	
<p>We thank you for your participation for the above mentioned tender.</p>	
<p>We have completed the evaluation of your submission, but we regret to inform you that your Company has not been successful in the tender.</p>	
<p>We would like to take this opportunity to thank you for the interest you have shown in participating in our business, and wish you every success for the future.</p>	
<p>You may request an opportunity to meet with the BSP team to discuss the specific strengths and weaknesses of your tender offer. Any request for a de-brief session will attempt to be honored within two to three weeks.</p>	
<p>Sincerely,</p> 	
<p>Nuurul Hafizah Haji Ismail SCM/741 SCE Facilities Management NHC</p>	



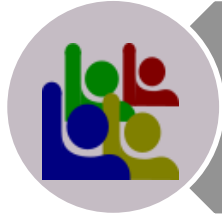
LEARNINGS & OBSERVATIONS FROM SUBMITTED TENDERS

- Missing deadlines – Tender closing, response to clarification etc.
- Not attending tender briefing
- Not attending kick off meetings
- Not reading the whole package – scope of work and schedule of price
- Not clarifying to BSP during tender stage on things not understood
- Incomplete submissions
- Submitting alternative bids only with no Base bid – Base bid is a must
- Typo mistakes example on rates

CONTRACT PAYMENT

3

WHAT DOES IT TAKE TO GET YOUR FIRST PAYMENT?



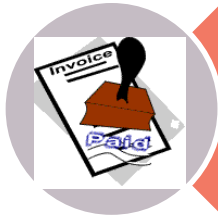
Achieve Milestone Zero



Mobilize competent manpower +
technically acceptable equipments



Deliver the material /services that are
acceptable to BSJV



Understand and comply to BSJV
Requisition to Pay System

HSSE performance

Deliver your LBD plan

Business Integrity

SUBCONTRACTING

4

SUBCONTRACT

- What is subcontracting?

- Can you subcontract?

SUBCONTRACT

■ What is subcontracting?

A business practice where main contractor hires additional individuals or companies called subcontractors to help complete a project. The main contractor is still in charge and must oversee hires to ensure project is executed and completed as specified in contract.

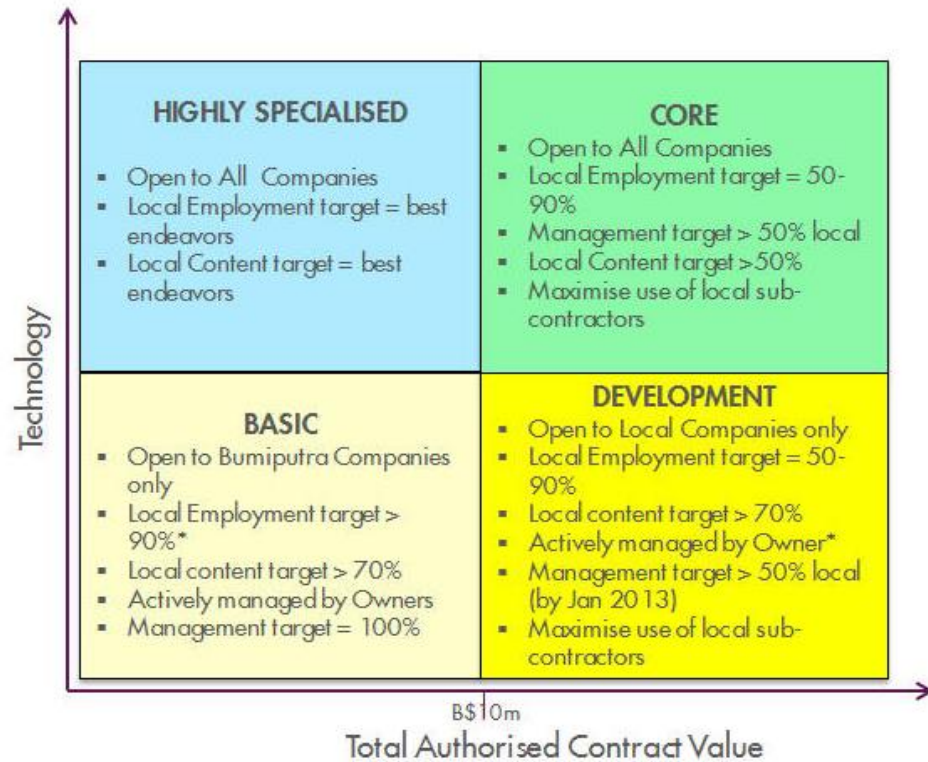
■ Can you subcontract?

