

**INTERNATIONAL COMPETITIVE BIDDING (ICB) FOR ENGINEERING, PROCUREMENT, CONSTRUCTION
AND INSTALLATION OF
PIPELINES AT OIL & GAS FACILITIES IN GUJARAT**

Vedanta Ltd. is the world's 6th largest diversified natural resources conglomerate with business operations in India, South Africa, Namibia and Australia. It is a leading producer of Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Aluminum & Power. Vedanta contributes 1% towards India's GDP, as per IFC. We are investing \$9 Bn in capital projects over the next 2 – 3 years to double our revenues from current levels of \$15 Bn.

Cairn Oil & Gas, Vedanta Ltd., is India's largest private oil and gas exploration and production company having current interest in 58 blocks and accounting for more than a quarter of India's domestic crude oil production. Cairn Oil and Gas has a vision to achieve 50% of India's crude production and contribute to India's energy security.

Vedanta Ltd. on behalf of itself and its Joint Venture ("JV") partner, Oil and Natural Gas Corporation ("ONGC"), invites interested contractors with proven capabilities and demonstrated performance in similar requirement to express their interest for participating in the International Competitive Bidding ("ICB") Process for Engineering, procurement, construction and installation of buried steel Pipelines for Oil & Gas Facilities in Gujarat.

Scope of Work broadly includes following:

- A. Site engineering & Procurement of material as per requirement
- B. Construction activities including transporting of material to site, laying of pipeline, Execution of pipeline crossings including Nala, highway, road and railway as per applicability
- C. Mechanical and Civil related works related to pipeline and station works
- D. E&I related works for pipeline and station works
- E. Hydrotesting of pipeline, station piping pre-commissioning and commissioning works

Pre-Qualification/Qualification Criteria

NOTE: APPLICANT wherever referred to in this document, would mean the leader of CONSORTIUM of Oil & Gas Services/ EPC Companies (in case the bidder applies as a CONSORTIUM) or an Oil & Gas Services/EPC Company itself (in case the bidder applies as an individual company). APPLICANT should necessarily have core competence on services mentioned above. Additionally, APPLICANT will be required to meet the below mentioned prequalification/ qualification criteria to legitimately express interest for collaboration with Cairn Oil and Gas.

1. Financial performance:

1. Turnover in each of the immediately preceding two financial years should be equal to or more than the estimated average annual contract value. In case of tenders for a duration less than a year, Turnover in each of the immediately preceding two Financials years should be equal to or more than the estimated contract value
2. Positive net worth in each of the immediately preceding two financial years
3. Liquidity ratio shall not be less than 1 in each of the preceding Two (02) financial years

APPLICANTS are requested to submit company's financial performance documents (Audited Balance sheets, Profit and Loss Account & cash flow statement, Auditors Report and Notes to Accounts etc.) for last 2 (two) financial years in the tender. Latest financial statement should not be older than 12 months on the date of Expression of interest.

Additional points to be considered for evaluation of financial performance:

- Normally standalone financials of the bidding entity only will be considered. Parent company or Holding company financials can be submitted and considered, subject to submission of Parent/ Holding company commitment letter (as per Annexure 1) to support financially, the bidding entity and submission of Bank Guarantee (as per Annexure 2) equivalent to 10% of contract value.
- In case of consortium, bidder is required to provide Memorandum of Understanding (MoU) executed by the consortium partners. The MoU should indicate the scope of work to be performed by the respective consortium members expressed as a percentage of contract value. Each consortium partner should themselves individually meet the financial evaluation criteria namely, turnover, net worth and liquidity in proportion to the percentage of work to be performed by them. The Performance Bank Guarantee (PBG) will have to be submitted by individual consortium partners in the ratio of work being performed unless the leader takes responsibility of the complete consortium in which case, leader can submit PBG of required value.
- Evaluation will be done only on the basis of the published annual reports / audited financials containing Auditor's report, Balance sheet, Profit & Loss a/c and Notes to Accounts
- In case of unaudited statements (if there are no audit requirements for auditing of financials as per the local law), the financials shall be accompanied by a certificate from a Certified Accountant. Certificate should also mention the fact that there is no requirement of audit of the financials as per the local law
- All qualifications and exceptions brought out in Auditor's report and Notes to Accounts would be factored in while undertaking financial evaluation

2. Technical Criteria:

1. The APPLICANT should have successfully executed similar scope, in last 7 years, at least one (1) cross country buried steel pipeline installation project of minimum 2KM length in one Single order covering engineering, procurement, construction. Only completed projects shall be considered for evaluation. In that specific project, the APPLICANT should have performed the Project Management and the Pipeline Construction as the main activity of the Project by itself and not through sub-contractor.
Last 7 years shall be considered from the date of publication of this EOI.

