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Facility of the European Union**

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**OPEN CONTEST REGULATIONS
FOR SUPPLY OF WELL EQUIPMENT FOR
THIRTY WELLS OF INCUKALNS UNDERGROUND GAS STORAGE**

ID NR. “CONEXUS BALTIC GRID” 2019/3

Main CPV code

44160000-9 (Pipeline, piping, pipes, casing, tubing and related items).

Additional CPV code

44164000-7 (Casing and tubing)
76000000-3 (Services related to the oil and gas industry)

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1. GENERAL TERMS

1.1. Purpose

- 1.1.1. The purpose of this open contest (hereinafter – the Contest) is to openly and publicly select a contractor company (hereinafter – the Tenderer) for the qualitative and economically advantageous supply of thirty well equipment for JSC “Conexus Baltic Grid” Incukalns Underground Gas Storage (hereinafter – the Goods).
- 1.1.2. The Joint Stock Company “Conexus Baltic Grid” (registered as Akciju sabiedrība ”Conexus Baltic Grid”), hereinafter – the Contracting Authority, invites Tenderers for the supply of well equipment divided into three Lots:
- Lot No.1:** Supply of well subsurface equipment for Incukalns Underground Gas Storage.
- Lot No.2:** Supply of wellhead equipment sets for Incukalns Underground Gas Storage.
- Lot No.3:** Supply of well tubing for Incukalns Underground Gas Storage.
- 1.1.3. The open contest is co financed within the framework of the Contract No INEA/CEF/ENER/M2018/175201, Action No 8.2.4-0031-LV-W-M-18.

1.2. Organiser of the Contest

- 1.2.1. Contracting Authority: Joint Stock Company “Conexus Baltic Grid”
Unified Reg. No. 40203041605,
6, Briana street, Riga, LV-1001, Latvia
- "Swedbank" AS, LV08HABA0551042978827, HABALV22.
- 1.2.2. The authorized representative of the Contracting Authority who will provide information with regard to the procedure of the Open contest Head of the Procurement Division of the Legal Department of JSC “Conexus Baltic Grid” – Sandris Strazdiņš, phone: +(371) 67087972, mob.phone: +(371) 29511577, email: (sandris.strazdins@conexus.lv) and with regard to the technical requirements in the Contest Documents is th Project manager of Technical Development and Investments Department of JSC “Conexus Baltic Grid”: Kristaps Martinsons, phone: +(371) 28602449, e-mail: (kristaps.martinsons@conexus.lv).

1.3. Type of the Contest

- 1.3.1. The Contest is organised as an open procurement procedure in accordance with the requirements of Law on the Procurement of Public Service Providers.
- 1.3.2. Participation in the Contest is open to any person or a group of persons registered in any country who meets the required qualifying criteria.
- 1.3.3. Participation in the Contest is a demonstration of free volition of Tenderers, based on equal terms and conditions for all Tenderers.

1.4. Instructions for Tenderers

- 1.4.1. Each Tenderer may submit Tenders for performance of one or more Lots. Each Tenderer shall submit only one Tender for each Lot. A Tenderer who submits for one Lot more than one Tender will be disqualified.
- 1.4.2. The Tenderer may submit Tender in compliance with Clause 2 of the contest documents (hereinafter – Contest Regulations) and the requirements of Technical Specifications (Appendix No.1).
- 1.4.3. The Tenderer shall carefully examine the Contest Regulations and shall assume all responsibility for the Tender's compliance with the requirements of the Contest Regulations and its Appendixes.
- 1.4.4. The submission of the Tenders implies clear and outright intention to participate in the Contest and acceptance of terms and conditions of the Contest Regulations. The above-mentioned Tender is legally binding on the Tenderer who submitted it.
- 1.4.5. The submission of the Tender implies the Tenderer's acceptance of all terms and conditions of the Contest Regulations. Any condition in the Tender contrary to the terms set by Contest Regulations may result in the rejection of the Tender.
- 1.4.6. The Tenderer shall bear all costs associated with the preparation and submission of its Tender. The Contracting Authority will in no case be responsible or liable for those costs, regardless of the outcome of the tendering process.
- 1.4.7. In case the Tender is submitted by an unregistered group of persons (association of subcontractors), it shall be clearly stated in the Tender letter and register as a general partnership in accordance with the procedure provided by the law of Latvia no later than before signing the Contract.
- 1.4.8. In case if the Tender is submitted by a group of persons, such group of persons shall jointly fulfil the requirements applicable to the Tenderer, except those requirements stated in Clause 3 as referring to each member of the group of persons individually.
- 1.4.9. Subcontracting is permitted providing that the whole contractual liability remains with the Tenderer. Intention by the Tenderer to sign subcontract with regard to a certain part of the Tender shall be clearly stated in the Tender, as well as the documents confirming the Subcontractor(s) qualification, accordingly Clause 3 has to be provided.
- 1.4.10. The Tenderer is not subject to any circumstances referred to the first paragraph of Article 48 of the Law On the Procurement of Public Service Providers:
 - 1.4.10.1. the candidate, tenderer or person being member of the Board or Council of the candidate or the tenderer, the person entitled for representation or the proctor, or the person entitled for representation of the candidate or the tenderer in activities related to a subsidiary, with an injunction of public prosecutor regarding punishment or court judgment, which has come into force and is no longer disputable, has been found guilty of or has a coercive measure applied for any of the following criminal offences:

a) creating or leading a criminal organisation, involvement therein or in an organised group contained in its composition or other criminal formation or participation in criminal offences committed by such organization,

b) accepting bribes, giving of bribes, misappropriation of a bribe, intermediation in bribery, illegal participation in property transactions, illegal acceptance of benefits, commercial bribery, illegal asking, acceptance or giving of benefits, bargaining with effects,

c) fraud, misappropriation and money laundering,

d) terrorism, financing of terrorism, setting up or organizing a terrorist group, traveling for terrorism, justifying terrorism, calls for terrorism, the threat of terrorism or recruiting or training to carry out terrorist acts,

e) human trafficking,

f) avoidance of tax or evasion of similar payments;

