



REQUEST FOR PROPOSAL

SUPPLY OF CASING PIPES - 2013

ZP/10/2013

Issue Date: 17.01.2013

Closing Date and Time: 28.01.2013, 10:00 am (CET)

PART 1 – INSTRUCTIONS TO PROPOSERS AND PROPOSAL CONDITIONS

1.1 DEFINITIONS

For the purposes of this Request for Proposal (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
Proposer	Means an entity that submits, or is invited to submit, a Proposal in response to this Request for Proposal
Requirement	Means the supply to be made by the Contractor to the Company in accordance with the contents of this RFP.

1.2. NAME AND ADDRESS OF COMPANY

ORLEN Upstream Sp. z o. o.

ul. Przyokopowa 31

01-208 Warszawa

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 XIII

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

1.3 RFP KEY DATES

Invitation Publishing Date	Given on the title page of this Invitation
Closing Date and Time for Receiving Tenders	Given on the title page of this Invitation
Estimated Contract Signing Date	Within 30 days of the closing date and time for receiving Tenders

1.4. SUBJECT OF PURCHASE ORDER: DESCRIPTION

1.4.1. The subject of purchase order comprises the delivery and storage, on terms and conditions set forth in this Invitation and in the Contract, of factory-new (year of manufacture: 2013) casing pipes for 6 wellbore projects under implementation by the Company.

- 1.4.2 The pipes referred to above to must be manufactured and marked in accordance with the standard PN - EN ISO 11960 (API SPEC 5 CT), length range: R3.
- 1.4.3 All pipe joints shall be protected with a maintenance grease recommended by the manufacturer and with protectors, and all gas-tight joints shall be phosphate-coated. The Contractor shall provide manufacturer's information about a type of grease recommended for assembling threaded joints, including grease specifications (in particular the friction correction factor) allowing that an expected maximum temperature in the wellbore will be such as results from the geothermal gradient of 130 degrees centigrade.
- 1.4.4 The Contractor shall store the pipes for the Company in the Contractor's warehouse or in another facility available to the Contractor for the purpose of performing the Contract, in a manner preventing their destruction or impairment of usability.
- 1.4.5 The delivery of pipes shall be effected in batches agreed in each case with the Company, DDP (INCOTERMS 2010) to central warehouse of the Company located in Swidnik.
- 1.4.6 The Contractor shall make each delivery within two days of receipt from the Company of an order stating the amount of pipes to be delivered and the place of delivery. Each order and all other notifications in connection with the execution of the subject of purchase order shall be given by the Company through a person authorized to act on its behalf for purposes of performance of the Contract and they shall be addressed to a person authorized to act for the Contractor in this respect. The authorized persons referred to in the preceding sentence shall be named by the Company and the Contractor in the Contract.
- 1.4.7 The Contractor must append to each shipment all attestations, certificates and other required documents attesting to the proper quality of the pipes under delivery and to conformity with all standards binding under the applicable provisions.
- 1.4.8 The Company shall take into account the technical and duty specifications of the product lines offered by a Tenderer. The Company warns that, only the minimum requirements being specified in this Invitation, where a solution proposed in a Tender ensures higher technical standards this shall be treated as the fulfillment of the terms and conditions set forth herein.
- 1.4.9 A detailed description of the subject of purchase order, including without limitation the quantity, is given in the Table below:

