

TENDER WRITING PRESENTATION

Contracting and Procurement

Introduction

The goal of this Tender Writing Presentation (hereinafter referred to as Presentation) is to provide understanding, guidance and practical assistance to Vendors on how to compile a comprehensive tender package which addresses the key requirements common to most NCOC N.V. Invitation to Tender (ITT) document packages.

Receipt of this Presentation is not an offer of work nor acceptance of any offer you may have made nor does it imply any contract or guarantee of work between NCOC N.V. and a Vendor.

This Presentation applies to sealed tenders only.

Content of the Presentation

- Section 1: Invitation to Tender documentation;
- Section 2: Preparation of tender, structure, content;
- Section 3: Key points defining technical and commercial parts of tender (ITT Part B1, ITT Part B2 and ITT Part C);
- Section 4: Evaluation of the tenders.

Section 1: Invitation to Tender Documentation

The Invitation to Tender documentation you have received consists of the following:

- An Invitation to Tender letter (ITT Letter);
- ITT Part A: Instructions to Tenderer with appendices;
- ITT Part B: Forms of Tender
 - ITT Part B1: Technical Un-priced
 - ITT Part B2: Commercial Priced
- ITT Part C: Contract documents.

Section 1: Invitation to Tender Documentation

Invitation to Tender Letter

Invitation to Tender Letter includes information about:

- Tender reference number;
- General introduction information about NCOC N.V.;
- Documents to return to NCOC N.V. within 5 days after receiving the ITT documentation;
- Date of the tender submission (“Tender Closing Date”);
- Estimated contract duration and commencement date;
- Information related to queries under the Tender.

Section 1: Invitation to Tender Documentation

ITT Part A - Instructions to Tenderer

This document includes, among others, the following instructions:

- To sign and send back within 5 days of the ITT receipt:
 - Secrecy Declaration
 - Tender Acknowledgement Letter
- Tender Submission requirements;
- Queries by Tenderer and by Company requirements;
- Provisions related to raising qualifications to the Contract Standard Terms and Conditions and/or submitting alternative tender;
- Tenderer's responsibility to cover the costs related to Tender preparation.

Section 1: Invitation to Tender Documentation

Anti-Bribery and Corruption Rules

The following items are considered to be a violation of anti-bribery and corruption rules between Tenderers and relevant NCOC N.V. representatives and may lead to criminal prosecution, which are as follows:

- Personal commissions, personal rewards, personal discounts, paybacks or kickbacks of any sort;
- Business agreements/arrangements or activities leading to a conflict of interest;
- Shareholding, direct or indirect;
- Gifts and other compensations that are beyond the average courtesy norms, not in line with the NCOC N.V. Code of Conduct;
- Transportation, hospitality, entertainment and other non monetary types of services not in line with the NCOC N.V. Code of Conduct.

Section 1: Invitation to Tender Documentation

Confidentiality and Antitrust (Competition) Law Rules

Tenderer is obliged not to:

- Declare or,
- Provide to other parties or,
- Use for other aims,

any considerable information relevant to Tender,

- Neither original nor copies,
- Neither in oral nor in written forms,
- Neither entirely nor partially,
- Neither its presence nor its content,
- Neither to other third parties nor to own employees not directly involved in preparation of Tender documentation

Section 2: Preparation of Tender, Structure, Content

ITT Part B1: Technical Forms of Tender

Part B1 contains the following documents (the list may vary):

- Form 1 Letter of Tender
- Form 2 Administrative Information
- Form 3 Technical Information
- Form 4 Tenderer's Corporate Structure
- Form 5 HSSE
- Form 6 Tenderers' Qualifications
- Form 7 Local Content Development Plan

Section 2: Preparation of Tender, Structure, Content

ITT Part B1: Technical Un-priced Proposal

For preparing the technical un-priced proposal, Tenderer is required to answer all the questions specified in the “Technical Forms of Tender”.

The Technical un-priced proposal shall include completed Form 1, Form 2, Form 3, Form 4, Form 5, Form 6, and Form 7 plus all the relevant Appendices.