- 1.4.10.2. it has been established that the candidate on the last day of the period for the submission of applications and the tenderer – of the tenders, or on the day when the decision regarding the possible award of a procurement contract has been made, in Latvia or in the country where it is registered or permanently residing, has tax debts (including debts of the State mandatory social insurance payments) which in aggregate exceeds 150 euros in any of the countries. As regards the candidates or the tenderers registered and permanently residing in Latvia, the public service provider shall take into account the information contained in the information system specified by the Cabinet of Ministers at the date of the last updating of data of the State Revenue Service public database of tax debtors and the Immovable Property tax administration system;
- 1.4.10.3. insolvency process has been declared for the candidate or the tenderer, economic activity of the candidate or the tenderer is suspended or the candidate or the tenderer is being liquidated;
- 1.4.10.4. rapport of the procurement procedure documents (official or employee of the public service provider), a member or an expert of the Procurement Commission is related to the candidates or tenderers in the meaning of Article 30, paragraph one or two of the present Law or is interested in selection of any candidate or tenderer, and the public service provider may not be able to resolve this situation by means of less restrictive measures for the candidate or the tenderer;
- 1.4.10.5. the candidate or the tenderer has anti-competitive advantages in the procurement procedure, because they have been involved or their associated legal person has been involved in preparation of the procurement procedure in accordance with Article 22, paragraph three of the present Law, and it cannot be prevented by less restrictive measures, and the candidate or the tenderer is unable to prove that participation of them or their associated legal person in preparation of the procurement procedure does not restrict competition;
- 1.4.10.6. the candidate or applicant with such decision of a competent authority or a court judgment, which has entered into effect and has become indisputable and not subject to appeal, has been found guilty of violation of competition rights manifested as a horizontal cartel agreement, except for the case when the relevant authority, upon determining

violation of competition rights, for cooperation within the framework of the leniency programme has exempted the candidate or the tenderer from fine or reduced the fine;

- 1.4.10.7. the candidate or the tenderer with decision of a competent authority, with an injunction of public prosecutor regarding punishment or court judgment which has come into effect and become non-disputable and not subject to appeal, has been found guilty and punished for an offense in the form of:
- a) employment of one or more persons, if they do not have the required work permits, or they are not entitled to reside in the European Union Member State,
 - b) employment of a person without any written employment contract, by failing within the time period specified in regulatory enactments regarding this person to submit the informative declaration regarding the employees to be submitted regarding the persons who starts their work;
- 1.4.10.8. the candidate or the tenderer has provided false information for confirmation of compliance with the provisions specified in the present Section or the requirements for qualification of the candidates or tenderers specified under the present law or has not provided the requested information;
- 1.4.10.9. partnership member (if the candidate or the tenderer is represented by partnership) shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8. of Regulations.
- 1.4.10.10. the subcontractor indicated by the tenderer, value of the works to be performed or of the services to be provided by whom shall be at least 10 per cent of the total contractual value of the construction works, service or supply shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8. of Regulations.
- 1.4.10.11. the person indicated by the candidate or the tenderer, on whose abilities the candidate or the tenderer is relying in order to certify that the qualification thereof complies with the requirements laid down in notice regarding the contract or in the procurement procedure documents, shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8. of Regulation.
- 1.4.11. Tenders shall be submitted for the full scope of each Lot supply specified in Clause 2.1 of Contest Regulations in accordance to the requirements of Technical Specification (Appendix No.1) filling data in Form of Tender Letter (Appendix No.2) and prices of Tenders indicated in the Forms of Financial Tender – (Appendix No.3).
- 1.4.12. The Contest Regulations and Technical Requirements are prepared in English language, and the Contractor does not provide translation.

2. INFORMATION ON THE SUBJECT OF THE CONTEST

2.1. Subject of the Contest, its Quantitative and Qualitative Characteristics

- 2.1.1. The Subject of the Contest and the subsequent Contract for one, two or all Lots is the supply of well equipment for Incukalns Underground Gas Storage divided into three Lots:

Lot No.1: Supply of well subsurface equipment for Incukalns Underground Gas Storage.

Lot No.2: Supply of wellhead equipment sets for Incukalns Underground Gas Storage.

Lot No.3: Supply of well tubing for Incukalns Underground Gas Storage.

2.1.2. The scope of supply includes the following:

2.1.2.1. For Lot No.1: Supply of 30 sets of well subsurface equipment for Contracting Authority's Incukalns Underground Gas Storage (hereinafter - Incukalns UGS):

- a) Supply of well subsurface equipment (production packers, subsurface safety valves, circulating valves and subs, control panels, and so on);
- b) Supply of special equipment for the installation of above mentioned equipment in the wells of Incukalns UGS (if necessary);

2.1.2.2. For Lot No.2: Supply of 30 (thirty) sets of wellhead equipment for production wells of Incukalns UGS (wellheads, wing valves, master valves, special equipment and subs for the installation of the mentioned equipment).

2.1.2.3. For Lot No.3: Supply of 50 (fifty) pieces of pup joints and 21500 meters (m) of well tubing for Incukalns UGS.

2.1.3. The tendered Goods for all of Lots shall comply with the requirements of the Technical Specifications (Appendix No.1). The Goods shall be marked with labels identifying name and address of the manufacturer, date of manufacturing, identification data of the Goods (series of manufacturing identification, number) the main dimensions, also the minimal and maximal value limits.

2.1.4. All documents of Goods, including:

- a) certificates and technical documentation (descriptions);
- b) tests certificates;
- c) quality conformance certificates;
- d) operational maintenance and assemblage manuals shall be provided in Russian or English languages.

2.1.5. Each Tenderer shall submit only one Tender for each Lot. Alternative Tenders are not allowed.

2.2. Contract Place, Terms and Time of Delivery

2.2.1. Place of delivery: Joint Stock Company "Conexus Baltic Grid", Incukalns Underground Gas Storage, Ragana p/b 16, Krimulda parish, Krimulda region, LV-2144, Latvia.

