

UNLIMITED TENDER INVITATION

(No. 19-ZP-2020)

EXALO Drilling S.A. invites your Company to submit an offer in a Tender for the supply of:

Shale Shaker Screens


Kierownik Zespołu Przetargów
Tendering Manager

Krzysztof Sieberski

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Zielona Góra; 01.06.2020

19-ZG-2020

Dear Sir/Madam,

On behalf of Exalo Drilling S.A. I would like to invite your Company to submit an offer for the supply of:

Shale Shaker Screens such as: ***Mongoose, ALS Screens, and BEM-3.***

On further pages, you will find a short instruction, how to prepare and submit the bid. In case of any questions please do not hesitate to contact our office.

Regards


Kierownik Zespołu Przetargów
Tendering Manager
Krzysztof Sreberski

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ENLOSED DOCUMENTS

- Appendix No. 1 – Technical specification
- Appendix No. 2.1 – Technical Offer for Mongoose
- Appendix No. 2.2 – Technical Offer for ALS Screens
- Appendix No. 2.3 - Technical Offer for BEM-3
- Appendix No. 3.1 – Commercial Offer for Mongoose
- Appendix No. 3.2 – Commercial Offer for ALS Screens
- Appendix No. 3.3 – Commercial Offer for BEM-3
- Appendix No. 4 – Draft of the Sales Agreement
- Appendix No. 5 – Company Register Document
- Appendix No. 6 – List of references

1. SUBJECT OF THE TENDER

- 1.1 The tender concerns the selection of the Seller or Sellers who will be successively supplying Exalo Drilling S.A. with shale shakers screens, such as: Mongoose, ALS Screens and BEM-3 (hereinafter referred to also as Screens).
- 1.2 Our Company intends to sign a contract for an indefinite period. The intention of Exalo Drilling S.A is to conclude a contract with one, two or three Sellers and direct the entire stream of Company's orders within said shale shakers screens to them.
- 1.3 Description of the subject of the tender is presented in Appendix No. 1 – Technical Specification.
Note: Estimated quantities of Screens indicated in Appendix No. 1 are based on previous years usage, they are not binding and can be changed. The Buyer reserves the right not to purchase whole contracted volume or to purchase the Screens in amount that exceeds this volume after signing the Agreement.
- 1.4 Particular orders will be placed according to Minimum Order Quantity (MOQ) set by the Buyer separately for each part of tender:
- MOQ Mongoose Screens – 34,
 - MOQ ALS Screens – 16,
 - MOQ BEM-3 Screens – 7.
- The Buyer undertakes to place each order as a MOQ or a multiple.
- 1.5 The Bidder undertakes to successively deliver Screens indicated in Appendix No. 1 in accordance with delivery terms below:
- short notice up to 14 days,
 - long notice up to 8 weeks.
- 1.6 Deliveries have to be made on the terms of DDP Incoterms 2020 to territory of the Republic of Poland, to Exalo's Drilling S.A, Warehouse (P003), al. Powstańców Wielkopolskich 167, 64-920 Piła.
- 1.7 The Bidder may submit maximum three bids, one for each part indicated in the Technical Specification, which are:
- Part 1) Mongoose,
 - Part 2) ALS Screens,
 - Part 3) BEM-3.
- 1.8 Variant offers are not allowed.

2 PREPARATION OF VALID BID – GENERAL RULES

- 2.1 The valid Bid should contain two (2) separate .pdf files - a Technical Offer and a Commercial Offer - for each part of tender.
- 2.2 Each Bidder can present offers for:
- one part:
- Part one (Mongoose) or
- Part two (ALS Screens) or
- Part three (BEM-3),
- or two Parts (for instance Mongoose and ALS Screens),
- or all three Parts (Mongoose, ALS Screens, BEM-3).
- 2.3 Absolutely each page of Commercial Offer and Technical Offer have to be numbered, signed and stamped by Bidders authorized person, then scanned and converted to .pdf file.
- 2.4 Please note that we reserve the right to split orders for each part of the tender between various Bidders.

3 CONTENTS OF BID’S PARTS

Below you will find particular description what kind of documentation is required to prepare the valid bid. Please make sure that you have included all documents requested in sections of “Technical Offer (No Prices)” and “Commercial Offer (Price)”. If any documents from mandatory sections will be missing we reserve the right to reject the Offer.