Tenderer shall use the structure and reference numbers of each Form as indicated in the ITT Part B1.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 1: Letter of Tender

In the Letter of Tender, Tenderer confirms that he participates in this Tender and that he accepts the conditions of participation.

In this Letter of Tender, Tenderer shall confirm the validity of his tender proposal.

The Letter of Tender must be signed by a legally authorized person within Tenderer's organization.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 2: Administrative Information

In the Form 2, Tenderer is required to specify all the details of Tenderer's company such as but not limited to, address, registration number, owners, contact person, telephone, email, etc.

Section 2 Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 3: Technical Information

In the Form 3, Tenderer shall present the technical proposal in accordance with the scope of work of the draft Contract and technical requirements and specifications indicated in the Form 3.

This Form 3 shall indicate which of the requirements are mandatory for compliance and of which failure to meet may lead to Tenderer's non-passing through technical evaluation.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 4: Tenderer's Corporate Structure

In the Form 4, Tenderer specifies the following key details:

- Tenderer's corporate structure;
- Organization chart of all relevant Tenderers' companies;
- Type of company registration (JV, Local, International Branch, etc. Tenderer shall submit copies of the legal, tax registration certificates, statement of ownership);
- Financial stability by issuing audited financial statements.

In case the Tenderer forms part of a JV/consortium between a local RoK company and an international company Tenderer is required to confirm Tenderer's commitment to issue a Parent Company Guarantee as specified in Schedule E1 of the Contract if Tenderer is awarded the Contract.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 5: HSSE

In the Form 5, Tenderer is required to specify in detail Tenderer's HSSE records, HSSE management structure, HSSE management execution.

It is important that realistic and credible answers are given to the questions supported with evidential material.

Tenderer may be requested to complete appendices if such requirement is included in the HSSE section of the Part B1 Form 5.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 6: Tenderer's Qualifications/Exceptions

In the Form 6, Tenderer is required to specify any qualifications or exceptions to the Contract Standard Terms and Conditions with clear reference to the respective article of the Contract.

Tenderer shall bear in mind the Instructions to Tenderer in which Tenderer is not encouraged to propose his own terms and conditions and that such qualifications and/or exceptions may lead to non-acceptance by NCOC N.V. and further failure to pass through the tender evaluation.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 7: Local Content Specific Provisions

Tenderer is requested to maximize the Local Content opportunities in delivering the Contract scope of work, whilst maintaining a strong focus on commerciality and reliability.

The definition of Local Content is understood as a set of interrelated monetary and non-monetary contributions: Target Payments to National Personnel, Target Payments for Local Content in Goods, Target Payments for National Services, Nationalization of Labour Force and Training of Kazakh Personnel, Transfer of technology, etc.

In this Form, Tenderer is required to specify in detail Tenderer's Local Content Development Plan for executing the Contract scope of work:

- General information;
- Utilization of national materials and services;
- National personnel Employment and training plan;
- Any other plans to increase local content.

Section 2: Preparation of Tender, Structure, Content ITT Part B1: Technical Un-priced Proposal

Form 7: Local Content Specific Provisions

Tenderer is requested to propose following minimum Local Content targets which shall form part of the Contract

4.3 LOCAL CONTENT TARGET PAYMENTS
 CONTRACTOR undertakes that the constituent parts of the LOCAL CONTENT TARGET PAYMENTS will be not less than the following:

4.3.1 Target PAYMENTS FOR NATIONAL PERSONNEL (*Tenderer to insert %*) (% out of total CONTRACT value)
 4.3.2 Target payments for LOCAL CONTENT IN GOODS planned to be purchased for the purpose of CONTRACT execution (*Tenderer to insert %*) (% out of total CONTRACT value);
 4.3.3 Target payments for NATIONAL SERVICES (*Tenderer to insert %*) (% out of total CONTRACT value)
 4.3.4 Percentage of total CONTRACT value comprised of LOCAL CONTENT TARGET PAYMENTS, being the sum of the payments related to the categories stated in Articles 4.3.1 to 4.3.3. (*Tenderer to insert %*)(%)
 4.3.5 Number of NATIONAL PERSONNEL (*Tenderer to insert %*)__ (% out of total number of personnel planned to be directly engaged by CONTRACTOR)

