



REQUEST FOR PROPOSAL

DELIVERY OF CASING ACCESSORIES - 2015 ZAP 12/2014/M

Issue Date: 07.04.2014

Closing Date and Time: 25.04.2014, 1:00 pm (CET)

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PART 1 – INSTRUCTIONS OF THIS REQUEST FOR PROPOSAL

1. 1. Definitions

For the purposes of this Request for Proposal (further “RFP”) and any subsequent contract the following definitions, unless otherwise noted, apply.

Company	Means ORLEN Upstream Sp. z o.o., (LLC)
Contract	Means any contract that results from this Request for Proposal
Contractor	Means the entity that forms a Contract with the Company for the provision of the requirement.
Proposal	Means a written offer submitted in response to this Request for Proposal
Bidder	Means an entity that submits, or is invited to submit, a Proposal in response to this Request for Proposal
RFP	Request for proposal, this document
Requirement	Means the terms and conditions applicable for this Tender
Tender	Procurement process managed by the Company

1.2. Name and address of the Company

ORLEN Upstream Sp. z o. o.

70 Prosta Str.

00-838 Warsaw

Poland

NIP: 522-280-86-91

REGON 140525990

KRS [National Court Register No] 0000256011, District Court for the Capital City of Warsaw, National Court Register Commercial Division XII

Phone.: (+48) 22 778 02 00; Facsimile: (+48) 22 395 49 69

1. 3. Summary of the Scope of requested service

Company is looking for the supplier / suppliers who will deliver a Casing Accessories for upcoming wells in Poland up to the end of the year 2015. The Company is planning to engage the selected supplier in a long-term agreement till year 2015. Each particular delivery will be agreed between the Company and the Supplier based on service order.

Details of scope of requested service are presented in part 2 of this RFP.

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1.4. RFP Key dates

RFP Publishing Date	07.04.2014
Closing Date and Time for Receiving Proposals	25.04.2014 1:00 pm CET
Estimated Contract Signing Date	Within 30 days after the Contractor is selected

1.5. Company Contact:

In commercial matters:

Name	Joanna Sopata-Krajewska
Telephone	+48 665-880-315
Facsimile	+48 (22) 584-67-57
Email address	joanna.sopata-krajewska@orlen.pl
Postal address	ORLEN Upstream Sp. z o.o. 70 Prosta Str. 00-838 Warsaw, Poland

In technical matters:

Name	Bartosz Hysior
Telephone	+48 691 941 160
Facsimile	+48 (22) 584-67-57
Email address	bartosz.hysior@orlen.pl
Postal address	ORLEN Upstream Sp. z o.o. 70 Prosta Str. 00-838 Warsaw, Poland

1. 6. Queries and questions during the RFP period

Bidders are to issue any queries and questions regarding this RFP to individuals listed in point 1.5. No other Company's employees are to be contacted in relation to this RFP unless directed to do so by the Company contact. Company reserves the right to disqualify and reject Proposals that do not comply with this requirement. All questions should be submitted in writing either by post, facsimile or to the specified email address.

1. 7. Amendments to RFP documents

The Company may change the requirements of this RFP, including closing date and time (extension), all bidders will be notified.

1. 8. Requirements regarding issuing an offer

- 1.8.1. A Bidder may submit one Proposal.
- 1.8.2. The content of the Proposal should cover all requirements stated in this RFP.
- 1.8.3. The Proposal shall be prepared in the English or Polish language. If the Proposal is prepared in any other language it will be rejected from this procurement process.
- 1.8.4. It is a requirement of the Company that a Bidder who proposes to sub-contract the execution of a part of the subject of purchase order identify in its Proposal the part it proposes to sub-contract and the extent of subcontracting. The Bidder shall undertake to perform itself the remaining (not set aside for subcontracting) part of the subject of purchase order .
- 1.8.5. The Proposal shall be typewritten on a computer. The pages shall be numbered. All the pages of the Tender shall be put together in a manner preventing the removal of a page/pages (e.g. stapled, bound).
- 1.8.6. The Bidder may modify or withdraw its Proposal before the closing date referred to in section 1.4. All modifications of the Proposal shall be made legibly and signed by a person(s) who signed the offer, or by an agent authorized to act on behalf of Bidder. Where a Tender is substituted, it should be marked with a note "Substitute Tender".
- 1.8.7. Proposals must be submitted in a closed packaging secured against accidental opening. The Proposal shall be delivered at the Company's registered office (Proposal submission place) at the following address:

ORLEN Upstream Sp. z o. o.
ul. Prosta 70
00-838 Warszawa

with an inscription on the envelope

Tender

„Supply of Casing Accessories – 2015 – ZAP/12/2014”

Not to be opened before 25.04.2014 at 1:00 PM CET

Furthermore, the Bidder's address shall be given to enable incoming Proposals to be registered and the Proposals submitted past the deadline, or otherwise inadmissible or non-examinable, to be returned unopened.

Additionally the electronic copy (on CD, DVD or pendrive) must be attached to the proposal. The commercial and technical part of each proposal must be prepared in the separate files.

- 1.8.8 The Company hereby disclaims responsibility for misdirection or premature or accidental opening of any Proposal submitted in a manner different from that described above.
- 1.8.9 The Proposal should be signed by authorized individual based on either Power of attorney or any other document that defines principles of representation of the Bidder. Formal document confirming legal representation should be attached to the Proposal
- 1.8.10 The Bidder may reserve in its Proposal the rights in information which is the Bidder's business secret within the meaning of the provisions on fighting unfair competition.
- 1.8.11 Information claimed by the Bidder as its business secret within the meaning of the provisions on fighting unfair competition shall be submitted by the Bidder in a separate part clearly marked "Business Secret". The Company shall deem the information so marked to be the Bidder's business secret and it undertakes not to be disclose.
- 1.8.12 The Bidders shall submit their Proposals before the closing date and time as indicated in section 1.4., in accordance with the requirements for proper submission of Proposals described in this RFP. The Company shall make no allowance for any delay in the submission of Proposals. The Company shall return unopened Proposals submitted after the closing date and, while doing so, Bidders will be notified.

1. 9. Acceptance of Proposals

Proposal may be submit for all or part of the Requirement and may be accepted by the Company either wholly or in part. A Proposal will not be accepted by the Company unless and until the Company has signed a Contract or sent a 'Notice of Award' in writing to the successful Bidder.

The Company is under no obligation to accept the lowest priced Proposal or any Proposal and reserves the right to reject any Proposal which is incomplete, conditional or not complying with the RFP requirements.

1. 10. Validity of Proposals

Proposals submitted in response to this RFP are to remain valid for a period of 90 days from the RFP closing date.

Upon request from the Company, the Bidder is to extend the validity of the Proposal for another 90 (ninety) days following the date of initial expiration day. Such request can be

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made by the Company to the Bidder in writing before the first 90 days of the offer's validity have elapsed.

1. 11. Evaluation of Proposals

The minimum selection criteria to be used in the evaluation of Proposals include, but are not limited to, the following:

Price

Delivery time

Note: for the purpose of the Tender, Delivery Time means the period of delivery the equipment to the agreed location after providing the Contractor with the duly signed Purchase Order.

These criteria are not in any particular order nor do they necessarily carry equal weight.

The Company may request additional information from Bidders to assist in further evaluation of Proposals.

1. 12. Withdrawals

Proposals may be withdrawn at any time prior to the RFP closing date and time by written notice to the Company.

1. 13. Exchanging information between parties involved in this RFP

Proposed prices shall be deemed to cover the cost of complying with all the conditions of the RFP and of all things necessary for the due and proper performance and completion of the Requirement.

1. 14. Costs of preparing Proposals

All costs relating to the preparation and submission of a Proposal are the sole responsibility of the Bidder. The Company shall not pay any Bidder, wholly or in part, for its Proposal.