NR.	NORMAL SIZE	NOMINAL WEIGHT [LB/FT]	GRADE	TYPE OF CONNECTION	AMOUNT [MB]	PUP JOINTS	DELIVERY TIME	NET PRICE PER MB (EUR OR PLN)	GROSS PRICE PER MB (EUR OR PLN)	TOTAL NET PRICE (EUR OR PLN)	TOTAL GROSS PRICE (EUR OR PLN)
1.	13 3/8"	61	N-80	BTC	6 000	+ 5 sets pup joints (3m, 6m, 9m)	15.05.2013				
2.	13 3/8"	68	N-80	BTC	1 000	+ 1 set pup joints (3m, 6m, 9m)	15.05.2013				
3.	9 5/8"	47	P-110	BTC	18 000	+ 6 sets pup joints (3m, 6m, 9m)	15.05.2013				
4.	7"	32	P-110	VAM TOP	2 500	+ 1 set pup joints (3m, 6m, 9m) + 1 pup joint Pin x Pin (1,5m)	01.06.2013				
5.	7"	32	L-80	VAM TOP	3 500	+ 1 set pup joints (3m, 6m, 9m) + 1 pup joint Pin x Pin (1,5m)	01.06.2013				
6.	5 1/2 „	26,8	Q-125	VAM TOP Couplings with Special Bevel option (20°)	15 000	+ 4 sets pup joints (3m, 6m, 9m) + 4 pup joints Pin x Pin (1,5 m) + 2 x/o Pin Vam Top x Box BTC (1m)	01.07.2013				
7.	5"	23,2	P-110	VAM TOP Couplings with Special Bevel option (20°)	2 000		01.07.2013				

1.5. DEADLINE FOR EXECUTION OF SUBJECT OF PURCHASE ORDER

- 1.5.1 The Contractor shall execute the purchase order, to the extent of procuring pipes corresponding to the specifications given in section 1.4 above.

1.6. REQUIREMENTS TO BE SATISFIED BY TENDERERS

The eligible Tenderers shall:

- 1.6.1 Have performed within the recent 3 years at least one delivery corresponding in kind and value to the deliveries to be made under the purchase order described in this Invitation – and if a Tenderer's period in business is shorter, within such a shorter period;
- 1.6.2 Provide an at least 24 month warranty for the subject of purchase order produced under the Contract, the warranty period running from a the date of a given delivery (covering a specific batch of the subject of purchase order);
- 1.6.3 Hold a certificate attesting to the pipes' having been manufactured to the specifications of the API SPEC 5 CT standard, or a PN – EN ISO 11960 certificate;
- 1.6.4 Guarantee to deliver factory-new pipes in conformity with the kind, terms and requirements indicated in section 1.4 and in amounts stated therein, from production lots made in 2013;
- 1.6.5 Submit in their Tenders an undertaking to append to each delivery of pipes a copy of a current API certificate awarded to the producer of the offered pipes, confirming that the pipes were manufactured in accordance with the API SPEC 5 CT specification (not applicable for manufacturing gas-tight joints) and authorizing the use of the API nomogram;
- 1.6.6 Represent in their Tender that, if so requested by the Company, they will have the pipes inspected by an outside auditor and will produce an acceptance report in accordance with the PN-EN 10204 + A1 (March 2006) standard.

1.7 LIST OF REPRESENTATIONS AND DOCUMENTS ATTESTING TO ELIGIBILITY TO PARTICIPATE IN THE TENDERING PROCESS

- 1.7.1 To establish the Tenderer's eligibility for the tendering process conducted pursuant to the provisions of this Invitation, and to be recognized as formally correct, a submitted Tender must include the following documents and representations:

1.7.1.1 Tenderer's representation that:

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

- 1.7.1.2 Current copy of an appropriate register, or a current certificate of registration in a business register;
 - 1.7.1.3 List attesting to the execution within the recent 3 years preceding the date of Tender submission – and where the Tenderer has been in business for a shorter period, within such a shorter period – of at least one delivery corresponding in kind and value to the deliveries to be effected in execution of the subject of purchase order described in this Invitation, stating the value(s), date(s), performance site(s) and recipients of the delivery/deliveries, with documents attesting to the proper performance of these deliveries (references) appended.
 - 1.7.2 Subject to the preceding sub-sections, the Tender shall additionally include:
 - 1.7.2.1 Representation or another document confirming that the pipes to be delivered by the Contractor in execution of the subject of purchase order are/will be factory-new and come/will come from a lot manufactured in 2013;
 - 1.7.2.2 Representation that the Tenderer holds a certificate of the American Petroleum Institute, or an undertaking to deliver a certificate attesting to the pipes' having been manufactured in accordance with the API SPEC 5 CT specifications or a PN – EN ISO 11960 certificate;
 - 1.7.2.3 Representation on the grant of an at least 24 months warranty for the subject of purchase order produced under the Contract, the warranty period running from the completion of a given delivery (covering a given batch of the subject of purchase order);
 - 1.7.2.4 Information from the manufacturer of pipes delivered in execution of the subject of purchase order, about a type of grease recommended for assembling threaded joints;
 - 1.7.2.5 Representation that the Tenderer reserves rights in certain information included in the Tender (not to be made available to the other participants in the tendering process) as its business secret within the meaning of the provisions on fighting unfair competition, if applicable;
 - 1.7.2.6 Representation on the observance of the confidential nature of information exchanged between the Tenderer and the Company during the tendering process conducted pursuant to the terms of this Invitation;
 - 1.7.2.7 Where two or more Tenderers submit a Tender jointly, this Tender shall include a valid power of attorney for a person indicated therein to represent the Tenderers in the tendering process conducted pursuant to the terms of this Invitation, including without limitation to sign the submitted Tender on behalf of the Tenderers. If a Tender submitted jointly by two or more Tenderers is chosen, the Company may request to be furnished with a valid and enforceable agreement in which the terms of the Tenderers' cooperation are laid down. Furthermore, each of the joint Tenderers shall submit to the Company properly issued required documents referred to in preceding sentences of this sub-section.
 - 1.7.2.8 A Tenderer who relies, for purposes of establishing the fulfillment of the conditions laid down herein, on other entities' resources to which it has an enforceable title shall submit to the Company all necessary documents corroborating that the Tenderer will effectively command such resources; in particular the Tenderer shall furnish the Company with these entities' written undertaking to make the necessary resources available to the Tenderer for a period no shorter than that during which the use of
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these resources will be necessary for proper execution of the subject of purchase order.

1.7.2.9 A Tenderer who does not satisfy on its own the conditions set forth in sub-section 1.6. above shall furnish the Company with appropriate information about another entity whose resources this Tenderer commands and will be able to use under an enforceable title to properly execute the subject of purchase order.

1.7.2.10 A Tenderer shall submit the documents required under the provisions hereof in originals, or as copies certified by the Tenderer 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 Tenderer to produce the originals of these documents.

Note:

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

1.8 ENQUIRIES DURING TENDERING PERIOD AND CONTACT BETWEEN COMPANY AND TENDERERS

1.8.1 Person authorized by the Company to contact with Tenderers:

Robert Piskunowicz
Phone.: (+48 22) 778 02 22
robert.piskunowicz@orlen.pl

Address for correspondence:

ORLEN Upstream Sp. z o.o.
ul. Przyokopowa 31
01-208 Warszawa

Correspondence by facsimile or electronic mail is to be sent to number (+48 22) 395 49 69, between 9.00 and 17.00 hours.

1.8.2 Tenderers shall address all their enquiries concerning Tender contents and the Tender submission procedure to the Company's contact person indicated above in 1.8.1. In the absence of instructions otherwise from the Company's contact person, other employees of the Company should not be contacted on matters concerning this Invitation. The Company reserves the right to reject and disqualify (leave unexamined) the Tender of a Tenderer in default of the requirement set forth in this sub-section.

1.8.3 The Company and Tenderers shall convey all representations, requests, notices, information or enquiries in writing, by facsimile or by e-mail, to the addresses indicated in sub-section 1.8.1. Each party shall, if so requested by the other party, confirm forthwith the receipt from that party of a representation or, as the case may be, request, notice, information, or enquiry. Representations, requests, notices, information or enquiries transmitted by facsimile or by e-mail shall be deemed delivered at a given time where their content has reached the addressee before the elapse of a date required for them to have effect.

