

Request for Proposal for Sale of Natural Gas from

SunPetro's Hazira Field in Gujarat

Tender No.: SunPetro/Hazira/Gas Sale/2022-23/SPPL-129



e-Bidding Partner

M/s mjunction services ltd.

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SECTION A

1. Overview

Sun Petrochemicals Pvt. Ltd. (SunPetro) is the operator of Baola, Modhera, Hazira and Bhaskar fields in Gujarat and has been awarded various other fields in recently concluded OALP & DSF rounds of DGH. Apart from this, SunPetro is also in process of acquiring more blocks / fields.

In order to comply with Govt. of India's notification pertaining to Natural Gas Marketing Reforms dated 15th October 2020 and Discovery of Market Price for Domestically Produced Natural Gas through e-bidding (Notification No. Expl-15022(13)/234/2019-ONG-DV (P-32114)) dated 03rd December 2020, SunPetro has appointed M/s mjunction services limited as an independent agency empanelled by Directorate General of Hydrocarbons ("DGH"), to conduct bidding process for the sale of natural gas for Hazira Field through an online web based electronic bidding platform which is available at <https://eps.buyjunction.in/gasbidding>. M/s mjunction Services Limited would herein after be called the Empanelled Agency.

Through this Request for Proposal ("**RFP**") dated **19/10/2022**, SunPetro invites offers from Interested Parties willing to offtake Natural Gas from Hazira field, Gujarat as per the terms and conditions of this RFP and the Gas Sales Agreement (GSA). SunPetro reserves the right to amend or introduce changes in the Tender Documents (RFP and GSA) at any time prior to the Bid Submission Due Date.

Interested Parties ("**Bidders**"), meeting the Eligibility Criteria mentioned in this RFP and willing to undertake unconditional acceptance of terms of the Gas Sales Agreement appended with this RFP, are requested to participate in the Bidding process by submitting their Bid as per provisions of this RFP.

2. Bid Document

1	Tender No.	SunPetro/Hazira/Gas Sale/2022-23/SPPL-129
2	Type of Tender	Single Stage in Single Bid System: Technical Unpriced Bid
3	Description of Sale	Sale of Natural Gas from SunPetro's Hazira field in Gujarat
4	Name of tender dealing office	Office of Head – Commercial & SCM. Sun Petrochemicals Pvt. Ltd. (SunPetro) 8th Floor, ATL Corporate Park Opp. L&T Gate no. 7, Saki Vihar Road Chandivali, Powai, Andheri, Mumbai – 400072 Tel: 69325300 e-mail: nihit.jain@sunpetro.com
5	Tender Closing Date & Time	10 th November 2022; 1500 Hrs IST
6	Bid & Bid Bond Validity Upto	180 days from the date of opening of Bids.
7	Bid Bond	Bidders are required to furnish Bid Bond along with Technical Un-priced- Bid in the Gas Bidding Platform in the format as attached herewith at Annexure-V drawn from a Nationalized / Scheduled Bank as listed at Appendix for an amount as specified below: Bidder: Rs. 5,00,000/- (Rs. Five Lakh Only) Note: In lieu of bid bond bidder can also submit DD /Pay order/Wire transfer. DD / Pay Order / Wire transfer shall be governed by Bid Bond terms and conditions.
8	Contract Period	As per Model Agreement
9	Online Technical Bid Submission	Technical Bid to be submitted in the Gas Bidding Portal: https://eps.buyjunction.in/gasbidding .

Note: receiving the tender from Company does not qualify the bidder automatically for their bid consideration. The bidder has to qualify tender terms & conditions including **Bid Evaluation Criteria (BEC) – ANNEXURE – III** described in the tender.