3.1 TECHNICAL OFFER (NO PRICES)

Technical Offer has to contain the following sections with such documentation as:

NOTE: IN THIS FILE GIVING ANY PRICES IS STRICTLY PROHIBITED.

Section 1.	Detailed Technical Offer (Appendix No. 2.1, Appendix No. 2.2, Appendix No. 2.3 ¹) of the proposed Screens that will cover all requirements specified in point 1, 2 and 3 of Appendix No. 1 – Technical Specification.
Section 2.	Required documentation according to Appendix No. 1 – Technical Specification, point 4: a) technical description of offered Screens that will comply with Exalo Drilling S.A. requirements, b) technical drawings of offered Screens that will comply with Exalo Drilling S.A. requirements,

¹ In accordance with Bidder’s Offer can be one, two or three Appendixes.

	<ul style="list-style-type: none"> c) manufacturer's quality documentation package, d) Bidders API licenses related to Screens manufacturing.
Section 3.	<p>Terms of warranty according to Appendix No. 1 – Technical Specification, point 5:</p> <ul style="list-style-type: none"> a) scope and period of warranty for the offered products (minimum 24 months), b) time for reporting a defect from the moment it was discovered c) method of reporting defect, d) the deadline for response to the report of a defect and the deadline for removing the defect, e) defect removal method (replacement of the product with a new one, refund, etc.).

3.2 COMMERCIAL OFFER (PRICES)

Commercial (Price) Offer has to contain the following sections with such documentation as:

Section 1.	<p>Commercial Offer (Appendix No. 3.1, Appendix 3.2, Appendix No. 3.3²), which provide such information as:</p> <p>Point 1</p> <ul style="list-style-type: none"> a) Manufacturer part number, b) Description of items (in accordance with requirements from Technical Offer), c) Net price (per unit including <u>delivery short notice</u> – expressed in PLN, EUR or USD, d) Net price (per unit including <u>delivery long notice</u> – expressed in PLN, EUR or USD, <p>NET PRICE should include delivery term (Incoterms 2020) based on DDP Poland, Piła, Warehouse (P003), al. Powstańców Wielkopolskich 167, 64-920 Piła (VAT excluded). Other Delivery Terms are not accepted. Net Price also should include all other costs that are resulting from the provisions of the draft sales agreement,</p> <ul style="list-style-type: none"> e) discounts in case the Buyer place orders for multiple of MOQ. <p>Point 2</p> <ul style="list-style-type: none"> a) In case the Bidder offered Screens other than with composite frames (steel) – additional information regarding the price difference between the two Screens if composite frames available, b) Declaration that COO certificates will be provided, c) Declaration of Draft Sales Agreement acceptance, d) Declaration that API Certificates will be provided,
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² In accordance with Bidder's Offer can be one, two or three Appendixes.

	<p>e) Declaration that Screens Samples for quality test will be provided – 4 (API 70 – 84 mesh) Screens for each part of the Tender – according to point 4.2.4 below,</p> <p>f) Delivery terms : short notice – expressed in days (up to 14 days),</p> <p>g) Delivery terms: long notice - expressed in weeks (up to 8 weeks),</p> <p>h) Country of Manufacturing,</p> <p>i) HS code,</p> <p>j) Validity of offer - minimum 90 days,</p> <p>k) Payment Scheme – after each delivery based on properly issued invoice. Paid within 30 days from delivery of the invoice to the Buyer,</p> <p>l) Bidder contact information. Bidder Contact Person will be authorized to negotiate the terms and conditions of the Offer.</p>
Section 2.	Appendix No. 5 Company Register Document or a power of attorney confirming the authorization to represent the Bidder
Section 3.	Appendix No. 6 List of references from other Clients for the similar scope of supply. List should include contact details for your Customers representatives: e-mail, direct telephone number. We reserve the right to contact your Customers to ask for opinion.