2.2.2. Terms of delivery – DDP Incukalns Underground Gas Storage (INCOTERMS 2010).

2.2.3. Contracting Authority is **interested** to reach the Goods till **30th September of 2023 in two delivery parts:**

First part – delivery of equipment for 6 wells **till 30th December of 2019;**

Second part - the rest of 24 well equipment **not later than 30 September of 2023, but not less than 6 well equipment until 30 September each year.**

Deliveries of Goods in several parts **are acceptable: (For example):**

First part – delivery of equipment for 6 wells **till 30th December of 2019;**

Second part – delivery of equipment for 6 wells **till 30th September of 2020;**

- Third part** – delivery of equipment for 6 wells **till 30th September of 2021;**
Fourth part – delivery of equipment for 6 wells **till 30th September of 2022;**
Fifth part – delivery of equipment for 6 wells **till 30th September of 2023.**

Or

- First part** – delivery of equipment for 6 wells **till 30th December of 2019;**
Second part – delivery of equipment for 24 wells **till 30th September of 2020.**

2.3. Price of the Tender

- 2.3.1. The price shall be quoted **only in euros (EUR)**. Total price of the Tender and all unit prices shall be quoted in the same currency.
- 2.3.2. Taxes and duties shall be included in the price of the Tender in accordance with the following procedure:
- a) all taxes and duties payable in Latvia and abroad with regard to the performance of the Contract to the place of delivery specified in Sub-Clauses 2.2.1 and 2.2.2 shall be included in the price of the Tender, except for the 21% VAT of the Republic of Latvia, except if the event of Sub-Clause 2.3.2. b);
 - b) If the Tenderer is not a company registered in Latvia or in other EU country, but for the delivery of Goods invites a subcontractor company which is registered in Latvia or the other EU country all taxes and duties payable in Latvia and abroad with regard to the performance of the Contract to the place of delivery specified in Sub-Clauses 2.2.1 and 2.2.2 shall be included in the price of the Bid, including the 21% VAT of the Republic of Latvia, which will be payable to the subcontractor.
- 2.3.3. Prices of Tender shall be indicated in the Tender Letter Form (Appendix No.2) and in accordance with Financial Tender (Forms of Financial Tender (Appendix No.3), completing the forms enclosed herewith. The Tenderer shall submit a separate Financial Tender for each Lot. The Tenderer shall propose full scope of the Goods required for the Lot. Tenders for the part of the required scopes shall not be considered.
- 2.3.4. The Tender price shall be fixed during the period of Tender validity and any extension thereof if such is requested and agreed upon in accordance with Clause 6.2 of the Contest Regulations. (Tender validity).
- 2.3.5. The Contest Committee will evaluate Tender price without Latvian Republic VAT except if the case referred to in Sub-Clause 2.3.2. b).

3. REQUIREMENTS FOR THE TENDERER'S QUALIFICATION AND QUALIFICATION DOCUMENTS

- 3.1. The Tenderer shall comply with the all following qualification requirements and shall submit documents establishing these selection and qualification criteria:

No	Qualification requirements	Document
1)	The Tenderer is registered in the Commercial Register or Company Register in accordance with the	A copy of the company registration certificate or the extract from the Commercial register of the Tenderer's home country, or from equalled registers, accordingly the regulation of the state, where the Tenderer is registered

	requirements of regulatory enactments of his home country.	(only for foreign companies).				
2)	The Tenderer is registered as a tax payer in accordance with the legislation of Tenderer's home country	A copy of the Tenderer's tax payer registration certificate (if applicable).				
3)	The Tenderer has no taxes or social security contributions' debts in the total amount exceeding 150 EUR	Extract from the State Revenue Service (for foreign Tenderer – a statement issued by the respective state revenue authority) confirming that the Tenderer has fulfilled obligations relating to the payment of taxes or social security contributions in the Republic of Latvia or in any other country of his registration.				
4)	The Tenderer has not been declared insolvent or wound up and his business activities have not been suspended or ceased	A statement issued by the Enterprise Register (Commercial Register) (for foreign Tenderer – a statement issued by the respective state institution) confirming that the Tenderer has not been declared insolvent or wound up and his business activities have not been suspended or ceased.				
5)	The Tenderer has not been found guilty of professional misconduct and the Tenderer's officials have not been found guilty for participation in criminal organizations, corruption, fraudulent or money laundering activities.	Declaration signed by the Tenderer attesting that he is not found guilty of professional misconduct and the Tenderer's officials has not been found guilty for participation in criminal organizations, corruption, fraudulent or money laundering activities.				
6)	The Tenderer has not been found guilty of violation of competition rights manifested as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, except for the case when the relevant authority, upon determining violation of competition rights, has released the candidate or Tenderer from a fine.	Declaration issued and signed by the Tenderer attesting that he is not find guilty of violation of competition rights manifested as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, except for the case when the relevant authority, upon determining violation of competition rights, has released the candidate or Tenderer from a fine.				
7)	The Tenderer has an experience of at least 3 years (2016, 2017 and 2018, year 2019 will be taken into account) in the manufacture and/or delivery of goods similar to those required by the Contest Regulations.	Information shall be performed in acc. with the following table:				
		The Contracting Authority	Description of similar projects performed by the Tenderer	Year/month of delivery	Contract amount excl. VAT EUR	The Contracting Authority contact person, name,

