

Offshore Potable Water Supply Pipeline to Vestmannaeyjar

PREQUALIFICATION DOCUMENTS

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1 INTRODUCTION

1.1 Vestmannaeyjar Potable Water Supply System

Vestmannaeyjabær, herein referred to as the Purchaser, owns an offshore potable water pipeline. The pipeline is approximately 12 km long, located south of Iceland. The water supply system for Vestmannaeyjar (Westman Islands) is operated by HS Veitur hf. The entire water supply system consists of water wells and pumping stations at the south coast of Iceland, the offshore potable water pipeline (8") from the south coast to Vestmannaeyjar and a pumping station, storage tank and distribution network in Vestmannaeyjar. The current, 8" potable water pipeline is heavily damaged, and the Purchaser intends to install a new 8" offshore potable water pipeline. This is a pre-qualification for design and manufacture of the potable water pipeline.

1.2 Contractor's Services

The Contractor shall design, manufacture and deliver FOB the offshore potable water pipeline specified in the Bid Documents that will be issued with a Request for Proposals for Contractor's Services following pre-qualification of Applicants according to these Prequalification Documents.

This Pre-Qualification request is a quality- and cost-based selection of Contractors.
The Contractor that submits the most advantageous bid shall be invited for negotiations.

The current project time schedule is based on following milestones:

- | | |
|--|-----------------------------------|
| • Issue of Prequalification Documents | 4 th of November 2024 |
| • Prequalification Documents submitted | 20 th of November 2024 |
| • Issue of Bid Documents | 29 th of November 2024 |
| • Bid submitted | 10 days from issue |
| • Award of Contract | December 2024 |
| • Delivery of potable water pipeline | No later than August 2026 |

1.3 Contractor's Pre-Qualification

These Pre-Qualification documents are available to Contractors that may be interested in bidding for this project. Interested Contractors, hereinafter called the Applicants, shall submit their application including information requested in the Pre-Qualification documents. The documents provided by the Applicants will serve as the basis for the selection of qualified Applicants. All submitted documents and information pertinent to the Pre-Qualification shall be in Icelandic or English.

This Pre-Qualification process does not obligate the Purchaser to issue a call for bid. The data contained in these documents are presented without any obligations or guarantee and only for information as regards to the project and nature of services intended to be carried out. The Purchaser shall not be held responsible for any inaccuracy therein or contradiction to the contract documents to be issued later.

Any effort or expense by the Applicant's behalf in conjunction with the Pre-Qualification procedure shall be without cost or obligation to the Purchaser.

Pre-Qualification applications will only be considered from Applicants who have the technical, financial and administrative capacity to execute the actual services within the specified time limit. Applicants who do not have plausible reference list of similar projects, or the experience, personnel, equipment required or the necessary financial and administration capacity, will be disqualified.

After evaluating the Pre-Qualification applications from Applicants, the Purchaser intends to issue a call for bids to Qualified Contractors. The Purchaser reserves the right to limit the number of Qualified Contractors to maximum 5. Furthermore, if the Purchaser considers participation in the Pre-Qualification procedure insufficient, the right to issue a public call for bids is reserved.

2 TIME AND PLACE FOR RECEIPT OF PRE-QUALIFICATION APPLICATION

Application according to these Pre-Qualification Documents will be received by:

Vestmannaeyjabær
Brynjar Ólafsson, brynjar@vestmannaeyjar.is
Kirkjuvegur 50
900 Vestmannaeyjar
Iceland

Only applications received by the Purchaser before 12:00 UTC 20th of November 2024 will be considered valid.

3 GENERAL RULES AND DEFINITIONS

3.1 Confidentiality

All documents and related information submitted for the purpose of this Pre-Qualification process shall be treated as confidential. No commercial use of documents or related information will be permitted.

If an application is rejected or if Pre-Qualification is cancelled, all submitted documents will be returned without delay to the Applicants.