- 1.8.4 A Tenderer may, in a period before the closing date for Tender submission referred to in section 1.3, request from the Company a clarification of the contents of this Invitation. The Company shall answer any enquiry promptly, at all events no later than 4 days before the elapse of the closing date for Tender submission referred to in section 1.3 provided a request to clarify the contents of this Invitation has been received in the Company no later than at the end of the day marking the elapse of one-half of the period appointed for the submission of Tenders. The contents of requests for clarification of the content of this Invitation and the explanations provided shall be made known by the Company to all Tenderers invited to submit Tenders by means of delivery this Invitation, but the Company shall not disclose the sources of the enquiries raised.
- 1.8.5 Subject to sub-section 1.9.4. the tendering process according to the provisions of this Invitation shall be conducted in Polish, subject to the provision of sub-sections 1.8.3 and 1.9.2 and subject to the written form requirement.
- 1.8.6 The Company may modify the documentation pertaining to the submission of Tenders, the terms of procedure set forth in this Invitation, as well as the provisions of the Draft Contract referred to in Section 1.15. Furthermore, the Company may cancel terms of the tendering process or, where it finds it appropriate, extend the deadline for the submission of Tenders. The Company shall notify forthwith all invited Tenderers of any modification, cancellation or extension of the deadline.
- 1.8.7 The Tenderers shall confirm the receipt of this Invitation and furnish the Company, before the closing date and time for receiving Tenders given in section 1.3, with particulars of their representatives appointed to act as sole contact persons on all matters pertaining to this tendering process.
- 1.8.8 The Tenderers who elect not to submit Tenders are requested to advise the Company in writing to that effect and to return to the Company the documentation pertaining to the submission of Tenders before the closing date and time for receiving Tenders given in section 1.3.

1.9 MANNER OF TENDER PREPARATION AND SUBMISSION

- 1.9.1 A Tenderer may submit one Tender.
- 1.9.2 A Tender shall be invalid unless submitted in writing. The Company does not admit the submission of Tenders in an electronic form.
- 1.9.3 The contents of a Tender shall correspond to the contents of this Invitation. The contents of this Invitation shall be expressly indicated as an integral part of the Tender submitted.
- 1.9.4 A Tender shall be prepared in the Polish or English language. Subject to the next sentence, the Company does not admit the submission of Tenders or parts thereof in a language other than English or Polish. Where materials in a foreign language are attached to a Tender, the Tenderer shall append to the Tender self-certified translations of the same into English or Polish. The aforesaid applies equally to all representations and other documents required under this Invitation and submitted by a Tenderer together with its Tender. A Tenderer is responsible for the correct translation of the documents referred to in the preceding sentences.
- 1.9.5 The Company does admit the submission of partial Tenders.

- 1.9.6 It is a requirement of the Company that a Tenderer who proposes to sub-contract the execution of a part of the subject of purchase order identify in its Tender the part it proposes to sub-contract and the extent of subcontracting. The Tenderer shall undertake to perform itself the remaining (not set aside for subcontracting) part of the subject of purchase order .
- 1.9.7 A Tender 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).
- 1.9.8 A Tenderer may modify or withdraw its Tender before the Tender submission closing date referred to in section 1.3. All modifications of Tender shall be made legibly and signed by a person(s) who signed the Tender, or by an agent authorized to act for the Tenderer. Where a Tender is substituted, it should be marked with a note “Substitute Tender”.
- 1.9.9 It is recommended that Tenders be submitted in a closed packaging secured against accidental opening. A Tender shall be delivered at the Company’s registered office (Tender submission place) at the following address:

ORLEN Upstream Sp. z o. o.
ul. Przyokopowa 31
01-208 Warszawa

with an inscription on the envelope

<p>Tender „Supply of Casing Pipes – 2013” ZP/10/2013 Not to be opened before 28.01.2013 at 10:00 AM CET</p>