1. 15. Confidentiality

Except as required for the preparation of The Proposal, Bidders must not, without the Company's prior written consent, disclose to any third party any of the content of the RFP document. Bidders must ensure that their employees, consultants and agents also are bound and comply with this condition of confidentiality.

1. 16. Inconsistencies and omissions

Bidders must promptly advise the Company in writing of any inconsistencies and omissions they identify in the RFP.

1. 17. Proposal acknowledgement

By participating in this RFP Bidders are indicating their acceptance to be bound by conditions set out in this Part. Bidders are to acknowledge this acceptance, and issue details of their representative that will be a key contact person for all matters relating to the RFP, in writing, to the Company prior to the proposal acknowledgement due date set out in Clause 1.4.

Any Bidder choosing not to submit a Proposal, is required to acknowledge this intent, in writing, to the Company.

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1.18 Acceptance or rejection of a Proposal

Company reserves the right to cancel this RFP and to withdraw from negotiations without giving any reason whatsoever. The Company assumes Bidders are not eligible for any claims against the Company in this connection.

This letter is an invitation for tenders in the understanding of Art. 72 of the Polish Civil Code and thereby Art. 66 of the Polish Civil Code does not apply.

PART 2 – THE TECHNICAL REQUIREMENTS

Company is looking for the supplier / suppliers who will deliver a Casing Accessories for upcoming wells in Poland up to the end of the year 2015.

2.1. Bidder must prepare the proposal based on the following technical requirements:

- 2.1.1. The subject of purchase order comprises the delivery, on terms and conditions set forth in this RFP, of brand new (not used), centralizers, shoes & collars, plugs and torque rings for wellbore projects under implementation by the Company. A detailed description of the subject of purchase order, including estimated quantity, is given in the attachment no 1 to this RFP: Specification.
- 2.1.2. The equipment referred to above must be manufactured and marked in accordance with the standard API (e.g. 10D centralizers, 10F for Float Equipment). The Contractor shall provide certificate of conformance report.
- 2.1.3. Under the duration of the Contract, Contractor shall be able to provide appropriate reamer shoes (at least one type) within 48 hours to destination place that is located in Poland.
- 2.1.4. Technical proposal must include technical specification sheets of all types of tools presented in the proposal (weight, standoff, OD, running force, starting force, restoring force, number of bows, etc.).
- 2.1.5. Technical proposal must present operational limits for all presented tools (if applicable).
- 2.1.6. The Contractor must append to each shipment all attestations, certificates and other required documents attesting to the proper quality of the equipment under delivery and to conformity with all standards binding under the applicable provisions.
- 2.1.7. The Bidder is obliged to issue clear technical specification and manual regarding proposed centralizers.
- 2.1.8. The technical proposal should specified the place and date of manufacture the equipment.
- 2.1.9. The successful Bidder for the supply of centralizers for 7", 5 ½" and 5" casings, will be asked to deliver centralization program for each well, together with Torque & Drag analysis.