3. Gas Field on Offer

Sr. No	Parameter	Particulars
1.	Name of the block	Hazira Field, Gujarat
2.	Gas Quantity offered for sale	30,000 SCMD
3.	Contract Term	2 years
4.	Typical Calorific Value (KCal/SCM)	9500 GCV
5.	Delivery Point	Hazira Delivery Point
6.	Pricing Formula (\$/mmbtu)	Domestic Gas Price+ Quoted Premium
7.	Date of SunPetro's readiness to supply gas.	3 months from the Notification of Award (tentative indicative date: 1 st April 2023)

3.1. IT Requirement for Bidding

- 3.1.1. Bidder should have a laptop or desktop with a decent internet connection (10mbps and above).
- 3.1.2. E-Portal shall be best viewed in Internet Explorer 9.0. If bidder/s are using Internet Explorer 10 or above then compatibility view is to be enabled which is available under the Tools menu.
- 3.1.3. Due to security vulnerabilities, all bidder/s are requested to configure the following changes in Browser (Internet Explorer) & Java console.
 - a) Configuration of TLS 1.2 in Internet Explorer.
 - b) Installation of Java Runtime Environment 1.8 latest update. Configuration of TLS 1.2 in Java Control Panel
- 3.1.4. Bidder/s may please refer to the 'Browser Setup' tab for details.
- 3.1.5. Bidder/s may send an email to sunpetroebidding@mjunction.in or call the helpdesk (mentioned in the portal) if they face any difficulties in registration and setting up DSC.

3.2. Registration and DSC Mapping

- 3.2.1. The portal will be available for registration on a date specified in Clause 5 of this RFP. Every Bidder would be required to fill out a small registration form and will have to enter his/her name, designation, contact number, organization name, PAN number of organization, GSTIN number, gas consumption facility name & address, and other required details. Bidder/s would need to attach a valid Class III Digital Signature Certificate (DSC) issued in the name of the authorized person of the bidding organization. The DSC should be issued to the email address of the authorized person and the same should be used for registering on the platform.

3.3. Bid Bond / Security Deposit

Bidders are required to furnish Bid Bond along with Technical Un-priced Bid in the Gas Bidding Platform in the format as attached herewith at Annexure-V drawn from a Nationalized / Scheduled Bank as listed at Appendix for an amount as specified below:

Bid Bond / EMD Value: Rs. 5,00,000/- (Rs. Five Lakh Only)

Note:

In lieu of bid bond bidder can also submit DD /Pay order/Wire transfer. DD / Pay Order / Wire transfer shall be governed by Bid Bond terms and conditions.

Any Bid without Bid Bond / Security Deposit or with short amount of Bid Bond or Bid Bond / Security Deposit in the form other than specified herein above shall be liable for rejection and shall be considered as non-responsive. The Bid Bond / Security Deposit shall be forfeited if:

- a) The Bid is revoked during its validity period or any extension thereof duly agreed by the Bidder;
- b) Sun Petro accepts the Bidder's Bid and the Bidder refuses to accept the Notification of Award (NOA) or fails to enter into the Contract after the NOA is issued to such Bidder;
- c) The Bidder fails to submit Payment Security at the time of signing of Gas Sales Agreement;
- d) The successful Bidder fails to sign Gas Sales Agreement immediately upon issuance of the LOA;
- e) The successful Bidder fails to commence gas offtake on the Offtake Date

3.3.1. SunPetro shall return the Bid Bonds / Security Deposit to all unsuccessful Bidders, whose Bid Bonds / Security Deposit is not forfeited in accordance with the provision of this RFP, within 60 days after completion of the Tendering Process.

3.3.2. The Bid Bond/ Security Deposit of the Successful Bidder shall be returned within 60 days of the commencement of the gas offtake by the Successful Bidder.

4. Bidding Process:

The overall bidding process will be conducted in two phases – pre-qualification phase and e-auction phase. The detailed activities in these two phases have been outlined below:

Phase 1 – Pre-qualification

4.1.1. **Publishing of bidding documents:** To apprise potential Bidders of the auction process, the RFP (Request for Proposal) and GSA, etc. would be made available on landing page of the e-portal of Empanelled Agency. The Bidders would be able to download these documents without registering on the platform.

