sUPPLY CHAIN – EXPRESSION OF INTEREST BRIEF

NZT NEP OSBL Project

NATURAL GAS PIPELINE

EXPRESSION OF INTEREST BRIEF

A picture containing text, map, screenshot, diagram

Description automatically generatedEX

Contents

[2 Abbreviations 2](#_Toc163583570)

[2.1 Abbreviations 2](#_Toc163583571)

[3 Introduction 3](#_Toc163583572)

[3.1 Purpose of this Document 3](#_Toc163583573)

[4 Project Overview 4](#_Toc163583574)

[4.1 Project Background 4](#_Toc163583575)

[5 Project Scope 5](#_Toc163583576)

[5.1 OSBL Scope of Work 5](#_Toc163583577)

[5.2 Programme 7](#_Toc163583578)

[6 Facilities Contract Strategy 8](#_Toc163583579)

[6.1 Procurement Drivers 8](#_Toc163583580)

[6.2 Procurement Process 8](#_Toc163583581)

[6.3 Confirmation if Interest 8](#_Toc163583582)

[7 EXPRESSION OF INTEREST - RETURN 9](#_Toc163583583)

[8 SUPPLY CHAIN QUESTIONNAIRE 10](#_Toc163583584)

# Abbreviations

## Abbreviations

|  |  |
| --- | --- |
| **Term** | **Definition** |
| AGI | Above Ground Installation |
| CO2 | Carbon Dioxide |
| ECC | East Coast Cluster |
| EPCC | Engineering, Procurement, Construction and Commissioning |
| EPCM | Engineering Procurement and Construction Management |
| EOI | Expression of Interest |
| F&G | Fire And Gas |
| FEED | Front End Engineering Design |
| FID | Final Investment Decision |
| FOAK | First of a Kind |
| HV | High Voltage |
| ICSS | Integrated Control and Safety System |
| IJV | Incorporated Joint Venture |
| ISBL | Inside Battery Limit |
| KV | Kilovolt |
| KM | Kilometer |
| MW | Megawatts |
| NEP | Northern Endurance Partnership (T&SCo) |
| NZT | Net Zero Teesside Power |
| OSBL | Outside Battery Limit |
| PCC | Power, Carbon Capture & Compression |

# Introduction

## Purpose of this Document

This EOI is in connection with NZT and the NEP projects which have kick-started decarbonisation of the Teesside and Humber industrial clusters during the mid-2020s.

Working with local industry and world-class partners, the NZT / NEP Projects intend to contribute to the capturing of up to 10 million tonnes per annum (10MTPA) of carbon dioxide emissions from the East Coast Cluster (ECC) by 2030.

Both NZT and NEP projects will look to take a FID in September 2024, Following FID, the projects would be aiming for first commercial operations from 2027.

The projects address widely accepted strategic national priorities – most notably to secure green recovery and drive new jobs and economic growth in regions most hit by the pandemic:

1. The Committee on Climate Change identified both gas power with CCUS, and hydrogen production using natural gas with CCUS as critical to the UK’s decarbonisation strategy, and
2. Gas power with CCUS has been independently estimated to reduce the overall UK power system cost to consumers by £19bn by 2050 (compared to alternative options such as energy storage).

The EOI process is to establish an interest with the Supply Chain and is an opportunity for Suppliers to differentiate themselves from their competitors by becoming part of a FOAK project. We invite you to participate in this EOI to better understand your interest and capabilities. This EOI specifically relates to:

* Piping
  + Natural Gas Pipeline: 1.5 km of Buried 24” Pipeline incl AGI’s, Tie-In’s and Mechanical Equipment: Fabrication, Installation and Commissioning (both Civils and Pipeline).

Please also see a list below of the other packages related to this Project, which are subject to separate EOI's.

* The 275Kv HV scope where the basis shall be for design, procurement, installation, and testing, of all 275kV scope from the PCC banking compound through to the National Grid Tod Point connection. HV Cable estimated at 2km.
* Civils (Enabling works) which includes as a minimum, Site Establishment, Laydown areas, Access Roads, Services and Utilities, Security Fences, Car Parks, Grading and Welfare Establishments
* Major Civil Works including Pipeline and Above Ground Installations (AGIs) Foundations incl Piling, Roads, Rail Crossing, Culverts and Open Cut crossing incl pipe tunnels.
* Civil works for the HV Cable route Estimated at 2km.
* Structural Steelwork including Steelwork Supply, Fabrication, Coating and Installation for Pipebridges, Pipe Supports, Equipment Supports, Step Overs, Grating, Handrail, Road Barriers.
* Piping
  + CO2 & Nitrogen Pipelines: 8kms of Above ground and Tees Tunnel 22” pipeline (CO2) incl Isolation Joints and Mechanical Equipment: Installation and Commissioning (Size of Nitrogen Pipeline tbc.)
* EC&I includes Fibre Optic Cables (+- 40,000m), Electrical Cables, F&G System and ICSS assistance: Installation and Commissioning.

