

# What does BSP intend to achieve for In-Country Value?

“Brunei Shell is pro-actively supporting and championing Local Business Development initiatives, aligning and committing to the **Wawasan 2035** Vision of His Majesty The Sultan of Brunei, to build extra capacity and advance the capabilities of local people and companies within the local oil and gas industry.”

## Increase Local Employment Opportunities

Number of employment and locals working in the Energy Industry

## Increase in Local Spend retained in country

Contribution from local industries and workforce in the provision of goods & services supplied to Energy Sector in Brunei

## Foreign Direct Investment in Brunei (FDI)

Grow energy sector in Brunei including upstream, downstream energy services and power sub sectors

## Knowledge /Technology Transfer, Skills (training)

SME Development and Technology / Knowledge Transfer, Education and Technical Skills for locals



# Local Business Development (LBD) Directives

## Directive 1



- Avoid monopolies / market dominance in Oil & Gas industry
- Maintain competitive environment
- Uphold business integrity

April 2011

## Directive 2



- Delivery of LBD targets, e.g. local content, local employment, etc
- Create development opportunities for new players
- Support genuinely Bruneian companies & active local ownership

February 2012

## Reasonable Wage Guideline



- Reasonable wage for oil & gas workforce

Issued April 2014

# BSJV LBD Strategy

## Enforcement



- LBD Policy
- Governance
- Compliance Reviews
- Hearts & Minds
- LBD Training
- ASK Programme

## Development



- Create market opportunities (EOI)
- Energy Business Academy
- Incubator Programme
- Technology Transfer through EFA's
- Job Fairs

## Delivery



- Deliver LBD projects, for example Sumitomo threading plant
- Deliver tender opportunities with primary focus on SMEs

# LBD Project - OCTG Threading Plant - The First Modern Manufacturing Plant In Brunei

## LBD opportunity

- 1<sup>st</sup> high-tech manufacturing capability in-country
- Investment: BND120 mln
- Employment: 100 direct and 100 indirect jobs
- Technology transfer: leverage group EFA and training local staff to build sustainable business

## Highlights

- Construction of the facilities underway following groundbreaking ceremony 24<sup>th</sup> October
- First locally treaded pipe in 2016/17
- Strong support from the Government of Brunei Darussalam

## Two contracts

- Supply of OCTG, including establishment of a local OCTG threading plant.
- Service contract on Yard Management



MoU Signing ceremony  
4<sup>th</sup> of December 2013, Bandar



Foundation Laying Ceremony  
24<sup>th</sup> October 2015, Salambigar

## LBD Project In Basic – Hadfa Enterprise

- Landscape maintenance contract in BASIC – scope set aside for smaller Bumiputra (Brunei Indigenous) companies. Contract duration is 3 years and contract value BND 3.3 mln
- Part of LBD efforts to attract new SMEs to the Energy Industry and create local employment.
- New company to Brunei Shell Joint Ventures, with experience in the public sector. Hadfa Enterprise currently has 100% local employment and the contract resulted in 80 jobs.
- Upon successful delivery in this contract, the company aims to expand into other areas of business with Brunei Shell Joint ventures.



# Cameron Brunei - Facility

## LBD opportunity

- Assembly and Testing for Well head locally
- Currently employed 60 local people (73%)
- Employment target by the end of the contract – 86 people (96%)
- Investment: 15 Mln Direct Investment and \$50MN value output by end of year 5

## Highlights

- Fully equipped facility capable of performing Assembly & Testing - including OEM Recertification, Machining – CNC & Manual, Welding & Post Weld Heat Treating, QC Inspection, Shot Blast and Painting
- Provides Technical Support in Aftermarket Management, Engineering, QA / QC, HSE, Logistics, Asset Management
- Training: Dedicated Class Room and Hands On training area and Classes for Cameron and Non-Cameron Personnel



# How To Become Our Business Partner





# Vendor Registration

- Be registered to access BSJV tenders
- SMART by GEP is accessible anywhere and anytime via internet
- Quick way to check your registration status
- Online update of vendor details e.g. Ownership and contacts
- Online vendor's declaration of Conflict of Interest
- All communications from BSJV based on SMART by GEP contact details

## How to get registered

- Go to [www.bsp.com.bn/icv](http://www.bsp.com.bn/icv)
- Click on [Doing Business with BSJV](#)
- Click on [Getting Registered](#).