4.1.2. **Clarifications to Bidders' queries:** Bidders would be able to send their queries to the designated email address (sunpetroebidding@mjunction.in) before registering on the portal. However, post registration on the portal, the bidders would also be able to upload their queries on the portal. The clarification to all the queries would be hosted on the e-portal.

4.1.3. **Pre-bid meeting:** A pre-bid meeting would be organized on a date specified in Clause 5 of this RFP. The pre-bid meeting would be an interactive session and provide Bidder/s, the opportunity

to seek further clarifications and understand the process better. The Pre-bid meeting would be open to all the interested Bidder/s. The Bidder/s willing to participate in the pre-bid meeting would be required to nominate maximum of two representatives from their organization to take part in the meeting. Bidders would be required to use their official email address to share the name, email address and phone number of the nominated person(s) to the designated email address (sunpetroebidding@mjunction.in).

4.1.4. Registration on the e-auction portal: After the last date of submission of bid documents (as mentioned in Clause 5 of this RFP), all the bidders who have submitted their documents for technical evaluation will be provided with the login credentials of the auction portal.

4.1.5. Document upload for Technical Evaluation: The Bidders would be required to submit the documents as per list of documents specified below for technical evaluation. The documents would be required to be duly signed and uploaded on the portal before date specified in Clause 5 of this RFP. Each Bidder will be required to upload the following documents on the portal:

- (i) Be an entity registered under the Companies Act 1956 / Companies Act 2013 / Multi State Cooperative Societies Act, 2002 / Indian Partnership Act 1932 / Limited Liability partnership Act 2008;
- (ii) Be ready to consume or offtake natural gas on the Start Date through chosen evacuation methods (1st April 2023 or earlier as per Mutual Agreement);
- (iii) Details of proposed evacuation method/ route along with schematic to be included as per Annexure-II during submission for technical evaluation;
- (iv) Should be engaged in the business that involves either the consumption or the sale and purchase of natural gas; Relevant document to be provided as a proof.
- (v) Average Turnover for Bidder during last three Financial Years shall be minimum INR 10 CR.
- (vi) The bidder should be very well conversant with oil & gas business and must be associated with at least one such type of business for at least 3 years. Relevant documents are to be provided as proof.

4.1.6. Notification to eligible Bidders by the e-auction agency: After the evaluation of the documents, the e-auction agency shall, by email, inform all eligible Bidders of their advancement to next phase of the bidding process with auction URL on the date specified in Clause 5 of this RFP. The unsuccessful Bidders would also be separately notified, and their BG would be returned to them within 30 Days.

Phase 2 - Competitive Bidding

4.1.7. Mock run-on competitive e-bidding: Prior to the e-Bidding Date, the e-auction agency shall organize a mock run of the e-Bidding Process to help Bidders familiarize themselves with the features of the e-auction portal. Such mock run shall be held on a predetermined date as specified in Clause 5 of this RFP. The e-auction agency shall notify the requisite details for the

mock run to relevant Bidders via email. Bidders can either complete the training modules uploaded on the portal or can opt for the offline training session.

- 4.1.8. **Competitive e-bidding:** The bidding will start at a date and time specified in Clause 5 of this RFP. The bidding will be of 60 minutes with details of dynamic bidding as described in Clause 6.5
- 4.1.9. After the end of the e-auction process, Sales Gas will be allocated to the successful Bidder (“Buyer”) based on the allocation criteria and method outlined in Clause 7. The Buyer will be accordingly notified over their registered email IDs. Subsequent to this, the Buyer shall:
- i. Execute GSA with the Sellers for the gas volumes, duration and price allocated to the Buyer. (If any changes are made to the draft GSA during technical queries stage, a modified draft of GSA may be published on e-portal before the start of Phase 2. This final GSA published will be deemed agreed in its entirety by all Bidders and will be used for final signoffs).
 - ii. Within 7 days from execution of GSA, submit a detailed firm plan for the natural gas offtake method and a detailed plan on obtaining the requisite statutory clearances (if any), to offtake such gas from the Delivery Point.
 - iii. Make necessary evacuation arrangements for the offtake of Sales Gas from the Delivery point before the Start Date as indicated in the executed GSA.