Local Content implementation schedule

Year	(1)	(2)	(3)	(4)	(5)
Proportion (%) of LOCAL CONTENT to be carried out in each year					
Proportion (%) of total contract value to be carried out in each year					

Section 2: Preparation of Tender, Structure, Content ITT Part B2: Commercial Priced Tender

ITT Part B2: Commercial Priced Tender

Tenderer is required to complete Form X of the Part B2 which will form the “Commercial Priced Tender”.

The following are the key aspects:

- Tenderer is requested to offer fixed unit prices, or lump-sum price, or hourly or day rates for specified manpower, in accordance with specific requirements of the Contract scope;
- If applicable and included in the Form X Part B2, Tenderer will propose a price variation mechanism which is aligned with the principle of cost transparency and following market trends;
- If applied, Tenderer will offer a cost breakdown (CTR: cost, time, resources and profit);
- Other costs as requested in the Form X Part B2.

Section 2: Preparation of Tender, Structure, Content

ITT Part C: Contract Documents

The Contract documents shall consist of the following parts:

- Form of Agreement
- Schedule A - Contract Terms and Conditions
- Schedule B - Scope of Work
- Schedule C - Compensation and Payment
- Schedule D - HSSE (to be used as applicable)
- Schedule E - Special Terms and Conditions (to be used as applicable)
- Schedule E1 - Specimen of the Bank Guarantees (to be used as applicable)
- Schedule F - Local Content Specific Provisions (to be used as applicable)
- Schedule G - Administrative Instructions
- Schedule H - Mutual Indemnity and Hold Harmless Deed (to be used as applicable)
- Schedule I - Partner List

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Form of Agreement

The Form of Agreement specifies the following key issues:

- Agreement parties: Company, Contractor;
- Statement and conditions of signing the Agreement*;
- Execution date;
- Duration;
- People who sign the Agreement on behalf of the parties.

*The word Agreement and Contract are used interchangeably in this context.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule A: General Terms and Conditions

Schedule A identifies the conditions under which this Contract shall be executed. These conditions, among others, include the following major issues:

- Transfer of rights under Contract (assignment clause);
- Liabilities and Indemnities;
- Guarantees;
- Insurance;
- Intellectual Property Rights;
- Contractor personnel;
- Contract termination / suspension;
- Tax;
- Governing law.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule B: Scope of Work

Schedule B contains the complete scope of the Contract execution including related conditions. This includes all material deliveries and services to be supplied by the Contractor.

The scope of work specifies what activity the Contractor is required to execute and under which conditions the activity has to be executed.

If applicable the scope of work identifies how the Contractor performance is measured and how the Contractor is required to manage his performance.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule C: Compensation and Payment

Schedule C shall contain the completed ITT Form X of the Part B2 of the ITT in the selected proposal once the Contract draft is agreed with the winning Tenderer.

The Contract Schedule C shall contain, among others, the following key details:

- All the prices and rates;
- Associated commercial terms;
- Currency;
- Price adjustment mechanism, if applicable.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule D: HSSE

If applicable, the HSSE section specifies the following key aspects which the Contractor is obliged to adhere to but not limited to:

- HSSE procedures;
- HSSE requirements;
- Training requirements;
- Environmental considerations;
- Specific scope related HSSE instructions;
- HSSE management plan requirements.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule E: Special Terms and Conditions

The Schedule E is applied on as and when applicable basis to include any terms and conditions which were not included in the General Terms and Conditions Schedule A and which have been mutually agreed upon by both parties to Contract.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule F: Local Content Specific Provisions

The Schedule F includes mandatory requirements to the Contractor to indicate the target value of the local content in percentage out of the total contract value, and also includes the reporting forms that Contractor shall have to submit to the Company with invoices.