	<p>The Tenderer has delivered the Goods required by the Contest Regulations at least one contract during the last 3 years (2016, 2017 and 2018, year 2019 will be taken into account)</p>	<table border="1"> <tr> <td data-bbox="722 140 917 220"></td> <td data-bbox="917 140 1112 220"></td> <td data-bbox="1112 140 1307 220"></td> <td data-bbox="1307 140 1531 220">position, phone</td> </tr> <tr> <td data-bbox="722 220 917 262"></td> <td data-bbox="917 220 1112 262"></td> <td data-bbox="1112 220 1307 262"></td> <td data-bbox="1307 220 1531 262"></td> </tr> </table>				position, phone				
			position, phone							
8)	<p>The offered Goods are produced in accordance the quality assurance system (ISO 9001 or equivalent)</p>	<p>Information shall include last 3 years period.</p>								
9)	<p>The Tenderer has been duly authorized by the manufacturer to supply the Goods in the country of the Contracting Authority, if the Tenderer offers to supply Goods which the Tenderer or its parent company or any of its associated companies does not manufacture or otherwise produce</p>	<p>Copy of the authorization letter or certificate (if applicable).</p>								
10)	<p>For partners and sub-contractors the following requirements have been fulfilled (if applicable):</p> <ol style="list-style-type: none"> 1. Statements of participation in the performance of the Contract signed by the subcontractors. 2. Partners agreements of participation in the performance of the Contract. 3. Each Tenderer partner and sub-contractor response to the requirements of the Sub- Clauses 3.1. 1) - 5) 	<p>The subcontractors documents (if applicable) :</p> <ol style="list-style-type: none"> 1. The list of subcontractors with the following table: <table border="1" data-bbox="738 1071 1477 1218"> <thead> <tr> <th data-bbox="738 1071 933 1186">Name and register number</th> <th data-bbox="933 1071 1477 1186">Scope performed by sub contractor, amount of supplies in EUR without VAT</th> </tr> </thead> <tbody> <tr> <td data-bbox="738 1186 933 1218"></td> <td data-bbox="933 1186 1477 1218"></td> </tr> </tbody> </table> 2. Statements of participation in the performance of the Contract signed by the subcontractors; 3. Partners agreements of participation in the performance of the Contract 4. Documents listed in Sub-Clauses 3.1. 1) - 5) 	Name and register number	Scope performed by sub contractor, amount of supplies in EUR without VAT						
Name and register number	Scope performed by sub contractor, amount of supplies in EUR without VAT									
11)	<p>Confirmation that no international or national sanctions, or substantial sanctions affecting the interests of the financial and capital market imposed by the European Union or the North Atlantic Treaty Organization Member State that affect the performance of this agreement</p>	<p>According to tender letter</p>								

<p>have been imposed with respect to it as a merchant, its Board or Council Members, persons entitled to represent it, or its procurators, or persons entitled to represent it in operations related to the branch office.</p>	
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- 3.2. Statements and other documents, which are issued by the competent authorities of the Republic of Latvia, shall be accepted and recognized by the Procurement Commission, if those have been issued not earlier than 1 (one) month before the date of submission, but the statements issued by foreign competent institutions and other documents shall be accepted and recognized by the Contracting Authority if those have been issued not earlier than six months before the date of submission unless the issuer of statement or document has specified a shorter term of validity thereof.

4. ADDITIONAL INFORMATION REGARDING THE CONTEST

- 4.1. A Tenderer requiring any clarification of the Tender Regulations may send the questions to the Contracting Authority's contact person specified in Sub-Clause 1.2.2 Sandris Strazdins by e-mail or post at any time but no later than 10 (ten) days prior to the deadline for the submission of Tenders. The Contracting Authority shall respond in writing to such requests for clarification within 5 (five) working days, but no later than 6 (six) days prior to the deadline for the submission of Tenders by sending the responses to all Tenderers (without identifying the questioner) by e-mail.

5. PREPARATIONS AND FORM OF THE TENDERS

5.1. Preparation of Tender

- 5.1.1. The Tenderer shall prepare and submit its Tender in accordance with the requirements of the Contest Regulations and Clause 5.3 of the Contest Regulations. Failure to provide all information required by the Contest Regulations or submission of a Tender that, in any respect, does not comply with the requirements of the Contest Regulations shall be at the Tenderer's risk and may result in rejection of its Tender.
- 5.1.2. The Tender Letter and Forms of the Financial Tender shall be signed by the duly authorized person on behalf of the Tenderer. The full name and position of each of persons having signed the Tender shall be indicated below the signature. In case of the Tender being submitted by the group of persons, all persons shall sign it.
- 5.1.3. The Tender shall be submitted in English or Latvian. The documents with the original language other than English and Latvian, shall be submitted in the original language accompanied by the translation attested by the Tenderer in any of the languages of the Tender.

5.2. Tender Security

- 5.2.1. The Tenderer shall submit, together with the Tender, the original Tender Security for each Lot separately in the amount of :

20,000 (twenty thousand) EUR – for the Lot No.1
15,000 (fifteen thousand) EUR – for the Lot No.2
10,000 (ten thousand) EUR – for the Lot No.3.

- 5.2.2. The Tender Security shall be valid for up to 90 (ninety) days after the deadline for submission of Tenders.
- 5.2.3. Tender security shall be submitted in one of the forms:
- 5.2.3.1. as an original of the unconditional bank guarantee for the Applicant, issued by a bank operating in the Republic of Latvia or abroad, in accordance with the template indicated in Annex No. 4. The bank guarantee must be issued and registered in accordance with the legislation of the State where the respective bank is registered;
- 5.2.3.2. as a duplicate bill of the payment order with the seal of the respective bank, which confirms, that the payment has been transferred to the Public Service Provider's account, which is pointed in Clause 1.2. The payment order shall bear in inscription that it is tender security for open contest “;
- 5.2.3.3. a copy of the guarantee insurance policy where the insured is specified as the Customer, which has been issued by an insurance company registered in the Republic Latvia or a foreign country, by attaching a copy of the insurance conditions and the original letter of guarantee issued by the insurer in accordance with the form provided for in Annex 4. In addition, the Applicant shall submit a bank payment order bearing the original seal of the relevant bank, which certifies that the Applicant has made an insurance premium payment in the amount and time limit specified in the insurance policy.
- 5.2.4. The types of the tender security referred to in Clauses 5.2.3.1. and 5.2.3.2. of the Regulations shall include an irrevocable commitment to pay the full amount of security to the Public Service Provider upon its first request if conditions for payment of the tender security laid down in Clause 5.2.7. of the Regulations have come into effect. Any Tender not accompanied by an acceptable original Tender Security or Payment Order for each Lot will be rejected and will not be considered for the evaluation.
- 5.2.5. The tender security must be valid from the tender submission deadline for the entire validity period of the tender set.
- 5.2.6. The original of the Tender Security, or the transfer with the payment order will be returned to Tenderers within 10 days in the following cases:
- 5.2.6.1. to the Tenderers whose Tenders are rejected – after the notice of rejection;
- 5.2.6.2. to unsuccessful Tenderers – after signing the Contract with the successful Tenderer;
- 5.2.6.3. to the successful Tenderer – after the day when the successful Tenderer submits the Contract Performance security;
- 5.2.6.4. to all Tenderers – after sending a notice in case the Tender is cancelled without awarding the Contract;
- 5.2.6.5. if the Tenderer has withdrawn his Tender before the deadline for submission of Tenders, after the submission of notice of withdrawn of Tender.
- 5.2.7. The Tender security shall be withheld if:
- 5.2.7.1. Tenderer withdraws its tender during the validity term of the tender security;

5.2.7.2. Tenderer whose tender is selected according to the award criteria has not signed the contract within the time period, stipulated in Regulations;

5.2.7.3. Tenderer whose tender is selected according to the award criteria has not submitted the security for execution of the contractual obligations stipulated in the Negotiation Regulations within the term, which is set in Regulations.