5. Bidding Scheduled

The schedule for the Bidding Process shall be as follows:

Sr.	Particular	Activity Date and Time
1	Publishing NIO, RFP and GSA	19-Oct-22
2	Last date for submission of queries of bidder	31-Oct-22
3	Pre-bid meeting	02-Nov-22
4	Bidder training	19-Oct-22 till 09-Nov-22
5	Start of Bidder registration on the portal	19-Oct-22 till 09-Nov-22
6	Last date for bid submission (Technical Bid)	10-Nov-22
7	Last date of the receipt of Security Deposit	12-Nov-22
8	Notification to technically qualified Bidders	16-Nov-22
9	E-Auction training sessions/Mock run	17-Nov-22 till 19-Nov-22
10	E-Auction date	21-Nov-22

6. Gas Price and Bid Parameters and Bidding Rounds

Gas Price Formula in USD/MMBTU (on GCV Basis)= Domestic Gas Price + Premium to be quoted (P)

Where,

- i. Domestic Gas Price as published by PPAC, Govt. of India on six monthly basis in USD / MMBTU (on GCV Basis)
- ii. Premium (P) to be quoted in USD by bidder over and above Domestic Gas Price

(Exchange Rate, USD to INR, shall be based on reference rates published by RBI on first working day of the applicable month (<https://fbil.org.in>))

GAS PRICE EXAMPLE:

1. Domestic Natural Gas price (As published by PPAC on six monthly basis) for October 2022 to March 2023 = USD 8.57 /MMBTU on GCV basis
2. P= Premium to be quoted by bidder = 4.2 (Say) USD/MMBTU
3. Gross Cal. value of gas = 9500 Kcal /SCM
4. Gas Price = USD 8.57+4.2 = USD 12.77 / MMBTU

NOTE:

- 1 MMBTU = 252000/9500 = 26.53 SCM
- 1 USD = 81.7417 INR (on 03.10.2022 as per RBI reference rate)

To participate in the Bidding Process, each Bidder shall be required to quote valid bids against the following parameters:

6.1. Price (Premium “P”)

Bidders shall put in Price Bid as Premium “P” over Domestic Gas Price as published by PPAC in USD/MMBTU.

Minimum Bid for Premium “P” shall be 0.5 USD/MMBTU. Premium “P” shall be any positive number in multiple of 0.10 USD/MMBTU. **Domestic Gas Price as notified by PPAC/ MOP&NG, Govt. of India** on half-yearly basis for domestically produced gas as per Natural Gas Pricing Guidelines, 2014 dated October 25, 2014 in USD/MMBTU will be used.

6.2. Contract Date

1st April 2023 or earlier as per Mutual Agreement

6.3. Volume

Gas Volumes as offered in this RFP i.e. 30,000 SCMD. Bidders has to bid for the entire volume of

gas on offer. This is a one-time biddable parameter and which shall be open for bid for the first time and not be editable after that. The volume bid to be quoted in this case would be 30000 SCMD only. Details as per Contract / GSA terms.