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

- 1.9.10 The Company hereby disclaims responsibility for misdirection or premature or accidental opening of any Tender submitted in a manner different from that described above.
- 1.9.11 A Tender and the required schedules thereto shall be signed by a legal representative(s) of the Tenderer properly authorized to make commitments on behalf of the Tenderer in accordance with the principle of representation described in an appropriate instrument conferring the right to act in legal transactions, or in a power of attorney. The power of attorney instrument shall be appended to the Tender, save where the power of attorney derives from other documents appended by a Tenderer to its Tender.
- 1.9.12 A Tenderer may reserve in its Tender the rights in information which is the Tenderer’s business secret within the meaning of the provisions on fighting unfair competition.
- 1.9.13 Information claimed by the Tenderer as its business secret within the meaning of the provisions on fighting unfair competition shall be submitted by the Tenderer in a separate part designated “Business Secret”. The Company shall deem the

information so marked to be the Tenderer’s business secret and it undertakes not to disclose the same.

- 1.9.14 The Company shall return unopened any Tender submitted after the closing date and, while so doing, it shall notify the Tenderer forthwith that its Tender was submitted past the closing date.
- 1.9.15 Any and all costs incurred in preparing and submitting a Tender shall be borne by the Tenderer.
- 1.9.16 The Tenderers shall submit their Tenders before the closing date and time for receiving Tenders given in section 1.3, in accordance with the requirements for proper submission of Tenders described in this Invitation. The Company shall make no allowance for any delay in the submission of Tenders. The Tenders received by the Company after the closing date and time for submission of Tenders given in section 1.3 shall be excluded from further proceedings and they shall not be examined by the Company.

1.10 TENDER VALIDITY PERIOD

- 1.10.1 A Tenderer shall be bound by its Tender for a period of 90 (ninety) days running from the elapse of the closing date for the submission of Tenders given in section 1.3.
- 1.10.2. A Tenderer undertakes to extend the Tender binding period, whether at its own initiative or at the request of the Company, by another 60 (sixty) days following the elapse of the original Tender validity date referred to in sub-section 1.10.1. above.

1.11 PRICING METHOD

- 1.11.1. The price stated in a Tender shall be calculated in accordance with the Price Form in article 1.4.9
- 1.11.2. Furthermore, the Contractor shall state the cost of storage and the cost of transport to a designated wellbore.
- 1.11.3. The offered prices shall be understood to cover the costs of fulfilling all of the 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 Tenderer shall be in EUR or Polish zlotys.
- 1.11.4. The offered rates and prices shall be given net of VAT. By preparing and submitting its Tender a Tenderer 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 Tenderer in the event of proper execution of the subject of purchase order (Contract)). The Tenderer may in no event exceed the quoted amounts otherwise than under a previous written agreement with the Company.

1.12. NON-PRICE COMMERCIAL INFORMATION

- 1.12.1. Subject to the provisions of this Invitation, a Tenderer shall furnish information concerning the scope of its business, its trade volumes, as well as its supporting facilities and the range of transactions engaged in. The Company will focus in particular on information about those projects the Tenderer has been involved in

(scope, term, results) which are related to the subject of purchase order described in this Invitation.

- 1.12.2. Subject to sub-section 1.9.6, a Tenderer who proposes to subcontract the execution of the subject of purchase order (in a certain part) shall identify in its Tender the scope of services to be subcontracted and shall give the exact name(s) of the subcontractor(s) it proposes to use to execute the subject of purchase order. A Tenderer may subcontract solely to the entities identified in its Tender, and to other entities only subject to previous written consent of the Company. Throughout the execution of the subject of purchase order the Tenderer shall be liable for the actions or negligence of its subcontractors resulting in non-performance or unsatisfactory performance of the Contract as for its own actions and negligence.