3.2 Access to documentation / record

No Applicant/Qualified Contractor shall have access to any documentation/records pertaining to any other Applicant's application/qualification or to the submittals thereof.

3.3 Definitions

For the purposes of Pre-Qualification, the following definitions apply:

3.3.1 Financial statements

Documents reflecting the financial status of an Applicant at the end of the financial year. Financial statements usually consist of the balance sheet, the profit and loss account, the statement of cash flow, the notes to the accounts and the accountant's report.

3.3.2 Applicant

Physical person(s)/legal entity (ies), being capable of performing Contractor's Services and enter this process to obtain/retain a qualification approval.

3.3.3 Contractor

A Contractor which is responsible to deliver a professional requested service.

3.3.4 Legal representative

Physical person who, according to national legislation, represents the Applicant.

3.3.5 Purchaser

For the purpose of these Pre-Qualification documents, the Purchaser is:

Vestmannaeyjabær
Kirkjuvegur 50
900 Vestmannaeyjar
Iceland

3.3.6 Qualification

Procedure based on a set of rules leading to the formal assessment of an Applicant by the Purchaser against set criteria, including administrative, legal, financial, human resources and technical skills i.e. as requested in the qualification documents presented by the Applicant.

3.3.7 Qualified Enterprise

A legal entity contractor that has been qualified by the Purchaser.

3.3.8 Selection

Process where the Purchaser selects Qualified Enterprises from a group of Applicants for this specific project/procurement.

3.3.9 Execution

Execution includes all processes which enables the Contractor to complete requested services according to Contract documents, which has been agreed by the Purchaser.

3.3.10 Assignment

The overall/total services provided by the Contractor.

4 ADMINISTRATIVE AND LEGAL IDENTIFICATION DATA

The Applicant shall provide following information:

1. Name of the enterprise for which qualification is sought.
2. Address of the head office.
3. Telephone, and e-mail address of the head office.
4. Legal status of the Applicant and year founded.
5. Professional or trade registration number.
6. Voluntary membership of professional or trade association(s) (non-mandatory information for qualification).
7. Information concerning the legal representative(s):
 - a. Full name;
 - b. Business address, telephone number, and e-mail;
 - c. Position/title at the enterprise.

A short description of the Applicant's organization, and name(s) of technical and senior management, including directors, together with their duties and responsibilities.

5 ADMINISTRATIVE AND LEGAL ASSESSMENT

5.1 *Criteria related to the Applicant*

In order to be qualified, the Applicant shall comply with the following criteria:

- a. Be enrolled in the professional or trade register, according to the legal provisions of the country (ies) in which the Applicant is established.
- b. Not be the subject of national insolvency proceeding.
- c. Not be bankrupt or in an analogous situation, arising from national insolvency proceeding.
- d. Have fulfilled its obligations relating to the payment of taxes, according to the legal provisions of the country (ies) in which the Applicant is established/domiciled.

5.2 *Criteria related to the legal representative(s) of the Applicant*

The legal representative(s) of the Applicant shall comply with the following criteria:

They are not guilty of serious misrepresentation in supplying the information and/or documentation required to be qualified.

5.3 *Joint ventures*

Joint venture Applicants shall submit complete and separate documentation for each participant, not only for the lead firm. It shall, however, be clearly established in the pre-qualification application, which participant will be the leading entity, as well as the expected participation and share of other members of the joint venture. Application received from joint ventures without lead firm with full, overall responsibility for the contract, will be rejected.

6 FINANCIAL CRITERIA FOR QUALIFICATION

6.1 *General*

Herein are the financial criteria specified for the Applicant's assessment as part of the qualification process, as well as the necessary documentation to be supplied by the Applicant.

6.2 *Documentation*

The Applicant shall submit the following financial documentation:

- a. Financial Statements of the Applicant for the previous three fiscal years. Turnover from production and supply of offshore pipelines shall be listed separately if applicable. The documentation shall be itemized and explained to allow financial assessment in accordance with clause 6.3 below.
- b. In case of external financial resources, the financial statements of such guarantor(s) including verification of availability of such resources.
- c. Major present or foreseen contractual commitments of the Applicant.
- d. Information on key bank relationships of the Applicant.
- e. Any other documents that may be considered to be relevant in describing the financial qualification of the Applicant.