PART 3 – THE COMMERCIAL AND FORMAL REQUIREMENTS

3.1. Bidder must prepare the proposal based on the following commercial requirements:

- 3.1.1. The Commercial Proposal should present estimated transportation cost. If the transportation cost is charged at cost, the handling fee can not be more that +5%. Additionally the original invoice issued by the logistic company must be attached. Before every single order the transportation cost will be agreed and approved by the Company. The Company reserves the right to organize transportation on its own.
- 3.1.2. The presented unit price shall include all handling and preparation costs. No extra charges for handling or preparation can be applied.
- 3.1.3. The Bidder should specify in the Proposal required time to deliver the equipment for all proposed items.
- 3.1.4. The delivery of equipment shall be effected in batches agreed in each case with the Company, **DDP** (INCOTERMS 2010) to agreed location.
- 3.1.5. The Commercial Proposal shall include also a general price list with applicable discount. It could be applied in the circumstances, when equipment different than specified in the Proposal will be ordered.
- 3.1.6. At least 24 months of warranty shall be provided for the subject of the order under the Contract, the warranty period starts at the date of a given delivery.
- 3.1.7. The Company reserves rights to choose more than one supplier.
- 3.1.8. Delivery time of the equipment specified in the Well Construction Example (Attachment no 1 to the RFP) cannot exceed 2 months (60days).
- 3.1.9. The Bidder is asked to complete the table attachment to this RFP and include as an integral part of the commercial proposal.
- 3.1.10. Unless otherwise indicated, all rates and prices submitted by Bidders shall be in EUR. The Fee, all duties, taxes, and other dues relating to sums due or paid to the Bidder under this RFP which may be levied in any country shall be incurred by the Bidder.
- 3.1.11. The Bidder accepts that presented price quotation, fees and costs made in the Proposal amounts to maximum remuneration for the service requested in this RFP. The Bidder confirms that presented quotations cannot be exceeded, unless agreed in advance with the Company in writing.
- 3.1.12. Furthermore, the Contractor shall state the cost of storage and the cost of transport to a destination place (if applicable).
- 3.1.13. The offered prices shall be understood to cover all costs related to terms and conditions of the Contract, including without limitation of proper and correct execution of the subject of purchase order. Settlements between the Company and the Bidder shall be in EUR.
- 3.1.14. The offered rates and prices shall be given net of VAT. By preparing and submitting its Proposal a Bidder agrees that the prices, rates and costs given therein are a maximum compensation for the execution of the subject of purchase order claimable by the Bidder in the event of proper execution of the subject of purchase order

(Contract)). The Bidder may in no event exceed the quoted amounts otherwise than under a previous written agreement with the Company.

3.1.15. Performance security requirements

The successful Bidder shall provide a Performance Bond (hereinafter "PB") of 10 % of the total estimated value of casing accessories for one drilled well quoted in the Proposal on the Agreement date at the latest in one or a few of the following forms:

- Bank transfer;
- as bank surety or a surety from a saving and credit union, whereas the later must be a cash obligation;
- as a bank guarantee;
- as an insurance guarantee;
- as surety granted by the entities referred to in Article 6(b)(5)(2) of the Act on the Polish Agency for Enterprise Development dated 9th November 2000 (Dziennik Ustaw no. 109, item 1158, as amended).

A PB in the form of bank transfer shall be paid to the agreed Company's bank account. The date of receiving the PB is the date when bank transfer is registered by the Bank on the Company's bank account.

A PB in a non-cash form shall be submitted to the Company's registered office at 70 Prosta Street, 00-838 Warsaw.

A PB in the form of a guarantee or surety shall be issued for at least the Agreement term.

If the Bidder proposes to submit the PB in the form of a bank guarantee or insurance guarantee, it must be unconditional and irrevocable and paid upon the first and any other demand.

The Company does not allow for any other PB other than those specified herein.

The PB shall be reimbursed within 30 days of the due performance of the Agreement confirmed by an appropriate protocol of receipt of the subject-matter of the agreement specified in the Agreement.

A PB in the form of bank transfer shall be reimbursed by the Company to the bank account specified by the Contractor together with interest under the bank account agreement for the account on which it was held, less the account costs and bank commission on the transfer of the funds to the Contractor's bank account.

During the Agreement term the Contractor may change the form of the PB to one or a few of those specified above. The form of the PB may be changed upon the consent of the Company, whereas continuity of security must be maintained and its value cannot decrease.

The Company shall return the amount of PB provided in non-cash form on the date as agreed with the Contractor.

3.2. Formal requirements regarding documentation

The Bidder is obliged to issue the following formal documentation:

3.2.1. The Bidder confirms the following:

- a) is properly authorized to conduct certain business activity, where authorization is required under applicable law;
- b) has the knowledge and experience necessary for the proper execution of the subject of purchase order;
- c) has an appropriate technical potential and human resources capable for proper performance of the subject of purchase order;
- d) economic and financial situation allows proper performance of the subject of purchase order;

3.2.2. Current copy of an appropriate register, or a current certificate of registration in a business register;

3.2.3. The Bidder is obliged to issue credential list of its business activities that were conducted in the recent 3 years. If the Bidder operates shorter than last 3 years, it is required to present credential of at least 1 business activity that corresponds with this RFP in kind and value of executed delivery. Such credential list should describe: values(s), date(s), performance site(S) and recipients of the delivery / deliveries with appropriate references appended.