This EOI is intended to be the first stage of formal market engagement and is the gateway to subsequent stages. Further context and instructions are provided below. **Your response is to be submitted by 17 May 2024.**

# Project Overview

## Project Background

Power Generation and Carbon Capture and Compression Project – NZT Power

The NZT Power project comprises a large-scale CCGT (gas power turbine) for power generation with a post combustion carbon capture plant for abatement together with associated dehydration and compression for entry of the captured and compressed CO2 into the transportation and storage system. The project intends to minimize residual CO2 emissions by targeting a high CO2 capture rate. The power generation, CO2 capture, and CO2 compression parts of the scope (“PCC”) are located inside the PCC battery limits (“ISBL”) at the former Sahaviriya Steel Industries (SSI) site in Teesside, named “Teesworks”.

The NZT Power Incorporated Joint Venture (IJV) partners are currently bp and Equinor.

Transportation and Storage (T&S) Network – NEP

The onshore element of the NEP T&S joint venture’s scope includes a new gathering pipeline network to collect gas phase CO2 from third party Teesside regional industrial emitters towards an integrated high-pressure compression system to condition and compress all the CO2 (including CO2 from the NZT Power generation facility).

Offshore, the NEP T&S joint venture will develop the offshore transport and storage infrastructure that will serve two decarbonised industrial clusters: Teesside and Humberside. The Endurance reservoir in the North Sea is a mature large-scale saline aquifer some 145km from Teesside and 85km from Humberside.

The IJV partners are currently bp, Equinor and TotalEnergies.

The offshore element of the NEP T&S comprises offshore pipelines from both the Teesside cluster (from the ISBL) and the Humberside cluster to transport the collected CO2 from both for injection using an all-electric subsea development at the Endurance saline aquifer storage site with capability to expand to future stores. Referred to collectively as (“Offshore”). Collectively the Teesside and Humberside clusters form the ECC.

bp is the operator for each of the NZT Power and NEP projects.

A FOAK UK fully integrated gas-fired power and carbon capture project and a key driving force behind plans to make Teesside the UK’s first decarbonized industrial cluster.

NZT Proposed combined cycle gas turbine electricity generating station having an electrical output of up to 860 megawatts (MW) of low carbon electricity, enough to power up to 1.3m homes per year.

NEP is leading the development of the ECC, which aims to decarbonize the Teesside and Humber regions and enables the net zero vision by providing the common infrastructure needed to capture and transport CO2 from carbon emitting projects, such as Net Zero Teesside Power, to secure offshore storage in the North Sea.

 NEP is anticipated to store up to 23 MTPA of CO2 on average at project peak in 2035.

# Project Scope

## OSBL Scope of Work

The main aspects of the scope are as follows:

NEP

* 8km of 22” CO2 Pipeline (above ground) – New above ground pipeline which gathers C02 from local emitters and supplies it to the CO2 compression facility. This scope includes completing the Tees crossing via the existing Sembcorp Tees Tunnel.
* 12” Nitrogen Pipeline – Modification of an existing pipeline to provide Nitrogen to the CO2 compression facility and the power station.

NZT

* Circa 1.5km of 24” Natural Gas Pipeline (buried) – Modification and return to service of an existing pipeline to supply Natural Gas to the Power Station.
* 275KV High Voltage Cable and associated civils work – New HV cable to allow the import/export of electricity from the power station to the National Grid.

Costain are currently undertaking FEED and will transition into the OSBL Execute Phase as the (EPCm Contractor, subject to FID (expected September 2024). Part of this scope is to manage the Procurement activities on behalf, Construction and Commissioning activities on behalf of NZT and NEP; the construction scopes will be contracted directly with the IJVs on a bespoke model form of contract.