5.2.8. The requirement laid down in article 5.2.7.2. of the Regulation also applies to the Applicant having the next best result (the next lowest price tenderer), which the provider of public services is entitled to conclude an agreement with.

5.2.9. If a bank guarantee is submitted as the Tender Security (in compliance with Clause 5.2.3.1 of the Regulations), the original bank guarantee shall be submitted to the Public Service Provider or sent by post by the term defined by Clause 6.1.1. of the Regulations.

The address for submission or delivery by post:

Joint Stock Company "Conexus Baltic Grid"

6, Briana street, Riga, LV-1001, Latvia (*"Submission of procurement offers, documents, mail"*).

5.3. Content of Tender

The Tender shall contain the following documents and information:

5.3.1 **Tender Letter** The Tender Letter shall be in the form attached to the Contest Regulations (Appendix No.2) and signed in accordance with Sub-Clause 5.1.2 of the Contest Regulations. The Tender Letter shall be accompanied by an extract from the Company Register, company's statutes or the original power of attorney, which gives rights to sign the Tender.

5.3.2. **Original Tender Security** for each Lot in accordance with Clause 5.2 of the Contest Regulations(Appendix No.4)

5.3.3. **Qualification documents** listed under Clause 3 establishing the Tenderer's and subcontractor's qualification and eligibility.

5.3.4. **Financial Tender** for each Lot– in accordance with requirements stated in Clause 2.3 and Appendix No.3 (Forms of Financial Tender).

5.3.5. **Technical Tender** for each Lot – including, as a minimum:

5.3.5.1. detailed time schedule for the supply of Goods and Delivery conditions;

5.3.5.2. technical specification of Goods and copies or samples of Quality certificates of Goods;

5.3.5.3. operation characteristics of the Goods;

5.3.5.4. operating manuals for each item;

5.3.5.5. warranty terms and conditions.

5.3.6. The Tender shall start with the list of contents listing all the included documents. The documents shall follow the sequence specified under Clause 5.3.

5.4. Form of Tender

5.4.1. The Tender must be submitted electronically to the Electronic Procurement System (www.eis.gov.lv, hereafter referred to as the EIS) in the e-Competition Subsystem, subject to the following Tenderer's choices:

- 5.4.1.1. using the tools provided by the EIS e-Tendering Subsystem by completing the EIS subsystems in the format of this procurement section;
- 5.4.1.2. electronically filled out documents electronically preparing outside the EIS competition subsystems and uploading systems to relevant sites completed PDF forms, incl. in form of files (in this case the applicant is responsible for the compliance of the forms to be filled with the documentation requirements and shape samples).
- 5.4.2. Only Tenders submitted to the EIS e-Tendering Subsystem will be accepted and evaluated for participation in the procurement procedure. Tenders submitted outside of the EIS e-Tendering Subsystem will be considered inappropriately submitted and will not participate in the procurement procedure.
- 5.4.3. When preparing the Tender, the Applicant shall observe that:
 - 5.4.3.1. Tender proposal letter, technical and financial offer must be completed, using the electronically available templates (forms) EIS e-Tender subsystem;
 - 5.4.3.2. By submitting an offer, the Applicant signs it using the EIS incorporated signing tool or electronic signature corresponding to the Republic of Latvia regulatory enactments regarding electronic documents and electronic signatures status;
 - 5.4.3.3. The offer must be prepared in such a way that the EIS e-competition is not jeopardized in any way the operation of the subsystem and would not have limited access to the offer information, including the offer must not contain computer viruses and other harmful software or their generators.
- 5.4.4. The Tenderer, in order to prove compliance with the qualification requirements, may submit the European single procurement procedure documents (ESPD), by completing only the ESPD document sections related to confirming of compliance with the requirements set forth by the Regulations (form available at website <https://ec.europa.eu/tools/espd/filter?lang=lv>).
- 5.4.5. If the Tenderer has selected to submit ESPD, they shall submit this document also for each person on whose abilities they are based, in order to certify that their qualification complies with the requirements set forth by the Regulations, and for each subcontractor (if any will be involved), the value of the services to be provided by whom is amounting to at least 10 (ten) per cent of the proposed value of a framework agreement. The association of suppliers shall submit a separate ESPD regarding each its member.
- 5.4.6. The Tenderer may submit ESPD, which has been submitted in another procurement procedure.

6. SUBMISSION OF TENDER

6.1. Submission of tender

- 6.1.1. Place and time for submission of Tenders, opening the Tenders the Tenderer must submit the Tender and the documents until **17 June 2019 at 10:00 a.m.** (Latvian time) in the EIS e-Tendering subsystem.
- 6.1.2. The submitted offers will be opened in the EIS e-Tendering Subsystem on **17 June 2019 at 10:01 a.m.** (Latvian time) immediately after the deadline for submission.
- 6.1.3. The process of opening the submitted offers in an electronic environment is open and can be followed up online in the EIS e-Competition subsystem, as well as after the opening of

tenders in the EIS e-Competitions subsystem, applicants can familiarize themselves with the results of the opening of tenders. Amendment and Revocation of the Tender.

6.2. Tender Validity

- 6.2.1. Tender shall remain valid for 90 days after the deadline for the submission of Tender specified in Sub-Clause 6.1.1. Tender with shorter period of validity shall be rejected. The Tender shall remain binding upon the Tenderer during the entire validity period of the Tender.
- 6.2.2. In exceptional circumstances the Contracting Authority may request the Tenderers to extend the period of the Tender validity for a specified period of time. The Tenderer vested by the extension will not be permitted to modify his Tender, Tender prices or content. If the Tenderer agrees to extend the period of the Tender validity, the validity period of the Tender Security shall be extended accordingly, otherwise the Tender will be rejected.