4. SUBMITTING THE BID

4.1 The required documents have to be submitted in electronic versions.

4.2 In order to properly submit the bid, please follow the steps as described below:

1) Separately for each part of tender, scan documents signed by authorized person to one, two or three pairs of .pdf files and name them as:

1) 19-ZP-2020__[\[Company name\]](#)_Technical Offer_[\[name of tender part\]](#)

[for example: 19-ZP-2020_COMPANY XX_Technical Offer_Mongoose](#)

2) 19-ZP-2020__[\[Company name\]](#)_Commercial Offer_[\[name of tender part\]](#)

[for example: 19-ZP-2020_COMPANY XX_Commercial Offer_Mongoose](#)

NOTE: the appropriate option should be selected, depending on the submission of the offer for one, two or all three parts of the tender.

2) **Protect all .pdf files against unauthorized opening by setting a PASSWORD:**

3) Send in one e-mail two, four or six .pdf files (technical offer(s) and commercial offer(s)), protected by unauthorized opening, to e-mail address: przetargi@exalo.pl.

The deadline for bid submission is:

22 June 2020 (CET)

ATTENTION:

DO NOT SEND THE PASSWORD TO OPENING FILES IN THE E-MAIL WITH BID.

SENDING THE PASSWORD WITH BID FILES OR SENDING OF BID, PASSWORD OR SAMPLES AT ANOTHER TIMING WILL CAUSE AUTHOMATIC REJECTION OF OFFER !!!

- 4) Delivery of Screen Samples have to be made on the terms of DDP Incoterms 2020 to territory of the Republic of Poland, to Exalo's Drilling S.A warehouse (P003) al. Powstańców Wielkopolskich 167, 64-920 Piła.

All costs in this respect shall be borne by the Bidder. Delivery time as in point 4.2. 3 above.

- 5) Required Screens samples should be packed and labelled according to the template:

<p>Bid for Tender Invitation for the supply of :</p> <p>Shale Shaker Screens (19-ZP-2020)</p> <p>TECHNICAL OFFER SAMPLES</p>

and must be delivered in a closed crate/box bearing the following note:

<p>Screen Samples Tender No. (19-ZP-2020)</p> <p>Company name:</p> <p>Do not open before: 24.06.2020</p>

- 6) The Bidder declare that all the Samples will be free of charge and will not be refundable.
- 7) Send **THE PASSWORD** for opening the bid files to e-mail address indicated in point 4.2. 3 above.

Password has to be sent next day after deadline for bid submission, it is:

23 June 2020 (CET)

5. MODIFICATION OR WITHDRAWAL OF THE OFFER.

5.1 The Bidder may modify or withdraw the Offer until the date of indicated as a deadline for bids submission.

5.2 The statement of modification or withdrawal, has to be sent in electronic version (scan of documents signed by authorized person). Files name and message title has to be marked as: "MODIFICATION OF THE OFFER" or "WITHDRAWAL OF THE OFFER".

5.3 The statement of modification or withdrawal, has to be submit by email for address indicated in point 4.2. 3 above, in accordance with point 4.1 and 4.2 above.

6. QUESTIONS AND CLARIFICATIONS

6.1 Questions or requests for clarifications Tender Invitation or Draft of Sales Agreement shall be send only via e-mail for address indicated in point 4.2. 3 above.

6.2 Message title should be named with unique tender reference number (19-ZP-2020).

6.3 Our Answers and Clarifications (if needed-Amendments) will be distributed to all invited bidders within maximum 4 business days.

6.4 Five business days before bid submission date it is not allowed to ask questions.

6.5 Buyer (Exalo Drilling S.A) may extend the deadline for bids submission, taking into account the time that Bidders will need to implement changes to the offers resulting from the Answers/Clarifications/Amendments to Tender Invitation. The Buyer, upon own or Bidder's initiative may also modify terms of the tender as well as sales agreement draft until the deadline for bid submission.

6.6 Regardless of the preceding point, the Buyer on his own initiative or at the Bidder's request or in other cases specified in this Tender Invitation, may extend the deadline for submitting Offers.

6.7 The Buyer notifies all Bidders about the extension of the deadline for submitting bids by publishing a notice on EXALO DRILLING S.A website (www.exalo.pl), on which the Tender Invitation was made available.

NOTE: Requests for modifications of Draft of the Sales Agreement can be done only at this stage. Bidder by submitting the offer accepts the final Sales Agreement Draft determined during the tender procedure. The Buyer and the Seller cannot enter into agreement with different contents to the one established at the moment of deadline for bid submissions. In case the Bidder whose offer was chosen by Exalo refuses to sign the agreement or proposes changes to the agreement, the offer may be rejected or the Tender may be cancelled and such Bidder positioned on group C of Exalo Drilling suppliers' list as an unreliable supplier.