A map with a path and a map

Description automatically generated with medium confidence

## Programme

Based on historical and current knowledge and market intelligence Costain would like you to register interest in the following activity/activities:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Discipline** | **Activity** | **ITT Issue Date** | **Award Date** | **Start Date (mob)** | **End Date** |
| Natural Gas Pipeline | 1.5 km of Buried 24” Pipeline incl AGI’s, Tie-In’s and Mechanical Equipment:  Fabrication, Installation and Commissioning (both Civils and Pipeline). | Jun 2025 | Nov 2025 | Apr 2026 | Nov 2026 |

Unless noted in the above table, materials will be Free Issue from NZT and NEP except for sundry items which will be defined later.

# Facilities Contract Strategy

## Procurement Drivers

The IJV partners are committed to generating meaningful economic benefits for the UK by working with the local industry and world-class partners to ensure a successful delivery of this First of a Kind project. While being committed to the goal of no accidents, no harm to people and no damage to the environment; the IJV’s want its suppliers to strive for sustainability in their supply chain, and innovation and excellence in their delivery. The Procurement Process are to be completed with due diligence to ensure the right Contractors are selected to deliver the Project and IJV local content requirements.

All scopes will be contracted directly with the IJVs on a bespoke IJV form of contract.

## Procurement Process

Step 1 – Expression of Interest

Step 2 – Pre-Qualification Questionnaire / Request for Information

Step 3 – Invitation to Tender (ITT)

Step 4 – Contractor Shortlist and Final Negotiations

Step 5 – Contract Award

## Confirmation if Interest

Interested Suppliers must provide the information requested within the EOI Supplier Questionnaire to be considered for further assessment.

Please ensure your EOI return form and EOI Supplier Questionnaire is received to us no later than **COB 17 May 2024.**

Any queries relating to this EOI should be emailed to: NZT.NEP@costain.com

The submission of your EOI shall be sent via email to NZT.NEP@costain.com

# EXPRESSION OF INTEREST - RETURN

TO: Costain Limited

Costain House, 1500 Aviator Way

Manchester Business Park

Manchester, M22 5TG

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**For the attention of: Andrew Dickson (**NZT.NEP@costain.com**)**

Dear Sirs,

**Project Title: NZT NEP OSBL Project**

**RE: Expression of Interest**

We acknowledge receipt of Costain Expression of Interest Letter for the above project.

1. (a) We confirm that we \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (company name) are interested in the above project and would like to be considered to provide a Tender for the following packages:

|  |  |
| --- | --- |
| **Package** | **Interested (Y/N)** |
| Natural Gas buried pipeline installation and commissioning (both civil and pipework elements) |  |

NOTE – The EXPRESSION OF INTEREST- SUPPLIER EOI QUESTIONNAIRE to be submitted along with this EOI RETURN.

(b) We are not interested in the above project for the following reasons:

.....................................................................................

\*Delete (a) or (b) as applicable.

Our representative who should be contacted in relation to further correspondence of this project is as follows:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ whose title is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ email address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Yours faithfully,

For and on behalf of

Signed: .....................................................................................

Position: .....................................................................................

# 

# 8 SUPPLY CHAIN QUESTIONNAIRE

**Introduction**

This document is intended to help us assess suitability of interested suppliers to progress to a formal PQQ Process for the NZT NEP OSBL Project.

**Please read the following instructions carefully:**

**Completion Instructions**

PLEASE COMPLETE THE QUESTIONNAIRE AND RETURN WITH THE EOI SUBMISSION.

All questions must be addressed – please do not leave any blanks. Please use the words NONE or NOT APPLICABLE (N/A) where applicable. Any unanswered or blank questions may result in your interest not being accepted.

Except where requested, answers submitted MUST apply specifically to the Company named at the beginning of Section 1 and must be exclusive to the activities of Parent, Associate, Group or Subsidiary Companies.

Any information constituting Personal Data as defined in the General Data Protection regulation shall be treated and safeguarded in accordance with the requirements of GDPR and any subsequent amendment or re-enactment thereof.

A copy of the Costain Data Protection Policy is available upon request.

The processing of your personal data is necessary for the administration of the business relationship.