Refer LBD Quadrant

LBD QUADRANT

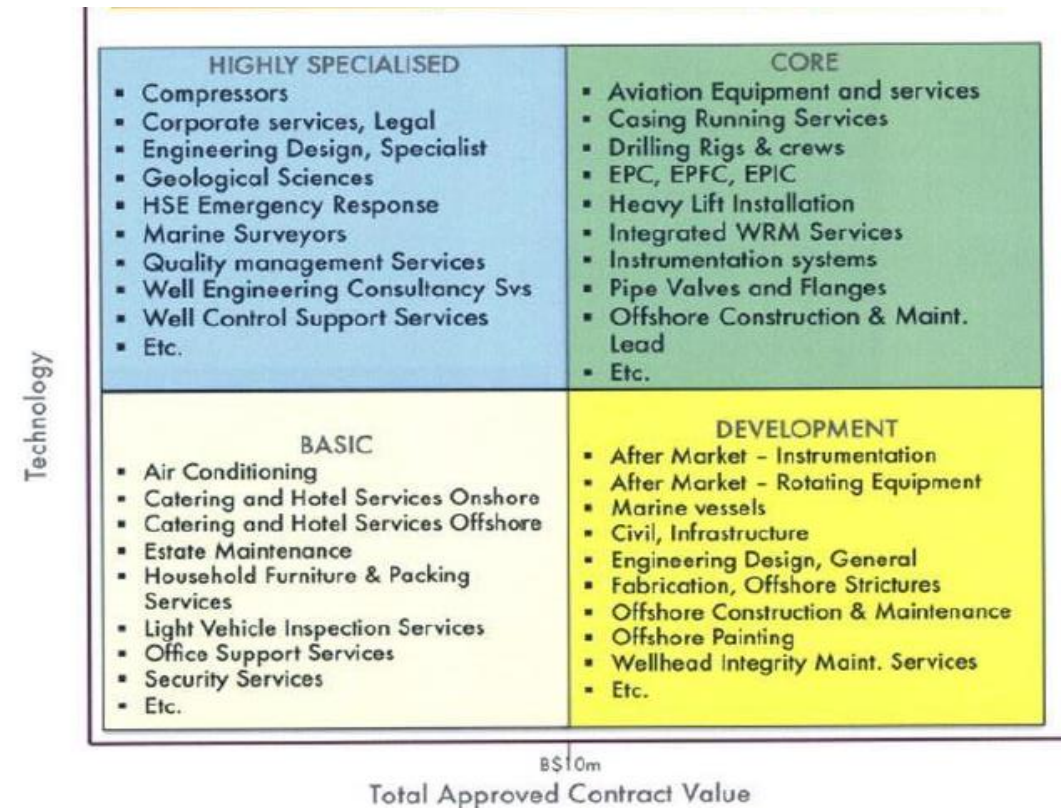
Local Business Development (LBD) Requirements

LBD Requirements – Determines eligible contractors, targets for Local Employment and Local Content under the respective LBD Quadrants.



Notes:

Bumiputra companies registered or active in other quadrants are excluded from "Basic" Quadrant requirements



ROLES & RESPONSIBILITY – SUBCONTRACTORS

Responsibility of a main contractor

Responsible for selecting on a competitive basis and managing and paying its subcontractors

Responsible for HSSE, technical, LBD and commercial performance, monitoring, and payment to the subcontractor for the work.