Vendors are requested to submit the following pre-qualification documents as a minimum:

1. Letter of interest clearly indicating the project reference and detailed company organizational structure / information.
2. Details of similar experience in Engineering, Procurement, Construction of cross country pipeline in oil and gas industries, which is executed in the last 7 years and those of currently under execution along with details of total executed contract cost. Details of completion of similar type of contract in the last 7 years under heading:
 - a) Brief scope of work
 - b) Value of work in INR/USD
 - c) Contractual Duration
 - d) Actual completion of contracts,
 - e) Clients name
 - f) Contact details of the Client (Operator may approach the client directly for the feedback)
 - g) HSE statistics, LTI graph etc.

3. Completion certificate/ Occupancy certificate along with copy of work order/ contracts details (stating scope of work, contract value, commencement date, completion date, and location of work) must also be provided.

Please mention the following details against each capability as cover letter on Smart Source:

- a) Whether the APPLICANT has the capability? (Yes / No)
- b) If the APPLICANT doesn't have the capability, will it be addressed by CONSORTIUM? (Yes/No)
- c) If the APPLICANT doesn't have the capability, will it be addressed by a sub-contractor? (Yes/No)
- d) If capability addressed by CONSORTIUM, name(s) of finalized/likely CONSORTIUM PARTNERS
- e) If capability addressed by sub-contractor, name(s) of finalized/likely sub-vendors

The interested contractors should evince interest to participate in the Expression of Interest by clicking on the "[Evince Interest](#)" link for the corresponding EOI listing on the Cairn website i.e. <http://www.cairnindia.com> and submit their contact details online. Further to this, interested contractors would be invited to submit their response via Smart Source (Cairn's e Sourcing Platform). The contractors would be requested, as a minimum, to submit the above documents and details for prequalification via Smart Source within Fourteen (14) days of publication of this EOI.

Annexure 1

Format of Financial Commitment Letter from Holding Company of the Bidder

Date:

VEDANTA LIMITED,
ASF CENTER TOWER A,
362-363, JWALA MILL ROAD,
PHASE IV, UDYOG VIHAR,
SECTOR 18, GURUGRAM-122016
HARYANA

Commitment for Financial Support to (“Bidder”) in ITT NO..... (“Tender”)

Dear Sirs,

We,, a Company incorporated under the laws of, have beneficial ownership of more than 50% shareholding in the Bidder.

While the Bidder is unable to fulfill the financial evaluation criteria of the Tender, Vedanta Limited has agreed to consider our the audited financial statements in support for Bidder’s qualification and in consideration thereof we confirm and commit as follows:

1. Should the Bidder be awarded a binding contract pursuant to the Tender (“the Contract”), we shall provide to the Bidder all necessary support to be able to meet all their costs and liabilities pursuant to the Contract;
2. We shall provide to Vedanta Limited a Bank Guarantee in the format provided therefor in the Tender;
3. If requested by Vedanta Limited, we shall extend the validity period of the aforesaid Bank Guarantee or issue a further Bank Guarantee in the event that the duration of the Contract is for any reason extended beyond validity date of the Bank Guarantee;
4. We understand and agree that Vedanta Limited shall have an unqualified right under to draw on the Bank Guarantees under the following circumstances:
 - (i) Any failure by the Bidder to duly perform any of its obligations under the Contract;
 - (ii) Any valid claim made by Vedanta Limited accruing due to any acts/omission of the Bidder and the Bidder fails to pay Vedanta Limited for such a claim immediately upon such demand;
 - (iii) Our failure to renew or replace the Bank Guarantee, at least 7 (seven) days’ prior to its expiry, in case the term of Contract has been extended.

5. We further undertake to indemnify all losses, damages, expenses, claims, costs and proceedings which may be suffered or incurred by Vedanta Limited due to the failure or breach on the part of the Bidder.
6. The undertaking contained herein and the Bank Guarantee issued pursuant hereto shall remain valid through the term of the Contract and shall not be invalidated by any change in our shareholding of the Bidder or by any other agreement or arrangement, save and except with express written consent or agreement with Vedanta Limited.
7. The terms of this undertaking are to be construed in accordance with the laws governing the Contract.

Thanking you,

Yours faithfully,

For and on behalf of,

Signature :

Name :

Designation :

Date :