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### Quick Links

- Getting Registered
- Expression of Interest
- Tender Opportunities
- Vendor Online Registration System (VORS)
- Vendor Development
- Ask Programme

You are here : Home / ICV / Doing Business With BSJV / Getting Registered



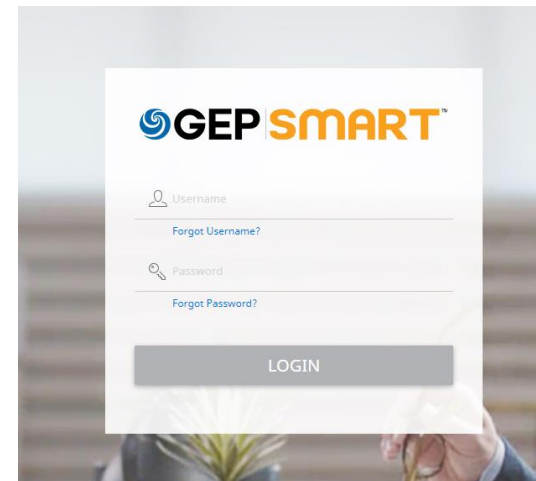
All companies interested in providing goods and services to BSJV need to register in VORS.

Prior to registration, vendors must ensure that they:

- Comply with the Directive 2 on Local Business Development Framework Requirement for the Oil and Gas Industry requirements.

- Provide the mandatory documents as per registration checklist, example Group's Technically Approved Manufacturers and Products (TAMAP) reference for specific product group registration. Please refer to: LBD Framework Requirements.

- Vendors are encouraged to understand the requirements for HSSE Green Banding.