Develop, implement, and maintain formal policies, practices, procedures and audits in accordance to the contract.

Take action where subcontractors are not following the Contract's requirements/KPIs.

Responsibility of a subcontractor

Ensure that the main contractor has got a written consent by the Company for the proposed subcontractor

Perform work and supply goods supplied in accordance with the contract.

Understand the contract requirements regarding subcontractors reflected in the agreement.

Ensure that qualitative proposal for the subcontractor scopes are submitted and follow mobilization plan accordingly

CONTRACT & COST

5

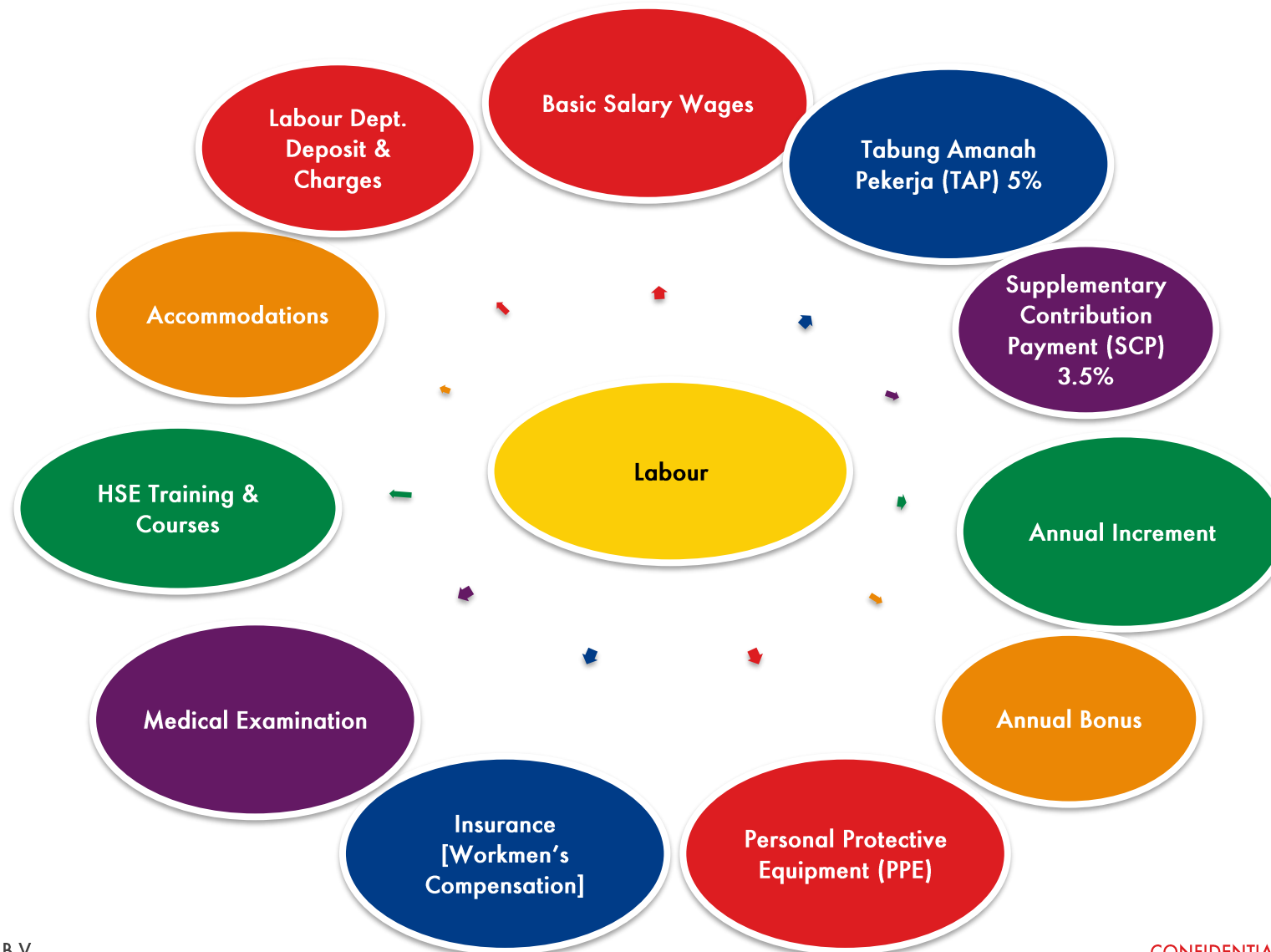
COMMERCIAL

- The price shall be inclusive of all necessary costs needed in completing the SCOPE
- Tenderer shall read and understand the Pricing Preambles
- All prices and rates fully inclusive of Contractor's cost, overheads and profits such as:
 - Labour, management and administration
 - Contractor facilities and warehouse [Office rental, telephones, printing, stationary]
 - Personal Protective Equipment (PPE)
 - HSE requirements including trainings
 - Transportation (comply with BSP STL requirement)
 - Tools and Equipment (including necessary maintenance, fuel, oil, inspection, testing)
 - QA/QC requirements
 - Mechanical and weather downtime
 - Direct and Indirect cost (insurance, financing, taxing, etc.)

COMMERCIAL

- Prices are made up of Direct costs and Indirect costs, which are combined to give the overall cost of producing an article or providing a service, and to which a profit element is added.
- $\text{Direct costs} = \text{Direct Materials Costs} + \text{Direct Labour Costs} + \text{Direct Expenses}$.
 - These are called prime costs.
 - Direct costs are those directly attributable to production, for example the cost of labour and materials directly involved or used to produce the goods/services which the Contractor provides
