

To Service Providers

Date 03.12.2013

Valuation of the State's Direct Financial Interest

Specification of the mandate

13/2025

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Document

1 Introduction

1.1 About the contracting parties

The principal responsibility for the Norwegian Ministry of Petroleum and Energy (MPE) is to achieve a coordinated and integrated energy policy. The contracting parties are the MPE and the Consultant.

1.2 General information about the assignment

The MPE will award a contract for a valuation of the State's Direct Financial Interest (SDFI) portfolio of oil, gas and infrastructure assets. The principal aim is to quantify the change in value over the two year period from the start of 2012 to the end of 2013.

The SDFI arrangement was established in 1985. The arrangement implies that the Norwegian State participates in the Norwegian petroleum sector directly as an investor. State participation as of end of 2012 consisted of direct financial interests in 158 production licences and in 15 joint ventures for pipelines and onshore facilities. The value of the SDFI was estimated to approximately NOK 1,140 billion as of 1 January 2012. This is according to a valuation carried out by Wood Mackenzie.

The contract will include an option for a renewal for further one or two valuations in 2016 and 2018 respectively.

The procurement will be conducted in accordance with the Act of 16 July 1999 No. 69 relating to public procurement (LoA) and the Public Procurement Regulations established by Royal Decree. 7. April 2006, No. 402 (FOA), Part III. The contract will be awarded in accordance with "Open competitive tender bidding".

All offers must be submitted electronically via the Mercell portal, www.mercell.no, within the deadline. Tenders submitted too late will be rejected.

The Consultant shall, in connection with the submission of the offer, confirm that the organization is neutral and objective in relation to the matters to be discussed.

2 Description of the mandate

2.1 Valuation of the SDFI portfolio

The Consultant shall provide an independent valuation of the SDFI portfolio of oil, gas and infrastructure assets as of 31.12.2013 with emphasis on the value creation over the two previous years.

2.2 Mandate

The principal aim is to quantify the change in value over the two year period from the start of 2012 to the end of 2013. As part of this process the Consultant shall identify changes in value for individual assets and the reasons for those changes. In the previous studies the SDFI was valued using a net present value (NPV) approach. This should be the primary method for valuing the individual projects in the portfolio for 2012 - 2013.

The Consultant shall give a documented assesment on choice of data and market assumptions in order to identify and review the changes in the SDFI portfolio. The nature of the assignment requires close cooperation with Petoro and the MPE throughout the process. Methodology and assumptions shall be discussed with the MPE and Petoro. The MPE and Petoro may provide the Consultant with relevant datasets for SDFI assets. The Consultant will use its own database to review the dataset submitted.

In addition to the valuation of the SDFI, the Consultant shall provide a review of the contribution made by Petoro to the improvement in value of the SDFI.

2.3 Optional Work

The MPE may request further work to be undertaken by the Consultant to be compensated separately.

2.4 The parties to the contract

The parties to the contract shall be the MPE and the chosen Consultant.

2.5 Timetable

The assignment will commence on signing. Project completion and delivery of the final report is to be made by 2 June, 2014. Draft copy of internal and external reports shall be delivered to the MPE for comment by 5 May, 2014.

The Consultant shall upon completion give a presentation to the MPE of the main findings and conclusions at a mutually agreed time. The Consultant shall contribute to an evaluation of the valuation process during autumn 2014.

2.6 Other

The Consultant shall be qualified to meet the requirement in the description of the assignment and the drafted Contract.

The assignment shall consist of a report delivered in two versions; one shorter version for publication and one complete version with appendices for internal use for the MPE. An electronic copy of the valuation must be made available to the contracting parties.

The Consultant should expect to meet with the MPE and/or Petoro if required.

3 Administrative terms and provisions

3.1 Name and addresses

Contact persons with the MPE:

Kjell Hauge
P.O.Box 8148 Dep
0033 Oslo



or

Cathrine Aasheim
P.O.Box 8148 Dep
0033 Oslo

Tel (direct): 97 57 38 51
kjell.hauge@oed.dep.no

Tel (direct): 22 24 62 62
cathrine.aasheim@oed.dep.no

Communication

All communication during the process shall be routed through the Merzell-portal, www.merzell.no. This is to assure that all communication will be recorded. When you are logged on to the competition, select the flag marked "Communication". Select the symbol  "New message". Fill in required information to the principal and then select . The principal will then receive your message. If the question is of relevance to all bidders, the inquiry will be answered anonymously by giving the answer as additional information.

Additional information is available under the flag "Enquiry", then the flag "Additional information". You will also receive an e-mail with a link to the additional information.

3.2 Language

All documents and communication regarding this tender shall be in English or Norwegian.

3.3 Deadlines

Date of publication in Doffin 03.12.2013.

Time limit for receipt of tenders is **10.01.2014 kl 1300**.

Tentative schedule

Delivery	Date (estimated)
Publication	03.12.13
Time limit for receipt of tenders	10.01.2014 at 1300
Evaluation of offers	Week 3-4
Notification of award of contract	Week 5
Deadline for appeals (10 days notification)	10 days
Signing of contract	05.02.2014

3.4 Cost

Costs incurred by the Consultant in connection with the preparation, delivery and follow up of the tender will not be refunded by the MPE.

3.5 Return of tender documents

Documents received in relation to the tender will not be returned.

3.6 Updates of tender documents

This specification will be available on the DOFFIN's webpage for downloading. Any changes or updates to this document will be published on the DOFFIN webpage. The service providers are requested to check this webpage for any changes regularly.

3.7 Errors in the tender documents

Should a service provider discover an error in the tender documents, the service provider should give immediate notice to the MPE.

3.8 Acceptance of conditions

The service provider must declare that all the terms and conditions in the notice with attachments and in the draft contract are accepted.