# Local Business Development Framework

## Local Business Development (LBD) Requirements

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

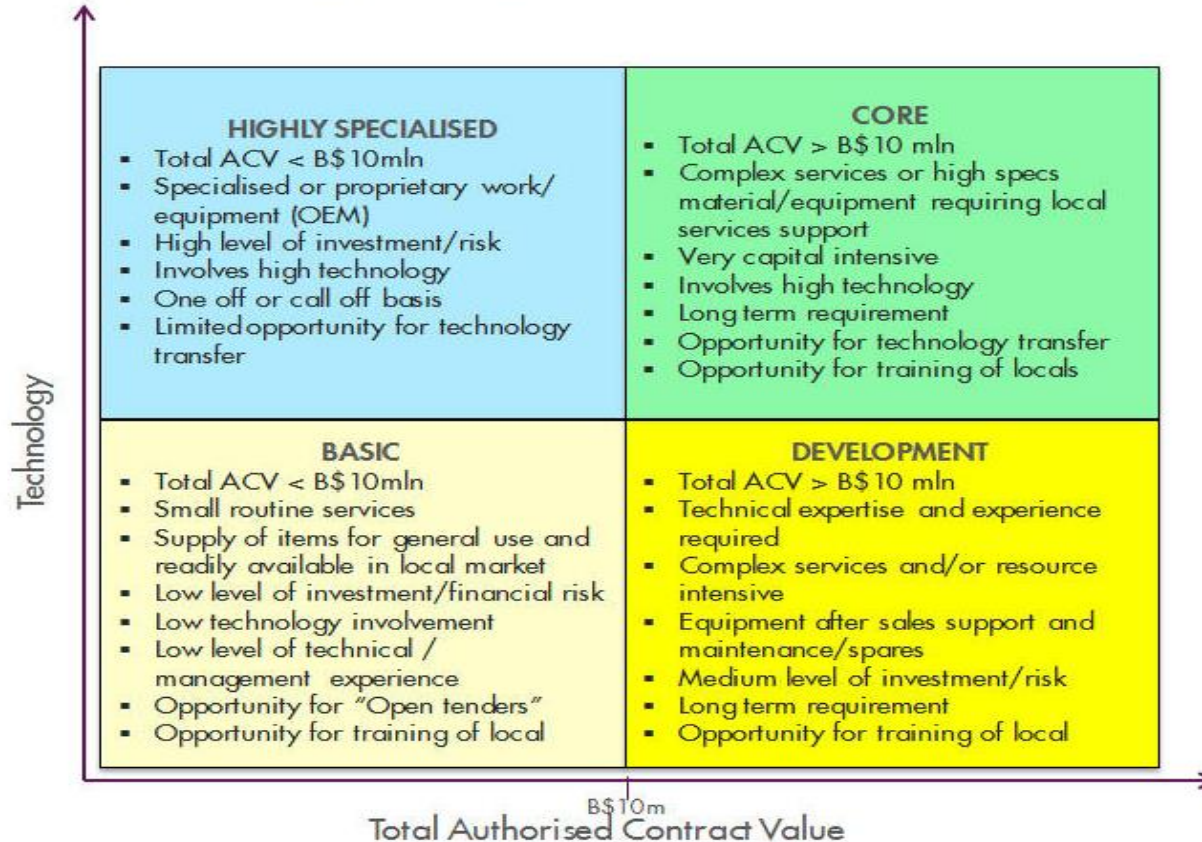


### Notes:

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

# Local Business Development Quadrants

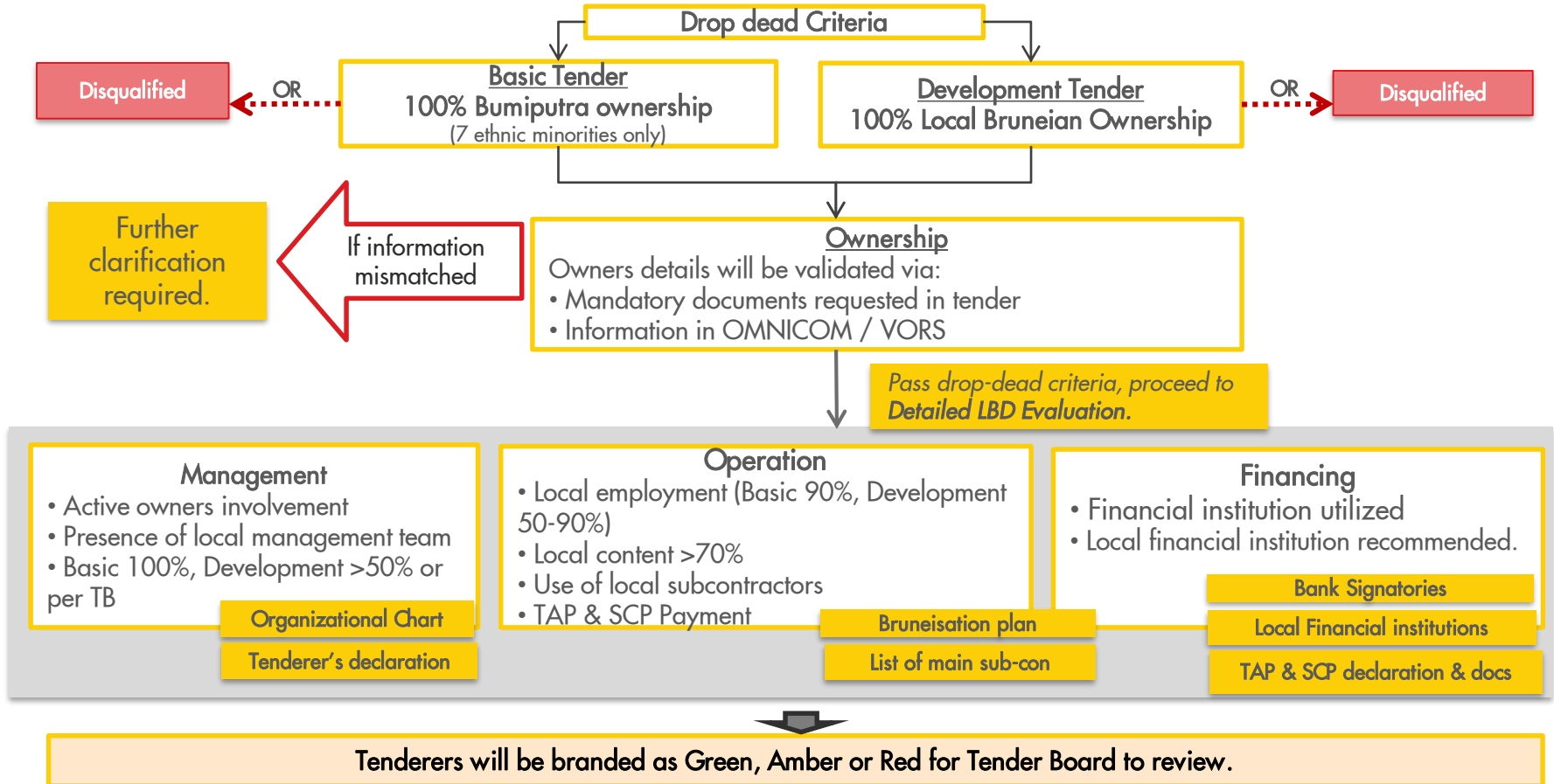
Quadrant features – Determines how each work category falls under the respective quadrants based on the level of technology involved and Total Authorised Contract Value (ACV) for the overall category . Contract period might impact the allocation of categories e.g. from Highly Specialised to Core if it changes duration from short term to long term.