- $\text{Indirect costs} = \text{Indirect Materials} + \text{Indirect Labour} + \text{Indirect Expenses}$.
 - These are called overheads.
 - Indirect costs need to be apportioned in some way to the individual goods or services which are produced. Usually, some cost driver is found.
- **$\text{Prime Costs} + \text{Overheads} = \text{Total Cost}$**
- **$\text{Total Cost} + \text{Profit} = \text{Revenue}$**

COST BREAKDOWN FOR LABOUR



LUNCH BREAK

ACTIVITIES

Activity 2 – Tender Submission

1. Participants will be divided into three groups.
2. A mock Tender will be handed out to these groups.
3. 1 pack will be technical.
4. 1 pack will be on LBD & commercial.



Tender : Provision of Grass Cutting, Ditch Cleaning and Re-grading Services for Non-Hydrocarbon Areas

Objectives	:	1) Participants understand the Tender instructions to submit a Tender. 2) Participants are able to submit qualitative proposal as per Tender requirements.
Expectations	:	1) Participants to submit overall Tender proposal and provide complete tender proposal. 2) To submit Commercial proposal in a cost competitive bid.

ACTIVITIES

Activity 3 – Swap for gap identification

1. Participants will go around the flipcharts
2. Comment and put additional thoughts
3. Identify areas of improvement of producing qualitative tender.



Tender : Provision of Grass Cutting, Ditch Cleaning and Re-grading Services for Non-Hydrocarbon Areas

SAMPLE OF TENDER SUBMISSION

APPENDIX A – COMMERCIAL SUBMISSION



Appendix A1:
Form of Tender



Appendix A2:
Schedule of Prices



Appendix A3:
Proposed Cashflow



Appendix A4:
Voice Payment Det:

APPENDIX B – TECHNICAL SUBMISSION



Appendix C1: Org
Chart



Appendix C2:
Mob Plan



Appendix C3:
Office/Facilities



Appendix C4:
nderer Representat



Appendix C5:
Experience



Appendix C6:
Proposed Vehicles

APPENDIX C – LBD SUBMISSION



Appendix D1:
Ownership



Appendix D2:
Business Structure



Appendix D3: LBD
Targets



WINNING A CONTRACT



HOW DO YOU BETTER YOUR CHANCES TO WIN A CONTRACT?