**PLEASE RETURN QUESTIONNAIRE TO:** NZT.NEP@costain.com

|  |  |  |
| --- | --- | --- |
| **1.0 GENERAL DETAILS** |  | |
| * 1. Name of Company: |  | |
| 1.2 Company Registered Address: |  | |
| 1.3 Company Trading Address (if different): |  | |
| 1.4 Telephone No.: |  | |
| 1.5 Contact Name:  1.6 Position held within your organisation: |  | |
| 1.7 Email Address: |  | |
| 1.8 Company Website Address: |  | |
|  |  | |
| 1.9 Is your Engineering / Manufacturing / Fabrication activity carried out at the same location? | Yes  No | |
| 1.10 Please advise if different from above: |  | |
| 1.11 Is your company a Public/Private Company? | Public  Private | |
| 1.12 Name and address of Parent Company or Group/Affiliates, if any: |  | |
| 1.13 Please advise: |  | |
| Company Registration No. |  | |
| 1.14 Year Company established?  1.15 Has your company previously worked for Costain or bp? If yes, please advise of recent projects and dates.  1.16 Please provide relevant experience working on live Oil & Gas or Tier 1 COMAH Sites. Including: | Yes  No  Project Client Year        Project Client Year | |
| 1.17 We would like to understand your capacity to support the project and would like you to Indicate numbers of PERMANENT staff in the following categories: |  | |
| a) Office based staff (admin, engineering, procurement, etc) |  | |
| b) Site / operations staff  c) Fabrication staff |  | |
|  |  | |
| 1.18 Indicate which key trades are appropriate to your normal business:   * 1. Supplier preferred remuneration model.   2. Please indicate if you are utilising NAECI/CIJC arrangements | Buried pipework.  Above ground pipework    Other (Specify)    Lumpsum  Target Cost  Reimbursable  Re-measurable (Schedule of Rates)  Other (Specify)    Yes  No  Other  (Specify below) |  |
|  |  | |
| **2.0 FINANCIAL DETAILS** |  | |
| Please provide details of: | Please use numerical values only | |
| 2.1 Annual Turnover & Profit | Last Year (2023)  This Year (2024)  Forecast Year (2025) | |
|  |  | |
| 2.2 Maximum tender limit |  | |
| 2.3 Order book value |  | |
| 2.4 Any Administration Order that you have been subject to during the last five (5) years. |  | |
| 2.5 Are there any current or pending actions against your company by the Inland Revenue? If yes, please provide details of the complaint and the outcome. | Yes  No | |
|  |  | |
| **3.0 DETAILS OF PRODUCTS & SERVICES** |  | |
| 3.1 Please specify major subcontracted elements of the works you deliver. |  | |
|  |  | |
| **4.0 PREMISES** |  | |
| 4.1 Please give details of your fabrication Facilities / Design Office etc., i.e. size of workshops, area covered by offices etc: |  | |
| 4.2 State maximum weights/diameters of handling within workshop, e.g. cranage capacities, access to workshops (if applicable): |  | |
|  |  | |
| **5.0 ENGINEERING FACILITIES** |  | |
| 5.1 Do you have in-house engineering capabilities? | Yes  No | |
| If yes, give brief details: |  | |
| If no, do you outsource design work? State which design organisation you use. |  | |
| 5.2 Can you provide your own designs from customers’ data? | Yes  No | |
| 5.3 What version(s) of CAD, if any, do you operate? |  | |
| 5.4 Do you have the facilities for 3D and rendered drawings? | Yes  No | |
| 5.5 Do you have a computerised production programming facility? | Yes  No | |
|  |  | |
| **6.0 QUALITY ASSURANCE AND QUALITY  CONTROL** |  | |
| 6.1 Does your Company hold the following: |  | |
| ISO 9001 | Expiry        No | |
| ISO 14001 | Expiry        No | |
| OHSAS 18001 | ISO 45001 | Expiry        No | |
| ISO 27001 | Expiry        No | |
| If any answer is no…. |  | |
| 6.2 Does your Company have a specific Quality Document and Process to set out quality practices? | Yes  No | |
| **7.0 SAFETY, HEALTH & ENVIRONMENT**  7.1 Does your company have a combined or separate Safety, Health and Environmental Policy? | Yes  No | |
| 7.2 Has your company or Group been served any notices or prosecutions in the last 5 years for any SHE related offences. If yes, please provide details of the complaint and the outcome. | Yes  No | |
|  |  | |
| **8.0 CAPABILITY**  8.0 Capability for this type of work – Please provide one example from the last 3 years of similar works provided.   1. Location 2. Scope 3. Value 4. Duration | | |
| All the information provided in this document is complete, true and correct and I, the undersigned, am authorised by the relevant person in my organisation to provide this information. I understand that false information could result in the termination of any future contact:  Signed:  Print Name:  Company:  Position:  Date: | | |
| Costain Comments:    Signature & Date:  Print Name:  Company Name:  EOI acceptable to progress to next stage(Y/N):  EOI Approval Date: | | |