# LBD Terminology

Terminology	Definitions
<b><u>Ownership</u></b>	
Bumiputra	Brunei Citizens belonging to one of the indigenous groups of the Malay race, namely, Belait, Bisayah, Brunei, Dusun, Kedayan, Murut or Tutong.
Local	Brunei Citizens means subjects of His Majesty the Sultan and Yang Di-Pertuan holding a Brunei Yellow Identity Card.
International	Non Brunei Citizens
<b><u>Company types</u></b>	
Local Company	<ul style="list-style-type: none"><li>- Fully owned by Brunei Citizens</li><li>- Actively manage by owner/proprietors</li><li>- Registered under the Companies Act (Cap 39)</li></ul>
Bumiputra Company	<ul style="list-style-type: none"><li>- Fully owned by Bumiputra</li><li>- Actively managed by Owners / Proprietors</li><li>- Registered under the Business Names Act (Cap 92)*</li></ul>
Joint Venture (JV) Company	<ul style="list-style-type: none"><li>* <i>Exception for Basic Quadrant - minimum is to be registered under the Business Names Act (Cap 92)</i></li><li>- Joint equity participation between Local Company &amp; International partner(s)</li><li>- Actively managed by both parties</li><li>- Registered under the Companies Act (Cap 39)</li></ul>
International	<ul style="list-style-type: none"><li>- Fully owned by non Brunei citizens</li><li>- Registered under the Companies Act (Cap 39), if a place of business has been established in Brunei</li></ul>
<b><u>Others</u></b>	
Local Content	The sum of value added or created in the Bruneian economy through the use of local employment, goods and services.
Local Employment	"Locals" in this context is defined as Brunei citizens and Permanent Residents (PRs).

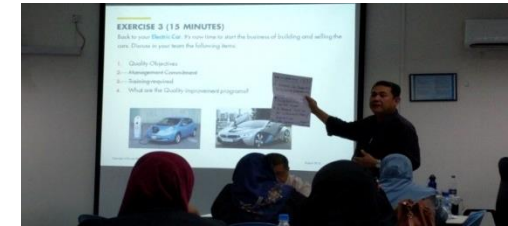
# LBD Tender Evaluation



# Energy Business Academy



- The Energy Business Academy (EBA) is one of the BSJV's initiative to develop local Small Medium Enterprises (SMEs) competencies and capabilities venturing into the Oil and Gas industry.
- The objective of the EBA is to provide training to business owners by experts in the industry which will contribute towards an increase and improvement in the level of market competitiveness of Brunei's oil and gas industry.



# Energy Business Academy



- Features 6 modules that cover areas from a broader perspective of the oil and gas industry down to the fundamental foundations that local SMEs should practice.