Credit Facility Program

BSP Credit Facility Program

What is it?

- A financing program to provide faster and competitive rates between participating Brunei banks and local Brunei contractors, with BSP as a facilitator.
- Under this program, BSJV plays a role in closing the credit gaps to create a win-win scenario for the lender (bank) and the borrower (contractor).
- Participating banks: BIBD, Baiduri and Bank Usahawan

What are the favourable Credit Terms?

- Fast track service in reviewing and taking a decision on the credit application
- Attractive and transparent credit terms / products and general banking tariffs

Who is entitled?

- Be awarded a contract with BSJV or be an existing contractor of BSJV
- Have an account or willing to open a new account with the participating bank, and agree to contract cash flow assignment to this
- Have registered address of business or place of business in Brunei
- Consented to BSJV to disclose to the participating bank certain information connected to the contract



DARe Co-Matching Scheme

What is the **Co-Matching Scheme**?

The Co-Matching Scheme is a **fund to assist businesses with Starting Up or Expansion costs**, up to a maximum of \$20,000. The **business will “co-match” a minimum of 30%** of the total project amount, with the **remaining funded by DARE** through the scheme, to a **maximum of 70%**.

There are 2 categories of Co-Matching Scheme:

1. Starting Up

- Applicable for new businesses registered within (not more than) twelve (12) months
- Targeted to assist in the starting up of innovative startups
- DARE will fund 70% (up to B\$10,000) of the total project cost

2. Expansion

- Applicable for established businesses registered more than twelve (12) months
- Targeted at businesses looking to expand their businesses to the next level i.e. to increase productivity, expand range of products or services or looking into expanding internationally
- DARE will fund 70% (up to B\$20,000) of the total project cost

What are the **Eligible Expenses**?

Businesses may apply for the Co Matching Scheme to help fund costs related to Starting Up or Expansion that promote business productivity and performance.

Eligible expenses include:

- Costs of obtaining license and certification
- Consultancy services to get certification
- Machine and equipment
- Marketing expenses
- Adoption of technology

Expenses **not eligible** under the Scheme include:

- Debts and liabilities
- Director's fees and remuneration
- Manpower or personnel salary
- Renovation
- Rental

Who is eligible for the scheme?

To be eligible for the scheme, businesses/companies have to satisfy the following general eligibility criteria:

- Must be registered and based in Brunei Darussalam (100% locally owned businesses by Citizens or Permanent Residents)
- Product/services offered must be locally owned.
- Must be able to match at least 30% of total project cost, with prior experience in securing investment considered to be advantageous.

1. Criteria for Starting Up

- Must fall within definition of micro or small enterprises i.e. have fewer than 20 employees
- Must be currently participating or accomplished one of DARE's Bootcamp Programmes (e.g. Accelerate or Micro Bootcamp)

2. Criteria for Expansion

- Must fall within the definition of micro, small or medium enterprises i.e. have fewer than 100 employees
- Must practice proper book-keeping, and able to provide applicable financial records
- For Sole Proprietorship or Partnership, businesses are strongly encouraged to convert the status of their existing

How does it work?

- Complete Application Form & prepare all required documents
- Submit Application Form, Business Proposal and relevant documents to financing@dare.gov.bn or to Business Helpdesk, Design & Technology Building, Anggerek Desa Tech Park
- Screening of Applications to check for completeness and eligibility
- Evaluation of Proposals based on evaluation criteria – applicant may be called for interview if necessary
- Approval and signing of agreement for successful applications
- Disbursement & Monitoring of funds based on agreed milestones, up to a maximum 12-month duration.
- The project/ activities funded under this scheme must be completed within a period of twelve (12) months.
- Costs shall not be incurred before the approved funds are awarded and prior to the signing of the Terms and Conditions of Grant.
- Once application is approved, funds will be disbursed to enable implementation of Starting up or Expansion project/ activities.
- <https://www.dare.gov.bn/finance>