Annexure 2

Format of Bank Guarantee to be provided by Holding Company of the Bidder

BANK GUARANTEE

To,

VEDANTA LIMITED,
ASF CENTER TOWER A,
362-363, JWALA MILL ROAD,
PHASE IV, UDYOG VIHAR,
SECTOR 18, GURUGRAM-122016
HARYANA

1. In consideration Of VEDANTA LIMITED, a body corporate established under the laws of India, and having its Registered Office at 1stFloor , 'C' wing ,Unit 103, Corporate Avenue, Atul Project, Chakal, Andheri(East), Mumbai – 400093, Maharashtra, India. (hereinafter referred to as “Company”, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, ‘executors and permitted assigns) having entered into a Contract No..... dated (hereinafter called the “Contract” which expression ‘shall include all the amendments thereto) with , a company incorporated and ‘validly existing under the laws ofhaving its registered office at (hereinafter referred to as the “Contractor”, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assigns), based on the commitment to provide financial support to the Contractor by its Holding Company namely, (hereinafter referred to as the “Contractor’s Parent”, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assigns), the Contractor’s Parent furnishes to the Company a bank guarantee for the amount of (.....) to guarantee the satisfactory performance by the Contractor in accordance with the terms and conditions of the Contract,
2. We, **BANK** registered under the laws of (hereinafter referred to as the “Bank”, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assigns), do hereby guarantee and undertake to pay to the Company (or if the bank has accepted the assignment of the benefit of this bank guarantee by the Company to any third party pursuant to Clause 4 of this bank guarantee then to that third party) forthwith within 1 (one) Business Day, after receipt by the Bank of a demand complying with the requirements of this bank guarantee on first demand in writing

any / all moneys to the extent of (.....) without any demur reservation, recourse, contest or protest and without any reference to the Contractor or the Contractor's Parent. Any such demand made by Company on the Bank by serving a written notice, shall be conclusive and binding, without any proof whatsoever as regards to the amount due and payable, notwithstanding any dispute (s) pending before any court, tribunal, arbitrator or any other authority and / of any other 'matter or thing whatsoever, as the Bank's liability under these presents being absolute and unequivocal. For the purposes of this Clause 2 "Business day" means a day on which commercial/scheduled banks are open for business in **India**. The Bank hereby agrees and acknowledges that this bank guarantee is irrevocable and continues to be enforceable until it is fully and finally discharged by Company in writing or **date:- ("Expiry Date")** whichever is earlier. This bank guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor or the Contractor's Parent and shall remain valid, binding and operative against the Bank.

3. The Bank also agrees that Company at its option shall be entitled to enforce this bank guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Contractor or the Contractor's Parent and notwithstanding any security of other guarantee that Company may have in relation to the liabilities of the Contractor or the Contractor's Parent.
4. With the prior written consent of the Bank (which shall not be unreasonably withheld), the benefit of this bank guarantee may be assigned, charged or transferred by the Company to any person, company, bank or other institution to which the benefit of the Contract is assigned in accordance with its terms only. The Bank shall be given written notice of any such assignment in advance. However, the Bank reserve the right at any time to refuse payment of or to reject documents presented bearing reference to any country, entity or individual that may be the subject of any boycott, sanction or embargo imposed by any laws, executive orders or regulations of the government and/or authorities of the **[insert the country name]** or other countries ("applicable restrictions"), This includes documents evidencing transshipment through any country affected by any applicable restrictions. The Bank shall not be liable for any delay or failure to make payment under this bank guarantee or disclosure of information in connection with such documents, or any other consequence thereof. Further, this bank guarantee may not be assigned or transferred to any person or entity that is the subject of any boycott, sanction or embargo under any applicable restrictions.
5. The Bank further agrees that shall have the fullest liberty without the Bank's consent and without affecting in any manner the Bank's obligations hereunder: to vary. any of the terms and conditions of the Contract or to extend time for satisfactory performance of the Contract by the said Contractor and to enforce, or to forebear to enforce any-of the terms and conditions relating to the Contract and the Bank. shall not be relieved from its liability by reason of any such variation, or extension being granted to the Contractor or any forbearance, act or omission on the part of the Company or any indulgence shown by Company to the Contractor or any such matter or thing: whatsoever which under the applicable laws may, but for this provision, have effect of relieving the Bank.

6. The Bank further agrees that the bank guarantee herein contained shall remain in full force till it is validly discharged by the Company or whichever is earlier, and all dues of the Company under or by virtue of the Contract have been fully paid and all its claims satisfied or discharged or till the Company discharges this bank guarantee in writing, whichever is earlier but not later than
7. The bank guarantee shall not be discharged by any change in Bank's constitution, constitution of Company or that of the Contractor or change in appropriate laws.
8. The Bank confirms that this bank guarantee has been issued with observance of appropriate laws of **INDIA**.
9. The Bank also agrees that this bank guarantee shall be governed and construed in accordance with **INDIA** laws and subject to the exclusive jurisdiction of **INDIA** courts.
10. All changes, fees, commission and other costs shall be to the account of the Contractor's Parent. Failure of the Contractor's Parent to make such payments shall not in any way affect the bank's obligation under this bank guarantee and Company shall be paid the money due to it under this bank guarantee without any deduction.
11. Notwithstanding anything contained hereinabove:
 - (i) Bank's liability under this bank guarantee is limited to (.....)
 - (ii) Bank's guarantee shall remain in force until
 - (iii) Any letter from the Company to the of Branch Office at of the Bank, under the seal of Company shall be deemed to be sufficient and valid demand for payment under this bank guarantee.
 - (iv) The Bank undertakes not to revoke this bank guarantee before the expiry of this bank guarantee including during extension period, if any.

Place: Date:

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