3.2.4. Subject to the preceding sub-sections, the Proposal shall additionally include:

- Representation or another document confirming that the equipment to be delivered by the Contractor in execution of the subject of purchase order are/will brand new (not used);
- Representation that the Bidder holds a certificate of the API, or an undertaking to deliver a certificate attesting to the equipment having been manufactured in accordance with the API specifications;
- Representation that the warranty period covers at least 24 months from the delivery date for each purchase order
- Technical Data Sheet;
- Drawings
- Recommended Operating Procedures, including:
 - Installation Procedures
 - Running Procedures
 - Recommended Circulation Rate
 - Drill Out Procedures
 - Conversion Valve Procedures: Fill Up / Auto Fill
- Representation on the observance of the confidential nature of information exchanged between the Bidder and the Company during the tendering process conducted pursuant to the terms of this Invitation;

- Where two or more Bidders submit the Proposal jointly, this Proposal shall include a valid power of attorney for a person indicated to represent the Proposers in the tendering process described in this RFP. Such power of attorney should authorize this individual to sign the submitted Proposal on behalf of the Bidders. If a Proposal submitted jointly by two or more Bidders is chosen, the Company may request to receive a valid and enforceable agreement in which the terms of the Bidders cooperation are presented. Furthermore, each of the joint Bidders shall submit to the Company properly issued required documents referred to in preceding sentences of this sub-section.
- 3.2.5. If the Bidder plans to engage resources of third party for particular purchase order from the Company, the Bidder is requested to issue all necessary documents proving accessibility of these resources. In particular, the Bidder should issue written statements of this third party confirming availability of these resources for the Company in the period of time specified in particular purchase order.
- 3.2.6. A Bidder who does not satisfy on its own the conditions set forth in section 3.2.5. above shall furnish the Company with appropriate information about another entity whose resources this Bidder commands and will be able to use under an enforceable title to properly execute the subject of purchase order.
- 3.2.7. A Bidder shall submit the documents required under the provisions hereof in originals, or as copies certified by the Bidder for conformity with the original. Where the documents are submitted in the form of copies certified for conformity with the original the Company may, when reasonably in doubt, call on the Bidder to provide the originals of these documents.

Note:

Failure of any one of the above conditions shall cause the Bidder to be excluded from the tendering process and this Bidder's Proposal to be left unexamined.

PART 4 – TABLE OF CONFORMITY WITH TERMS AND CONDITIONS

Bidder shall define conformity of his Proposal with Terms and Conditions in the form of a table, whose format is presented as attachment no 2 to this RFP, in conformity with the order and in sequence compliant with clauses of the Terms and Conditions specified in section 2 and 3.

The Table in electronic form shall be made in .xls format

The table is divided into four columns to be completed by the Bidder according to the following key:

- | | |
|----------|--|
| Column 1 | Precise specification (number) of the clause or sub-clause to which the reply refers. |
| Column 2 | Confirmation of conformity or reported non-conformity in the form of the following replies: “conformable”, “non-conformable” “partially conformable”. Description „partially conformable” without additional comment in Column 3 will be treated as “non-conformable”. Use in Column 2 of any term different than the ones given above will be treated as „non-conformable” reply. |
| Column 3 | The Column is intended for any clarifications of items described as „partially conformable”.

In case of reporting a non-conformity with a given item, the Supplier can indicate in Column 3 an alternative proposal for actions or terms. |
| Column 4 | If any additional documents are attached, which refer to individual clauses, please indicate them here. |

Attachments to this RFP:

Attachment no 1: Specification

Attachment no 2: Table of Conformity