6.4. Bidding Rounds

- a) All the technically qualified bidders are eligible to participate in the e-auction process. During the e-auction process, only the price bid can be modified:
- b) **Starting Price bid:** The starting price bid for the bidding process shall be USD 0.5 /MMBTU
- c) **Ticker size for price bid:** Only upward increments of the price bid shall be allowed and it cannot be decreased. The minimum increment ticker size for the price bid shall be USD 0.1/MMBTU, and the Bidder can only increase its previous price bid in multiples of the ticker size defined.
- d) **Starting Volume bid:** The volume bid for the bidding process will be the offered gas volume and the bidder has to quote (one time) the entire gas volume of offer.
- e) All the qualified bidders, during the e-auction process would be able to see their quoted price along with highest price. However, Bidders would not be able to see the price bids of the other bidder/s.
- f) **E-auction rounds and closure:** The key features of the e-bidding round is as follows:
- g) **E-auction Duration:** The total E-auction Process shall be for a period of 60 minutes initially.
- h) **Dynamic e-auction:** The entire e-auction process will be dynamic and will be subject to extensions as per Clause 6.4 (i).
- i) **Extension of e-auction Duration:** If a valid bid is received within the last 5 minutes before the close of the e-auction duration such bid alters the Provisional allocation Quantity determined by the e-Bidding Portal for any of the Bidder, there would be an automatic 15 minutes extension of the auction duration. The 15 minutes auto extension will start from the time of the first bid received within the last 5 minutes before the closure of the auction period. There will be unlimited auto extensions. In case the e-auction does not get closed within 18:30 hours of a particular day then the auction will get automatically paused and the same will be resumed at 11:30 hours of the next business day.
- j) **E-auction termination:** The E-auction process ends if there is no bid revision in the period specified above of this RFP.

7. Determination of Provisional Allocation Logic

During the bidding process, following logic would be used to determine provisional allocation.

Following steps shall be followed to determine allocation of gas quantity for the Hazira Field:

Step 1: The Price bid will be arranged in descending order.

Step 2: The provisional quantity shall be determined as follows:

- A. Based on the quoted Premium "P", the provisional allocation of the gas volume shall be determined for the highest Price Bidder for the full volume which it has quoted. Nil allocation would be given to the next highest Bidder.

- B. However, under no circumstances the quoted premium of two bidders will be the same. In such a case the Premium quoted by the first bidder would be accepted by the system and the second bidder would be asked to revise its Premium.

Step 3: Steps 1 and 2 shall continue throughout the e-auction Process and shall continue to be determined by the e-Portal dynamically, until the conditions for the closing of the e-auction Process as specified in clause 6.4 (j) are met.

Step 4: Upon the closing of the e-Bidding Process, the Provisional Allocation determined based on the last bids received shall be considered as the Final Allocation for each Bidder.

- 7.1. At the end of the e-auction process, the successful Bidder would be notified regarding their provisional allocation.
- 7.2. Based on the result of the Tender Process, Sun Petro will issue LOA to the successful Bidder.

8. Bidding Support

- 8.1. A Bidder who requires any clarifications pertaining to the e-auction Process in general or technical support during E-auction Process may seek the required assistance at the following contact details:

Query Type	Contact Details
General clarification regarding bidding process OR for any kind of Technical Support	sunpetroebidding@mjunction.in
<u>Helpdesk Nos for e-bidding</u>	033-6601-1717 / 033-6603-1747
Auction Helpline nos	Souvik Ghosh - 9163348134 Arijit Paul – 9163348277 Amit Banerjee – 9163348281 Shamima Shabnam - 9163348123 Arup Basak - 9163348262

SECTION B

(ANNEXURES)

