

BP Exploration (Shah Deniz) Ltd.

45A Khagani str., Landmark Building III,4™ FLOOR, AZ 1010, Baku, Azerbaijan

The Saipem/BOS Shelf/Star Gulf Consortium

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Date: 03 July 2014

Attn.:

SHAH DENIZ 2 PROJECT
CAS-MA-017
CALL OFF NO. 1 (SD-C-103) - FABRICATION OF
JACKETS, PILES AND SUBSEA ASSETS

Subject: BID EVALUATION REPORT FOR CONCRETE CROSSINGS

Dear Sir,

COMPANY acknowledges CONTRACTOR'S evaluation of bidder's for fabrication of the concrete-related aspects of the crossings and approves CONTRACTOR to proceed with award of the subcontract to Caspian Business Services LLC.

Notwithstanding the above, COMPANY wishes CONTRACTOR to revise and re-issue the Bid Evaluation Report incorporating the following considerations:

TECHNICAL

- T1.0 It is not clear what was the basis of the ITT package. The proposal should supply a scope as per crossings drawings (reference drwg No's) and in accordance with a Specification for Concrete Fabricated Structure Do No: JK-SPZZZZ-CM-SPE-0002-000 Rev C1.
- T2.0 The subject scope is schedule driven. It should be clearly highlighted at the recommendation

COMMERCIAL

- C1.0 The commercial assessment provides no information as to the volumes of concrete or reinforcement involved and details of what allowances have been made for wastage (if any) nor are there details regarding the numbers and frequencies of tests which are included for.
- C2.0 The commercial evaluation does not provide information as to the manhours required for the installation of reinforcement.
- C3.0 The commercial evaluation does not provide information as to the manhours required for the pouring of the concrete at the WORKSITE..
- C4.0 There is no information regarding if and to what extent the prices are fixed lump sums or are on the basis of reimbursable manhours or on the basis of unit rates.

- C5.0 There is no information regarding as to how and when payments are to be made under the SUBCONTRACT.
- C6.0 The approximate quantities are circa 2,500 m3 of concrete and about 600MTe of steel reinforcement. The cost elements for these appear to be not in line with COMPANY expectation. CONTRACTOR is requested to provide a more detailed breakdown.

CONTRACTOR is requested to provide the information listed above. CONTRACTOR is also requested to provide a copy of the Invitation to Tender and the Tenderers' responses thereto.

Regards,

Yours faithfully, for BP Exploration (Shah Deniz) Limited