6.3. Amendment and Withdrawal of Tender

- 6.3.1. The Tenderer may without forfeiture of the Tender Security modify or withdraw his Tender, provided that written notice of the amendment and withdrawal is received by the Contracting Authority prior to the deadline for the submission of Tenders. Any amendments to the Tender or notices of withdrawal received after the deadline for the submission of Tenders or any extension thereof will not be taken into account.
- 6.3.2. The Bid's modification or withdrawal notice shall be prepared, marked and submitted in the same way as the Tender marked respectively as "**Tender Amendment**" or "**Tender Withdrawal**".

7. TENDER SELECTION CRITERIA AND PROCEDURE

7.1. Procedure for the Selection of Tenders

- 7.1.1. The content and evaluation of Tenders is a trade secret and Tenders' evaluation process respects the principle of confidentiality. Only members of the Contest Committee, as well as experts invited, are permitted to take part in the Tenders' evaluation.
- 7.1.2. The Contest Committee shall carry out the evaluation of the Tenders in the following procedure:
 - a) examination of the Tenderers' qualification and conformity of the Tenders in accordance with Clause 7.2;
 - b) technical evaluation of the Tenders in accordance with Clause 8.1;
 - c) financial evaluation of the Tenders in accordance with Clause 8.2;
 - d) final evaluation of the Tenders in accordance with Clause 8.3.
- 7.1.3. During the Tender evaluation, the Contest Committee has the right to ask any Tenderer:
 - a) to provide a written clarification of its Tender. The Tenderer shall send replies to such requests to the Contracting Authority by e-mail by the date and time specified in the request;
 - b) to attend a clarification meeting in order to specify the Tender details.

7.2. Examination of the Tenderers' Qualification and Conformity of the Tender

- 7.2.1. Prior to the Tender evaluation, the Contest Committee shall assess Tenderers' qualification and Tenderers' compliance by examining the documents submitted in accordance with Clause 3. The Contest Committee shall reject any Tenderer without further evaluation of its

Tender if the Tenderer is acknowledged noncompliant or not sufficiently qualified for the performance of the Contract.

7.2.2. Prior to the Tender evaluation the Contest Committee shall also check whether each Tender complies with the requirements of the Contest Regulations and whether the Tender Security has been enclosed. The Tender shall be considered substantially responsive, if it complies, without essential deviation, with the terms and conditions of the Contest Regulations. The Tenders acknowledged by the Contest Committee as non-compliant or without the Tender Security furnished in accordance with the Contest Regulations or lacking other required documents or information shall be rejected without further evaluation.

7.2.3. The Contest Committee will evaluate each Tender, except of those rejected under Sub-Clauses 7.2.1 and 7.2.2 on the basis of the criteria specified in Clause 7.3 of the Contest Documents.

7.3. Evaluation criteria

The Contract shall be awarded to the economically most advantageous Tender for each separate Lot, in accordance with the following evaluation criteria:

Evaluation criteria	Weight %
Tender price	40
Technical criteria	60
Compliance of Goods with the Technical Specifications and Technical Tender conformity to Clause 5.3.4 of Contest Regulations	50
Warranty terms	10
Total weight	100

8. EVALUATION OF THE TENDERS

8.1. Technical evaluation

8.1.1. The Tender compliance with the Technical Specifications and Technical Tender conformity to Clause 5.3.4 of Contest Regulations will be evaluated by awarding grades:

- 10 The technical and operation characteristic of the Goods are excellent (better than Technical Specification required) and the Technical Tender prepared according to Clause 5.3.4 of Contest Regulations;
- 7-9 The Goods are the good quality and in accordance with the requirements of Technical Specification and the Technical Tender prepared according Clause 5.3.4 of Contest Regulations;
- 4-6 The Goods are the good quality and in accordance with the requirements of Technical Specification and the Technical Tender is prepared with derogations from Clause 5.3.4 of Contest Regulations;
- 1-3 The quality of Goods is the satisfactory quality or has derogation(s) from scope, and Technical Tender is prepared with derogations from Clause 5.3.4 of Contest Regulations;
- 0 The quality and/or operational data of Goods are unsatisfactory - lower than the required level. Scope of the Goods does not comply with Contest Regulations. Technical Tender was not prepared according Clause 5.3.4 of Contest Regulations.

- 8.1.2. The above-mentioned score of Tender compliance with the Technical Specifications and Technical Tender conformity to Clause 5.3.4 of Contest Regulations will be calculated as follows:

Score of Tender compliance with the Technical Specifications = grade * weight of the criterion / 10

e.g. $9 * 50 / 10 = 45$ (of the maximum score 50)

- 8.1.3. Warranty Terms are evaluated by awarding the scores for the proposed warranty time:

10	5 or more years after delivery
9	more than 3,5 years to less than 5 years
8	at least 3,5 years after delivery
7	more than 2,5 years to less than 3,5 years
6	at least 2,5 years after delivery
4	at least 2 years after delivery
2	more than 1 year to less than 2 years after delivery (except subsurface equipment)
1	1 year after delivery (except subsurface equipment)

A Tender with no Warranty is not accepted and will be rejected.

- 8.1.4. Scores of technical criteria of each Tender will be summed up, and the Tenders with less than 60% of the maximum technical criteria score (i.e., less than 36 of the maximum score of 60) shall be rejected as technically not acceptable and shall not be evaluated financially. If none of the Tenders has obtained the minimum technical criteria score, i.e. 30, the Contracting Authority reserves the rights to reject all Tenders.