3.9 Validity date

The offer must be valid for at least 60 days from the time limit for receipt of tenders.

3.10 *The Freedom of Information Act*

The Freedom of Information Act (Act of 19 May 2006 No. 16 on the right of access to documents in the Public Administration (offl.) came into force on 1 January 2009.

The law applies to all procurements subject to the Act and the Public Procurement Regulations from clients who are subject to the Freedom of Information Act. Providers to the MPE is therefore requested to submit an electronic copy of the offer intended for the public in connection with the submission of the tender.

The MPE is of the opinion that the offers are subject to public disclosure in its entirety, with the exception of hourly rates. However, the total price, which is based on an average price calculation, should be specified. If you have any objections to this, we ask for a reasoned evaluation.

It should also be noted that the MPE on request has a duty to make an independent assessment of what should be exempted from public disclosure. The MPE regularly receives requests for access to the document, as well as our evaluation table, and they are subject to public disclosure.

3.11 *Formats and submission of tender*

It is the responsibility of the service provider to ensure that all questions and requirements in the tender are answered and documented.

Filename:	Content / answers:
Qualification requirements	The documents attached to each claim under increased Qualification requirements when providing services via Mercell.
K 01 - Company tax certificate and value added tax certificate not older than six months (for Norwegian service providers only); (RF 1244)	
K 02 - Tax certificate VAT not older than six months (RF 1244)	
K 03 - Self-declaration regarding Health, Safety and Environment (for Norwegian service providers only)	
K 04 – Company registration certificate	
Tender documents	Documents are put under step

	Documents.
Dok 01- Tender letter	Any disclaimer is placed below this point. Reservations must be justified and alternative wording or contract can be attached The service provider shall in connection with the submission of the offer confirm that the organization is neutral and objective in relation to the matters to be discussed
Dok 02 – Expertise	CV of persons responsible for carrying out the delivery. Reference list of key personnel
Dok 03 – Assignment Solution	It must be described and made ready for assignment interpretation and implementation
Dok 04 – Price	Price on the various components as outlined in section 5.3
Dok 05 – Time frame	Estimated time for start and delivery
Dok 06 – Public Tender Version	Public edition of the offer
Dok 06 – attachments	Attachments

3.12 Submission of offers

All tenders shall be submitted electronically via the Mercell portal, www.mercell.no by the tender deadline. Tenders delivered after the deadline will not be accepted. (The system does not permit tenders to be sent electronically via Mercell after the tender deadline.)

If you are not a Mercell customer, or you have questions regarding how the application functions, e.g how to submit a tender, please contact Mercell Support at tel +47 21 01 88 60, or by e-mail to support@mercell.com . It is recommended to submit the tender in adequate time before the deadline. A minimum of 1 hour before the deadline is suggested.

If the authority should provide additional information that results in you wanting to change your tender before the deadline, you can access your offer, open it, make the necessary changes and send it again right up to the deadline. The last submitted offer will be your final and valid offer.

The tender requires an electronic signature when it is submitted. During the submission of your offer, you will be asked for an electronic signature to confirm that the relevant bidder is making the offer.

An electronic signature can be obtained at www.commfides.com , www.buypass.no or www.bankid.no .

3.13 Opening

There will no public opening of the tender documents.

4 Qualification requirements

4.1 Mandatory documentation

- Company tax certificate and value added tax certificate not older than six months (for Norwegian service providers only);
- Self-declaration regarding Health, Safety and Environment (for Norwegian service providers only);
- Company registration certificate. Legally established company.

5 Award criteria

Only offers that successfully complete the mandatory requirements in the tender and draft contract will be considered in relation to the award criteria.

The contract will be awarded on the basis of the most economically advantageous tender. The most economically advantageous tender will be chosen after a consideration of the following criteria for the award of the contract:

5.1 The Consultant's competence and knowledge within the scope of the contract as specified in the tender and draft contract (60%)

- The valuation requires a comprehensive knowledge of petroleum activities on the NCS, and of the global oil and gas industry in general;
- Knowledge of Petoro and SDFI;
- The Consultant must be able to demonstrate a track record of performed valuations of fields on the NCS or in other petroleum provinces. Emphasis will be put on the presumed ability of key personnel that will perform the valuation;
- Documented possession of the necessary tools and models for completing the assignment;

- Documented capacity to conduct and conclude the work within the deadlines set out in the tender.

Information and formalities necessary for evaluating whether the requirements are met:

- The names and CVs of the individual persons that will carry out the assignment;
- A list of principal deliveries completed or the main services provided by the key-individuals over the past three years, including values, dates and recipient of the services, as well as two references that can be contacted by the MPE;
- The number of employees that will carry out the assignment and the estimated time each team member will devote to the assignment per week

5.2 The Consultant's understanding of the mandate (25%)

- The Consultant must be able to demonstrate a good understanding of the mandate

Information and formalities necessary for evaluating whether the requirements are met:

- The Consultant should describe its understanding of the mandate, how the assignment should be conducted and how any possible disruptions or changes to the mandate will be dealt with

5.3 Price (15 %)

Indication/estimate for the work on the assignment: within a limit of NOK 1,000,000 exclusive of any VAT.

- An estimation of the total cost of the assignment

Information and formalities necessary for evaluating whether the requirements are met:

- The price of the assignment in total should be given exclusive VAT. The price should also be indicated on the basis of an hourly rate per team member. All extra costs, such as copying, travel expenses, and travel time should be covered by the Consultant

6 Other

Upon award of the contract the chosen service provider will be expected to sign a duty of confidentiality.

7 Appendices

The tender documents include the following appendices:

- 1. Copy of draft contract
- 2. Forms for HSE privacy