NOTE ALSO: Our Company, taking into account the current market situation caused by the COVID-19 pandemic generating difficulties in trade in goods that may affect the Agreement

realization process, indicates and explains that the contractual penalties reserved in Art. 7.1 letter b of Draft of the Sales Agreement are provided only in the event of culpable delay, i.e. delays caused by the fault of the Seller in delivery of the Screens or in removing defects under the warranty. In the event of an unforeseen (and therefore not culpable) delay caused by Force Majeure, including related to the circumstances described in the preceding sentence (in accordance also with Art. 9.1 of Draft of the Sales Agreement, which refers to epidemics), the Seller should (in accordance with Art. 9.2), notify the Buyer in writing of this fact within 2 days from the date of such event, specifying the event, its causes and consequences for the realization of the Agreement. In such a case, the Seller will be properly released from his obligations or from meeting the Agreement terms as long as the event lasts. The term for the realization of such obligations will be extended according to the duration of the event referred to above. In such a situation, there will be no grounds for charging the Seller contractual penalties for culpable delay or for applying other legal sanctions against him. Please note also that in case of no reasons for qualify the delay as not culpable, Our Company, taking into account the situation described in the first sentence, introduces a limit of contractual penalties which Bidders can still negotiate according to procedure called "QUESTIONS AND CLARIFICATIONS" mentioned above.

7. HOW BID WILL BE EVALUATED?

7.1 Maximum number of points to receive: 100 in (6) six criteria:

- | | |
|-------------------------------|---|
| 1. Price | – max. number of points to receive: 60; |
| 2. Quality test results | – max. number of points to receive: 15; |
| 3. Average Discount | – max. number of points to receive: 10; |
| 4. Completeness of the Offer | – max. number of points to receive: 5; |
| 5. Delivery time short notice | – max. number of points to receive: 5; |
| 6. Delivery time long notice | – max. number of points to receive: 5. |

7.2 Points will be awarded as follows:

1. Points for criterion Price will be calculated according to following formula:

$$P_1 = \frac{W_{min}}{W_o} \cdot 60$$

where:

P_1 – total points for offer in Price criteria

W_{\min} – lowest price received in tender

W_o – offer price

2. Points for criterion Quality Test Results (based on Screen Samples provided by Bidder):

- working time efficiency = 14 days³ – 15 points
- working time efficiency = 11-13 days³ – 10 points
- working time efficiency = less than 11 days³ – 0 points

4 Screens Samples from one Manufacturer will be tested parallely with other 4 Screens from different Manufacturer for 14 days on similar Shale Shakers. Any changes and deviations from the norm will be noted by the testers and will affect the award of points in this criterion

3. Points for criterion Discount in case of order for multiple of MOQ:

$$P_2 = \frac{W_1}{W_{max.1}} \cdot \frac{W_2}{W_{max.2}} \cdot \frac{W_3}{W_{max.3}} \cdot 10$$

where:

P_2 – total points for offer in Price criteria

W_n – offer discount

W_{max} – highest discount in tender

4. Points for criterion Completeness of the Offer:

- Bidder place offer for all three parts of Tender – 5 points
- Bidder place offer for two parts of Tender – 2 points

5. Points for criterion Delivery time short notice:

- up to 10 days – 5 points
- from 10 to 12 days – 2 points

6. Points for criterion Delivery time long notice:

- from 4 to 6 weeks – 5 points
- from 6 to 8 weeks – 2 points

³ Without any significant quality changes that will effect on normal operations and any visual changes

8. OTHER

- 8.1 Presence of Bidders is not allowed during the tender opening.
- 8.2 During bid evaluation we reserve the right to ask for clarifications from each Bidder separately.
- 8.3 We reserve the right to cancel Tender Procedure at any stage without the obligation to inform Bidder about the reasons.
- 8.4 The Bidder bears costs of preparation the Tender Documentation.
- 8.5 In case of multiple offers being received, the Buyer reserves the right to ask the Bidder to extend the offer validity period.
- 8.6 Attachment of Bidders terms and conditions is not allowed.