6.3 *Financial assessment*

The financial capacity of Applicant will i.e. be determined from the enclosed statements of Annex A and the documents provided as under clause 6.2 above. Various measurements of financial strength, including but not limited to net worth, D/E ratio, current ratio, quick ratio, interest cover ratio and cash from operations, may be applied to evaluate the Applicant's financial qualification.

Considerations will furthermore be given to the financial strength of the Applicant in view of his present commitments.

External resources of any physical person/legal entity, that provides unconditional legal liability for the financial obligations of the Applicant, may be taken into consideration to meet acceptable requirements. The financial resources shall verifiably be available for the purpose of qualification.

Any Applicant, whose financial status is inadequate or inadequately supported in the opinion of the Purchaser, will be disqualified.

7 TECHNICAL QUALIFICATION

7.1 General

Herein are specified the qualification by type of performance, technical ability and size of contracts performed. It also specifies documentation to be supplied by the Applicant.

7.2 Documentation

7.2.1 Reference

The Applicant shall provide a reference list containing main technical details of previously installed offshore pipelines produced by the Applicant, completed or in current execution during the last fifteen years, incl. names and addresses of the respective Purchasers.

The Applicant authorizes the Purchaser, by submitting his application, to directly request performance information from the references.

7.2.2 Certificates

The Applicant must provide certificate that proves acceptance, origin and CE-marking where applicable of all production material that belong or are connected to the pipeline which the Applicant intends to offer for the supply of potable water within the European Union and/or Scandinavian countries.

All design and manufacturing for the potable water supply pipeline and equipment thereof shall fulfil European Standards.

7.2.3 Technical Assessment

The technical assessment will take into consideration the references demonstrating that the Applicant has properly completed the executing of service being i.e. technically comparable with the Contract for which qualification is sought.

8 TABULATION OF SIGNIFICANT PROJECT DATA

8.1 Scope of Supply:

Design and production of 12,5 km long continuous offshore potable water pipeline (i.e. with no welded or flanged joints offshore). Inner diameter shall be approximately 200 mm for transport of potable water. Two flange connections shall be produced and delivered for each end of the pipeline for

connection to the terminal points on each shore. The pipeline shall be delivered with one flange connection attached and one flange connection will be connected at installation.

8.2 Main Operation Conditions, app.:

Pipeline for transport of potable water.

Length of pipeline: 12,5 km.

Maximum operating inner pressure: 70 bar.

Maximum installation depth: 100 m

9 GENERAL CONTRACT INFORMATION

9.1 Contract form

A contract agreement will be made between the successful bidder for the services and the Purchaser.

9.2 Laws and regulations

The Contract shall in all respects be governed by and interpreted in accordance with the laws of Iceland and if a dispute arises, the parties must aim to seek a settlement, but if it is not resolved within 30 days, the dispute may be submitted to the Southern District Court of Iceland (Héraðsdómur Suðurlands).

9.3 Language

The Contract shall be conducted in English throughout, incl. all written correspondence, drawings and documentation.

9.4 Labour

Working permits is required for foreign labour with citizenship outside countries of the European Economic Area (EEA). Such permits must be acquired by the Contractor in accordance with Icelandic law and regulations.

All employees working on the production and installation hold appropriate qualification and valid certificates and/or craftsman license for their work performed.

9.5 Child labour

Contractor represents and warrants that Contractor, its subcontractors and its manufacturers of Products comply with applicable labour and employment laws regarding, and prohibit, any form of child labour or other exploitation of children in the manufacturing and delivery of the Products, consistent with provisions of the International Labour Organization's (ILO) Minimum Age Convention (No. 138), 1973 and the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

ANNEXES

Annex A -Application for qualification

(1) Name of the Applicant: _____

(2) Head office address : _____

Telephone no : _____ e-mail: _____

(3) A short description of the Applicant's organisation and the name of the technical and senior management, including directors, together with their duties and responsibilities.