1.13. TENDER EVALUATION CRITERIA. TENDER ACCEPTANCE OR REJECTION.

- 1.13.1. The Company reserves the right to choose a successful Tenderer at its discretion and to cancel without cause the tendering process conducted pursuant to this Invitation or not to choose any of the Tenders submitted. The cancellation of the tendering process or non-selection by the Company of any of the Tenders submitted shall not give rise to the Tenderers' right to claims against the Company.
- 1.13.2. The Tender found to be the best shall represent, in the opinion of the Company, the best balance of the criteria set for the scope of services hereunder to be provided by a given Tenderer in execution of the subject of purchase order.
- 1.13.3. The Company reserves the right to enter into the Contract with more than one of the Tenderers, with the scope of Contract covering the whole or part of the scope or the selected Tenderers' Tenders.
- 1.13.4. Where a submitted Tender would, if selected, give rise to tax liability of the Company under the provisions on goods and services tax in respect of intra-Community acquisition of goods, the Company shall, for purposes of evaluating this Tender, increase the price quoted therein by goods and services tax payable under the provisions in effect.
The Company may, in the course of examination and evaluation of Tenders, call on Tenderers to provide explanations concerning the contents of the Tenders submitted by them.
- 1.13.5. Where a submitted Tender contains an obvious typing error, an obvious calculation error or another error making the Tender incompatible with this Invitation and where the correction of the error will not materially change the content of the Tender the Company may correct the error and it shall notify forthwith the Tenderer whose Tender has been corrected pursuant to this sub-section.
- 1.13.6. The Company shall promptly notify the selection of a Tender to the Tenderers who submitted formally valid Tenders.
- 1.13.7. The Company shall notify the cancellation of the tendering process conducted pursuant to this Invitation, or the termination thereof without Tender selection, to all those Tenderers, who:
- were invited to submit Tenders by means of delivery of this Invitation – where the tendering process has been cancelled before the closing date referred to in section 3;
 - submitted Tenders - where the tendering process has been cancelled after the closing date referred to in section 1.15.

1.13.8. The Company represents that the provisions of the Civil Code on the offer within the meaning of Articles 66 and following of the Civil Code do not apply to the tendering process conducted pursuant to this Invitation.

1.14. PERFORMANCE SECURITY REQUIREMENTS

1.14.1. The successful Tenderer shall provide a Performance Security (hereafter PS) of 10% of the total Tender price, on or before the Contract signing date, in one or several of following forms:

- A PS provided in cash shall be payable to the Company’s bank account No 05 1240 6003 1111 0000 4947 4071 in the Pekao SA bank. The cash PS shall be deemed to be effectively provided on receipt of money in the bank account referred to in the preceding sentence.
- A PS provided in a non-cash form shall be deposited at the Company’s registered office at Przyokopowa 31 Str., 01 – 208 Warsaw

1.14.2. Where a PS has been provided in the form of guarantees or sureties, these should be issued with a validity covering at least the term of the Contract.

1.14.3. The Company does not admit the provision of PS in forms other than those defined herein.

1.14.4. The PS shall be returned within 30 days of proper performance of the Contract attested to by an appropriate acceptance certificate defined in the Contract.

1.14.5. Where the PS is provided in cash, the Company shall return it to a bank account indicated by the Contractor together with interest due under the agreement for the bank account in which the PS was held less the costs of maintaining the account and the bank’s fee for funds transfer to the Contractor’s account.

1.14.6. During the term of the Contract the Contractor may change the form of the PS to one or several of the forms described in sub-section 1.14.1 above. The substitution of the PS shall not be made otherwise than with consent of the Company, subject to the continuity of security and without the reduction of the amount thereof.

1.14.7. A non-cash PS shall be returned by the Company by a date agreed with the Contractor.

1.15. DRAFT CONTRACT

A Tenderer who will have submitted the best offer shall be bound to enter into the Contract on terms set forth in the Draft Contract appended to this Invitation as an integral part thereof (**Annex No 1** to the Invitation). The Company admits the possibility of modifying the Draft Contract.