

To service providers

Date 30.10.2014

**Value creation – an economic comparison between offshore regions.
Fact finding and evaluation.**

**Chosen procedure: "Open competitive tender bidding".
FOA part I**

Saksnr: 14/1849

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1 Introduction

1.1 About the contracting parties

The contracting parties are the Ministry of Petroleum and Energy (the Ministry) and the Service Provider.

1.2 General information about the assignment

The purpose of this agreement is for the Service Provider to supply the Ministry with a high quality analysis regarding value creation in petroleum projects. The Ministry want a comparison between different offshore regions which are relevant for the Norwegian Continental Shelf. The Service provider is also expected to give a midway report and a final report including a presentation in Oslo.

The tender is completed according to the Norwegian Public Procurement Act of 16 July 1999 no. 69 and Part I of the Regulations regarding public procurement of 7 April 2006 No. 402. The contract will be awarded in accordance with "Open competitive tender bidding".

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

2 The mandate

2.1 Description of the mandate

The Service Provider shall supply a high quality analysis on the subject of value creation in offshore petroleum projects. The scope of the analysis is to examine economic differences between developments on the Norwegian Continental Shelf (NCS) and developments on other comparative offshore regions¹. A first part of the analyses should be a survey on recent sanctioned field developments. Developments should be grouped into relevant development types, e.g. small tie inn close to infrastructure, stand alone close to infrastructure and stand alone in unmmature areas². Each development needs to be described in respect to value creation³ including disaggregated numbers like opex, capex, taxes & fees and profit. Other measures related to value creation like break even prices should be described. A list of factors that total cost could be broken down into should be included in the tender. Other topics like resources, lead time from discovery to development, operators and partners, kind of development (stand alone, tie inn) etc. should also be described.

¹ Other North Sea states (UK especially), are obvious candidates. The Ministry is open for comparison with other relevant regions as long as the Service Provider gives a clear rational for it.

² The Ministry is open for a different suitable grouping.

³ Meassured in net present value terms

Some limitations are needed in order to keep the number of developments relevant and manageable. The scope of the assignment is to look into developments over the recent past and developments over the last 10 years should be sufficient. Very small incremental projects related to producing fields should not be included. This cut off must be decided on a reasonable level, based on the actual findings.

Based on the above-mentioned fact finding the Service Provider should make midway report. A description on how relatively similar discoveries are developed in different regions is a central part of the assignment. The focus should be on small and marginal developments. Challenges related with comparison of developments over time, e.g. significant movements in oil prices, must also be addressed. Some early hypothesis of the drivers (causes and underlying causes) for the differences should also be described.

The end report must give a thorough explanation of differences across regions and the drivers for the differences. Matters that affect both the development and the operation phase should be covered. Central questions to be answered are:

- What are the main economic differences across regions?
- What kinds of resources are needed (minimum threshold) in order to give a subsea tie inn and a standalone development?
- What drives the differences?

As an optional way of depicting the issue and its explanations, the Service Provider may give a model to show how economics change with different changes in field assumptions.

2.2 Duration

The assignment will start when both parties have signed the Contract, and shall last until the end delivery. The parties to the contract shall be the Ministry and the chosen Service Provider. The Service Provider must give a midway report no later than Monday the 12th of January 2015 and a final report must be delivered no later than Monday the 26th of January 2015. There might be question asked after the midway report is delivered, which needs to be addressed in the final report. Any other optional deliveries and appendices to the final report may be delivered at a later date.

2.3 Other

The Service Provider must meet the requirements in the description of the assignment and the draft Contract.

3 Administrative terms and provisions

3.1 Name and addresses

Ministry of Petroleum and Energy

Contact persons:

Within the Ministry:

Kjell Hauge
P.O.Box 8148 Dep
0033 Oslo



or

Jørgen Bækken
P.O.Box 8148 Dep
0033 Oslo

Tel (direct): 22 24 61 95

Tel (direct): 22 24 62 43

Communication

All communication during the process shall be routed through the Mercell-portal, www.mercell.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 is 30.10. 2014.

Time limit for receipt of tenders is 19.11.2014 at 1300.

Tentative timeline for the procurement

Delivery	Date (estimated)
Publication	30.10.2014
Time limit for receipt of tenders	19.11.2014 at 1300
Evaluation of offers	Week 47/48
Notification of award of contract	Week 48
Deadline for appeals (10 days notification)	NA
Signing of contract	Week 48

3.4 Costs

Costs that incurred by the consultant in connection with the preparation, delivery and follow up of the tender will not be refunded by the awarding party.

3.5 Return of tender documents

Documents received by the Ministry 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 (www.doffin.no). 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 Ministry.

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 Minimum time frame during which the service provider must maintain the tender

The offer must be valid for at least **30** 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.

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

The tender is to be answered in the following order:

1. Declaration that all terms and conditions in the notice with attachments are accepted. Any reservations are to be placed under this point. Reasons must be given for reservations, and alternative wording shall be given.
2. Documentation that the qualification requirements as described in this notice are fulfilled.

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 Merzell portal, www.merzell.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 Merzell after the tender deadline.)

If you are not a Merzell customer, or you have questions regarding how the application functions, e.g how to submit a tender, please contact Merzell 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.

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 .

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)
- Company registration certificate. Legally established company.
- Self-declaration regarding Health, Safety and Environment (for Norwegian service providers only)

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 service providers competence and knowledge within the scope of the contract as specified in the tender and draft contract (40%)

- The Service provider must be able to demonstrate a track record of performed analyses of petroleum projects globally. Emphasis will be put on the presumed ability of key personnel that will perform the task.
- The Service Provider needs to have experience with comparable studies and needs to address challenges which are connected with such studies.
- Documented possession of the necessary tools/models for completing the assignment.

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

- The names and CVs of the persons responsible for accomplishment of the assignment

- A list of principal deliveries completed or the main services provided by the key-individuals, including values, dates and recipient of the services, as well as references that can be contacted by the Ministry and/or any of its advisers

5.2 *The Service provider's understanding of the mandate (40%)*

- The service provider must be able to demonstrate a good understanding of the mandate.

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

- The Service provider should describe its understanding of the mandate, how the assignment should be conducted. Maximum 2 text pages (3 including figures) with font Times New Roman and font size 12.

5.3 *Price (20 %)*

- Total cost of the analysis.
- All extra cost, such as copying, travel expenses, and travel time in association with “in house” event should be covered by the Service Provider, unless the contrary has specifically been agreed with the Ministry.
- The price should also specify the cost of special and additional consulting assignments.

6 Appendices

- Copy of draft contract