	Modules
1	Introduction to Oil and Gas
2	Ethics and Compliance
3	Supply Chain Management & BSJV Tender Process
4	HSSE and Quality Management
5	Quality Management
6	Financial Management





# ASK Programme

The ASK Programme is an avenue open to all existing BSJV vendors and new vendors who are interested in doing business with BSJV.

Vendors can also seek advice on topics such as BSJV Policy & Procedure (including LBD), Vendor Registration Process, Business Integrity and Payment Process.

The ASK Programme is held every Thursday afternoon and appointments with the SCM team can be made via the LBD Portal or reached via ASK-Programme@shell.com



**BSJV INITIATIVES**

**BSJV BRUNEI**

**ASK PROGRAMME**

**“Ask” Programme**

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Click [here](#) to view the ASK Programme Frequently Asked Questions (FAQ)

**REGISTER**



# BSJV ICV Portal



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## WELCOME TO IN-COUNTRY VALUE



**In-Country Value (ICV)** is defined as the contributions in the oil and gas sector through its retained expenditure in Brunei that benefits business development either through employment or local goods and services, capability development, and stimulates the productivity in Brunei's economy.

ICV Department in BSP was established in April 2018 and is accountable for the identification and implementation of ICV strategy for BSP in-line with the Fit For Future ICV growth objectives.

### ICV Strategic Themes

ICV strategy is underpinned by six key themes:



TARGETED  
IN-COUNTRY  
MANUFACTURING



ASSET  
OWNERSHIP  
BY LOCAL



WORKFORCE  
DEVELOPMENT



VENDOR  
DEVELOPMENT



TECHNOLOGY  
TRANSFER



INFRASTRUCTURE  
DEVELOPMENT

### NEWS

- [New Vendor Registration System \(SMART by GEP\)](#)
- [DARE launches Co-Matching Scheme](#)
- [IMPORTANT NOTICE: VORS System Replacement](#)
- [Energy Business Academy \(EBA\) slots for August 2020 is now open](#)
- [MoFE Announces Interim Measures to Support Private Sector](#)

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### Quick Links

- [Getting Registered](#)
- [Expression of Interest](#)
- [Tender Opportunities](#)
- [Vendor Online Registration System \(VORS\)](#)
- [Vendor Development](#)
- [Ask Programme](#)

<https://www.bsp.com.bn/icv>

# LOCAL BUSINESS DEVELOPMENT

## Quick Reference Guide



### Driving Business Towards Success

#### Energy White Paper

- Formulates a strategic roadmap in support of Wawasan 2035
- 3 strategic goals and 10 Key Performance Indicators
- 4 LBD related performance indicators

#### Directive 1

- Prevents monopolies/market domination
- Strives for fair playing field and competitive environment
- Measures and checks in place to ensure that sub-contracted activities are awarded in a competitive manner

#### Directive 2

- Increase the country's economy through use of local goods and services
- Create employment opportunities for locals and ensure employment of locals
- Develop truly Bruneian businesses that are able to compete regionally

### LBD Allocation of Contracts

Highly Specialised	Core
Open to all companies Local Employment Target = best endeavors Local Content target = best endeavors	Open to all companies Local Employment Target = 50% – 90% Management target > 50% Local Local Content target > 50% Maximise use of local sub-contractors
Basic	Development
Open to Rakyat Jati Companies only Local Employment Target > 90% Local Content target > 70% Actively managed by owners/proprietors Management = 100%	Open to all companies only Local Employment Target = 50% - 90% Local Content Target > 70% Actively managed by owner Management Target > 50% Maximise use of local sub-contracts

- Steer operators to focus on Local Business Development (LBD) with defined targets
- Avoid monopolies/ market domination in the Oil & Gas industry
- Maintain competitive environment
- Uphold business integrity
- Deliver of LBD targets, e.g. local content, local employment, etc.
- Create development opportunities for new players
- Support genuinely Bruneian companies and active local ownership

### Comprehensive LBD Framework mapping can be obtained on the BSJV LBD Portal

- Go to [www.bsp.com.bn/icv](http://www.bsp.com.bn/icv)
- Click on Local Business Development
- Click on Features