8.2. Evaluation of Tender price

- 8.2.1. The Tender price will be increased or decreased by the following amounts:
- a) corrections of arithmetic errors as described below;
 - b) scope of supplies included in the Tender price might be corrected, during the Tender evaluation by the Contracting Authority.
- 8.2.2. The Contest Committee will check the Tenders for arithmetic errors and correct them as follows:
- a) if the total price of the cost item will differ from the unit price multiplied with the quantity of units, the total price of the cost item will be corrected;
 - b) if the total price will differ from the sum of cost items, the total price will be corrected.
- 8.2.3. The Tenderer shall confirm in writing the corrections of arithmetic errors made by the Contest Committee and the new prices will be regarded as binding on the Tenderer. If the Tenderer does not accept the correction of errors pursuant to the procedure above, the respective Tender will be rejected.
- 8.2.4. When evaluating the Tender price, the price exclusive of the 21% VAT payable in the Republic of Latvia will be considered. The Tender price will be evaluated as follows: the Tender with the lowest price will be awarded the maximum score (equal to the weight of criterion), but the score of the other Tenders will be determined as a proportion in relation to the lowest cost:

Lowest price / price of Tender "N" x 40

8.2.5. Advance payment in the amount of 30% for every delivery part of the Goods is acceptable.

8.3. Final evaluation

8.3.1. Total score will be calculated as follows:

$$\text{Total score} = \text{Total score of technical criteria} + \text{Total score of Tender price}$$

8.3.2. The Contest Committee shall award the Contract to the Tenderer whose Tender is determined as the most advantageous as having obtained the highest total score for each separate Lot.

8.3.3. The Contest Committee is not bound to award the contract to the Tender with the lowest Tender price.

8.3.4. The Contest Committee reserves the right to cancel the contesting process at any time prior to the deadline for submission of Tenders, or terminate the Contest without awarding the Contract prior to the signing of the foreseen Contract with the successful Tenderer, without thereby incurring any liability to the Tenderers.

8.3.5. If only one Tender is submitted, the Contest Committee shall decide whether it is responsive and advantageous and whether it is possible to award the contract to the sole Tenderer.

8.3.6. If none of the Tenders submitted complies with the requirements of the Contest Regulations, the Contract Authority will take a decision to terminate the Contest.

8.3.7. All Tenderers shall be notified about the Contest results in written content sent by e-mail.

9. CONTRACT NEGOTIATIONS AND SIGNING OF CONTRACT

9.1. The Contracting Authority will invite the successful Tenderer in each Lot to the Contract negotiations. Should the Contract negotiations prove unsatisfactory, the Contracting Authority reserves the rights to invite the next highest ranked Tenderer to the Contract negotiations or decide to close the Contest without awarding the Contract.

9.2. The Contracting Authority may, upon signing of the contract with the successful Tenderer, decrease or increase the scope of procurement by up to 20% of the price or scope of the Tender without changes in unit prices.

9.3. The main contract conditions included in the Contest Regulations (Appendix No 5) shall be included in the Contract Project (Appendix No 7).

9.4. The successful Tenderer shall, within the period of 30 days after receiving by email official letter from Contracting Authority of result of Contest, sign the Contract with the Contracting Authority.

9.5. If the successful Tenderer wants to receive the advance payment, it shall after signing the Contract, furnish to the Contracting Authority the advance payment security in the amount of the sum of advance payment. The advance payment security shall be in the form of a bank guarantee (Appendix No.6) issued by a reputable bank acceptable to the Contracting Authority and located in Latvia or abroad. The received advance payment guarantee is the premise for the payment of advance payment.

- 9.6. If the Tender is submitted by only one Tenderer, who has also been recognized as the winner of the Contest and is a recognized low-tax or tax-free countries or territories registered merchant or foreign operators, which is a related company with the Contract Authority according of the Law "On Corporate Income Tax", before the Contract is concluded successful Tenderer shall be obliged to submit information on the transfer price basis and a justification of the transaction (price) correlation to the market price (value).
- 9.7. If a merchant or foreign operator has been recognized as the winner of the Contest, developing a permanent representation office for the purpose of Tax Convention or the Law "On taxes and duties", the successful Tenderer shall be obliged to submit all the necessary supporting acknowledgements requested by the Contracting Authority associated with the permanent representation.
- 9.8. If a merchant or foreign operators recognized as the winner of the Contest is not European Union Member State Resident, and it is prescribed to involve into fulfilment of the Tender the European Union Member State Resident (including Resident of the Republic of Latvia) as a subcontractor, the purchase agreement will include a Clause, that the subcontractor draws up the invoice for the subcontractor dispatched Goods to the Contracting Authority.
- 9.9. If the successful Tenderer fails to sign the Contract in accordance with Sub-Clause 9.4 of the Contest Documents, the Contracting Authority reserve the right annul the results of the Contest and withhold the Tender Security.
- 9.10. In the cases mentioned under Sub-Clause 9.6 of the Contest Documents, the Contracting Authority reserves the rights to award the Contract to the next highest ranked Tenderer or decide to close the Contest without awarding the Contract.

10. CONFIDENTIALITY

- 10.1. Information related to the number and names of the Tenderers shall not be disclosed until the Tender opening. Contents of the Tenders and Minutes of the Contest Committee's meetings is a trade secret and shall not be disclosed to other Tenderers or third parties.
- 10.2. All information and specifications included in Appendix No.1 of the Contest Regulations are confidential. The Tenderer shall not, without a prior written consent of the Contracting Authority, disclose them to any other person, except for cases specified in the regulatory enactments of the Republic of Latvia. If this third person participates in the Tender, disclosure of the information and specifications is permissible to the extent necessary for the performance of contractual obligations.

11. TENDERER'S RIGHTS TO SUBMIT A COMPLAINT

- 11.1. The Tenderer may submit a complaint about any activity or decision of the Contracting Authority with regard to the contesting process, in accordance with the procedure established by the Law on the Procurement of Public Service Providers of the Republic of Latvia.

Head of Procurement Committee,
Head of Procurement Division
of JSC "Conexus Baltic Grid"

S. Strazdins

Appendix No.1

to the Open Contest Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage

TECHNICAL SPECIFICATIONS

Lot No. 1

Supply of well subsurface equipment for Incukalns Underground Gas Storage.

1. Goals and objectives:

- 1.1. The delivery of well subsurface equipment (production packers, subsurface safety valves (SSSV), circulating valves, and subs (See point 3)).
- 1.2. Training of Incukalns Underground Gas Storage personnel of the ways on assemblage of the above-named well subsurface equipment (if necessary).
- 1.3. The delivery of special equipment for the installation of above mentioned equipment in the wells of Incukalns UGS (if necessary).