This Schedule F also includes requirements to the Contractor to indicate the local content information on its subcontractors, and also provide the Local Content Development Plan.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule G: Administrative Instructions

The administrative instructions specify the following key aspects but not limited to:

- Invoicing requirements;
- Reporting requirements
- Communication requirements;
- Delivery addresses;
- Contact persons;
- Template forms of invoice, Close-out Certificate, Act of Acceptance etc.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule H: Mutual Indemnity and Hold Harmless Deed

The Schedule H is used on as and when applicable basis and includes the Mutual Indemnity and Hold Harmless Deed (hereinafter referred to as MIHHD) to apply in cases when within one operational site of the Company several Contractors perform their activities and they have to indemnify each other by way of signing this MIHHD from any loss or damage as a result of their activities.

Section 2: Preparation of Tender, Structure, Content ITT Part C: Contract Documents

Schedule I: Partner List

The Schedule I includes the NCOC N.V. Partners List.

Section 3: Key Points Defining Technical and Commercial Parts of Tender

Preparation of Tender

The submitted tender shall comply with the following but not limited to:

- Tender shall comply with all the instructions specified in Part A “Instructions to Tenderer”;
- The Tender documentation shall be issued in the English language and other language (Russian) provided that in case of conflict between versions English version shall prevail;
- The Tenderer shall clearly state in his Letter of Tender whether the proposal is “qualified” with reference to Form 6;
- The Tenderer shall clearly state in his Letter of Tender whether tender includes an alternative proposal with reference to Form 6;
- Currency of the tender shall be stated in accordance with the provisions of the Form X of the ITT Part B2;
- Bid validity shall be stated in the Letter of Tender - Form 1 of the ITT Part B1.

Section 3: Key Points Defining Technical and Commercial Parts of Tender

Submission of Tenders

The Tender Closing Date (is 12:00 pm Atyrau time (GMT +5:00) is indicated in the Invitation to Tender Letter.

As indicated in the Instructions to Tenderer, Tenderer's proposal must be received by NCOC N.V. in a sealed package in accordance with the Instructions to Tenderer on or before the Tender closing date at the following address:

North Caspian Operating Company N.V. Branch

8, Smagulov Street, Caspiy Business Centre,
Atyrau, 060002

Republic of Kazakhstan

Attn: Contracts Board Secretary

Tel: +7 (7122) 92 80 00

Tender title:

Tender Reference Number:

Tenderer's Name:

Section 4: Evaluation of the Tenders

Evaluation Phases

The sealed tender evaluation shall be conducted in two stages prior to award recommendation:

1. Technical and commercial un-priced (contractual) bid evaluation;
2. Commercial priced bid evaluation.

Based on the evaluation results the selected winner of the tender shall be recommended for contract award.

Section 4: Evaluation of the Tenders

Technical Evaluation Criteria

Tenderers shall be evaluated based on the evaluation requirements set out in the Form 3 of the Part B1 of the ITT.

For every question there will be an indication of mandatory requirement (e.g., “Tenderer must have an office in...”) or a minimum accepted scored point (“Tenderer shall have at least 3 years of experience in...”).

ITT questions which are not answered (after clarification) can not be evaluated and therefore Tenderer will receive 0 evaluation points for that.

To be technically qualified, Tenderer needs to score a minimum amount of points for each section of the ITT and Tenderer needs to score a minimum amount of total points.

Failure to meet the minimum requirements shall lead to Tenderer’s failure in the technical evaluation.

Section 4: Evaluation of the Tenders

Commercial Evaluation Criteria

Only when a Tenderer is selected as technically acceptable then a commercial proposal can be opened for evaluation.

The evaluation of the commercial priced proposals shall follow the principle of selecting the most economically advantageous technically acceptable proposal.

Section 4: Evaluation of the Tenders

Notifications to Tenderers

No information will be provided by Company on the progress of the Tender evaluation.

Each Tenderer will be informed by Company in writing as to whether its Tender has not been successful.

NCOC N.V. shall notify in writing the un-successful Tenderers only after the successful Tenderer has provided written confirmation of acceptance of the Contract and readiness to sign or has submitted the signed Contract.

End of the Tender Writing Presentation

THANK YOU!