ANNEXURE - I

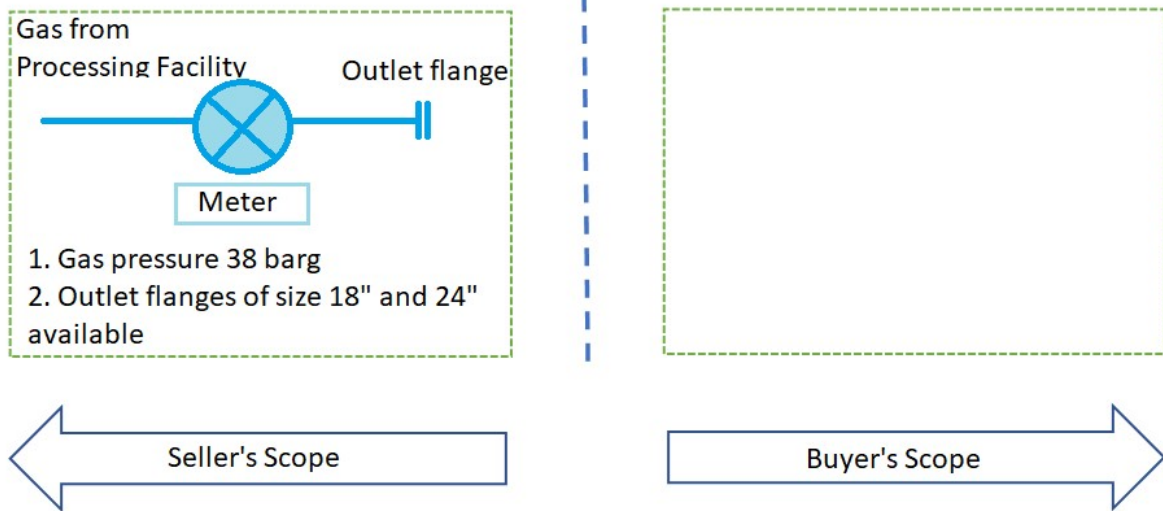
SPECIFICATION OF GAS

The GAS shall have the following limits of Composition at the Hazira Delivery Point:

I	Methane	Not less than 92% by volume.
II	Other Gaseous Hydrocarbons	Not more than 6% by volume
III	Non-combustible gases other than Hydrocarbons including Nitrogen, Carbon Dioxide	Not more than 2% by volume
IV	Total Sulphur content as H ₂ S	4 ppm vol. (Max)
V	Moisture content	No free water will be present
VI	Gross Calorific Value	9500 Kcals / SCM

ANNEXURE-II

Typical Schematic of facilities



Buyers scope to be filled based on details provided by successful bidder in form C2 and/or C3 of RFP

FORM C2

**Declaration by the Bidder Registered as an End User
(Facility, Consumption, Evacuation Plan and Commercial Details)**

<On Bidder Company's Letterhead>

To,
Head-Commercial & SCM
Sun Petrochemicals Private Limited
8th Floor, ATL Corporate Park,
Opp. L&T Gate no. 7, Saki Vihar Road,
Chandivali, Powai, Mumbai- PIN – 400072

Subject: Form C2 Declaration for Tender No. SUNPETRO/HAZIRA/GAS SALE/2022-23/SPPL-129

Dear Sir,

We, (Customer to specify its exact legal name) having our registered office at and our principal place of business at do hereby confirm the following:

Sl. No.	Particulars	Details to be furnished by Bidder
1.	Name and location of the gas consumption facility (existing / proposed)	
2.	Purpose of gas consumption	
3.	Average gas marketed in FY'21 and FY'22 YTD	MMSCMD
4.	Average gas planned to be marketed in FY'22	MMSCMD
5.	Evacuation method to offtake gas from Delivery Point (details / schematic to be attached with this form)	

For, [.....]

Authorized Signatory
Name of the Authorized Signatory:
Designation:
(Company Seal)

FORM C3

**Declaration by the Bidder Registered as an Aggregator / Marketer / CGD
(Gas Demand Profile, Evacuation Plan and Commercial Details)
<On Bidder Company's Letterhead>**

To,

Head-Commercial & SCM
Sun Petrochemicals Private Limited
8th Floor, ATL Corporate Park,
Opp. L&T Gate no. 7, Saki Vihar Road,
Chandivali, Powai, Mumbai- PIN – 400072

Subject: Form C Declaration for Tender No. SUNPETRO/HAZIRA/GAS SALE/2022-23/SPPL-129

Dear Sir,

We, (Customer to specify its exact legal name) having our registered office at and our principal place of business at do hereby confirm the following:

Sl. No.	Particulars	Details to be furnished by Bidder
1.	Average gas marketed in FY'21 and FY'22 YTD	MMSCMD
2.	Average gas planned to be marketed in FY'22	MMSCMD
3.	Gas consumption sectors	
4.	Evacuation method to offtake gas from Delivery Point (details / schematic to be attached with this form)	

For, [.....]

Authorized Signatory
Name of the Authorized Signatory:
Designation:
(Company Seal)