(4) APPLICATION DOCUMENTS (appended):

Contents	Appendices	Nº of pages
Legal	A/1	_____
Financial	A/2	_____
Technical	A/3	_____
Short description of Applicant's organisation		

(5) REPRESENTATIVE OF THE APPLICANT FOR THE APPLICATION PROCEDURE:

Name: _____

Business address: _____

Telephone no: _____ e-mail: _____

Relationship with the Applicant : _____

I confirm the authenticity of the documents enclosed and the given information in this form and the Appendices is true and accurate. I declare that I have the power to commit the Applicant and enclose my authorisation to do so.

Place: _____ Date: _____
Day/month/year

Signature: _____

Appendix A/1: Documentation concerning legal status

- (1) Name of the Applicant : _____
(2) Legal status : _____
(3) Date of foundation (established) : _____
(4) Professional/trade/company registration number (if applicable): _____
(5) National VAT registration / fiscal number (if applicable): _____
(6) Legal representative(s)¹:
Name: _____
Business address: _____
Telephone no: _____ e-mail: _____
Relationship with the Applicant: _____

- (7) Mandatory Appendices:
Copy or extract of the professional, trade or company register.

National authority document stating that the Applicant is not bankrupt nor subject to national insolvency proceeding.

National tax administration document stating compliance with the payment of taxes..²Declaration by the legal representative(s) that he (they) has (have) not been convicted in the last five years of an offence concerning professional conduct by a judgement as specified in the applicable criteria.

- (8) Non-mandatory Appendices :
Voluntary membership of professional or trade association(s) _____

Name of the association - address

Name of the association - address

¹ Where necessary, additional list of persons shall be attached to this form.

² If the Applicant's home country/domicile does not issue this certificate, it can be replaced by a declaration on oath or, in countries where a declaration on oath is not required, by a solemn declaration made by the legal representative before a judicial or administrative authority, notary, or a competent professional or trade body.

Appendix A/2: Documentation concerning financial criteria

(1) Name of the Applicant: _____

(2) Appended with this enclosure are:

Financial Statements of the Applicant for the previous three years, inclusive turnover from sales of geothermal steam turbines acc. to 6.2.

Financial Statements of guarantor(s) if applicable.

Documentation on major present and future commitments.

Information on key bank relationship of the Applicant.

Other relevant financial documents.

Appendix A/3: Documentation concerning technical criteria

- (1) Name of the Applicant : _____
- (2) Appended with this enclosure are the following documents on offshore pipelines completed or in execution last fifteen years:

Annex no	Project's name
B1	-----
B2	-----
B3	-----
B4	-----
B5	-----
B6	-----
B7	-----
B8	-----
B9	-----
B10	-----
B11	-----
B12	-----
B13	-----
B14	-----
B15	-----

Annex B 1 - Form for project references

(Only one project per sheet, Annex B1, B2, B3 etc)

Project name:
Project location:
Country:
Owner's name:
and address:
.....
Contact person, name:
telephone:, e-mail.....

Was the applying enterprise employed by the
Owner or General Contractor (Tick appropriate box)

If the employer was a General Contractor:
General Contractor's name¹:
and address:
.....
Contact person, name:
telephone:, e-mail.....

Contract value: Owner
General Contractor

Starting date(s): Completion date (s):

General project features:

Type of pipeline(s).....

Length of pipeline:

Inner diameter.....

Maximum inner pressure

Maximum laying depth:.....

Other features:

.....
.....

Letter of acceptance / Declaration of completion / Attestation by the Purchaser of satisfactory execution.

(if not attached to this form the Purchaser may directly request these documents from the Purchaser)

Declaration by the Applicant:

Name:.....Signature :.....Date and location :.....