Equipment description:

- **Mechanical (tension) retrievable production packers** have to be installed above the production layer, and used for a durable separation and isolation of the wells annulus zones, situated higher and lower of the packer.
- **Circulating valves** are used for the connection of the inner cavity of the well tubing's with the annulus of the well production casing.
- **Subsurface safety valves** are used for shutting down emergency gas fluid jet during the well operation process.
- **Cross over's and Pup joints** used for ensuring the possibility to insert the production packer, circulating valve and sand screen in a set of the well tubing.

2. Operational requirements:

2.1. Operating environment:

- Natural gas composition (see Table No.1)
- Ambient temperature from -40°C to $+35^{\circ}\text{C}$ (for control panels).
- Protection (killing) liquid used when well repairs (industrial waters, drilling waters, formation waters, calcium chloride solution and biological polymers).
- Formation waters. The formation layer-collector contains formation waters chlorine/calcium type with the total mineralization from 95 till 106g/l, with the increased quantity of iodine, bromine and boron.

$$M_{101} = \frac{Cl99}{Na70Ca18Mg11} ; \text{Water temperature from } 21^{\circ}\text{C} - 23^{\circ}\text{C}, \text{ water specific gravity: } 1,066 - 1,073 \text{ g/cm}^3.$$

2.2. Natural gas composition:

Table No. 1

Component parts	Value, of volume	Component parts	Value, of volume
Methane (CH ₄)	97,282%	Hexane	0,011%
Ethane (C ₂ H ₆)	1,194%	Carbon dioxide	0,049%
Propane (C ₃ H ₈)	0,403%	Nitrogen	0,859%
<i>i</i> -Butan (i-C ₄ H ₁₀)	0,075%	Oxygen	0,0037%
Butane (n-C ₄ H ₁₀)	0,097%	Hydrogen sulphide	0,0189mg/m ³
<i>i</i> -Pentane (i-C ₅ H ₁₂)	0,017%	Ethyl mercaptan	0,0302 g/m ³
Pentane (n-C ₅ H ₁₂)	0,013%	Total sulphur	0,1388 mg/m ³

3. Technical requirements for the delivery of the well subsurface equipment:

No	Subsurface equipment completion schedule for production wells casing 6 5/8" and tubing 4 1/2" (from top to bottom):
1	2 7/8" Tubing (not included in the delivery);
2	2 7/8" Flow coupling box 2 7/8" to 4 1/2" tubing;
3	SSSV + control panel with field installation materials;
4	2 7/8" Flow coupling;
5	Cross over from 2 7/8" Flow coupling to box 4 1/2" tubing (not included in the delivery, gas tight thread type will be given);
6	4 1/2" tubing (not included in the delivery, gas tight thread type will be given);
7	Cross over 4 1/2" box to 2 7/8" sliding sleeve;
8	Circulating valves (sliding sleeve);
9	6 5/8" Production, mechanical retrievable packer;
10	2 7/8" Pup joint;
11	2.313" × 2 7/8" XN nipple;
12	2 7/8" Pup joint;
13	2 7/8" WLEG

3.1. Mechanical production packer technical parameters:

Table No. 2

No	Name	Parameters
1	Type of packer	Mechanical (Tension) production, retrievable only
2	Material	Steel L-80
3	Casing diameter	6 5/8"
4	Casing walls thickness	7.8÷12 mm(6 5/8")
5	Diameter of a pass (tubing hanger with 2 1/2" BPV thread)	Not less than 2.313"
6	Minimal and maximal gas pressure in a zone of packers operation	3,0÷10.7 MPa
7	Maximal packers differential pressure	not less than 21,0 MPa (API 3 000 psi)

8	Maximum working temperature for the packing packer element	45°C
9	Maximum allowed tension axle packing	Not less than 500 κH
10	Well tubing's conditional diameter in packers set	4 ½"
11	Connecting threads	gastight
12	Maximal packers installation depth	800 m

3.2. Technical parameters of the circulating valves:

Table No. 3

No.	Name	Parameters
1	Type of circulating valve	Slickline operated
2	Material	Steel L-80
3	Conditional casing diameter	6 ⅝"
4	Casing walls thickness	7.8÷12 mm(6 5/8")
5	Diameter of a pass	Not less than 2.313"
6	Tubing hanger internal diameter	2 ½"BPV thread
7	Conditional well tubing's diameter in a set of circulating valve	4 ½"
8	Connecting threads	Gastight, according to the SSSV, packer and circulation valves threads, and will be confirmed after the qualification of the winner of the tubing delivery Lot
9	Maximal circulating valve installation depth	800 m

3.3. Technical parameters of the cross over, flow coupling, pup joint and safety joint:

Table No. 4

No.	Name	Parameters
1	Material	Steel L-80
2	Maximum allowed tension axle packing	not less than 500 κH
3	Conditional diameter of well tubing's in a set	4 ½"
4	Diameter of a pass	Not less than 2.32"
5	Connecting threads	Gastight, according to the SSSV, packer and circulation valves threads, and will be confirmed after the qualification of the winner of the tubing delivery Lot

3.4. Technical parameters of subsurface safety valves:

Table No. 5

№.	Name	Parameters
1	Type of SSSV valve	Flapper, wireline, retrievable
2	Conditional tubing diameter	4 ½"
3	Connecting threads	gastight
4	Casing diameter	6 ⁵ / ₈ "
5	Diameter of a pass	Not less than 2. 313"
6	Minimal and maximal gas pressure in a zone of SSSV operation zone	3,0÷10.7 MPa
7	Maximum working temperature for SSV	45°C
8	Ambient temperatures for control Panel	from -40 ⁰ C till +35 ⁰ C

- 3.5. Subsurface equipment set has to have the ability to be installed with the 50 tons workover rig.
- 3.6. Subsurface equipment has to correspond to the requirements of the standards of API Specifications Q1, 14A, 14L and LVS EN ISO 28781:2011.
- 3.7. Connecting threads type: VAGT, TPS TECHNISEAL or VAM TOP it will be confirmed after the qualification of the winner of the tubing delivery Lot.
- 3.8. Warranty period for the subsurface equipment has to be not less than 24 months after installation and not less than 60 months from the date of manufacturing.

4. Scope of supply:

- 4.1. The delivery of 30 sets of well subsurface equipment (without sand screens) with SSSV and SSSV's control Panels for casing 6 5/8".
- 4.2. Field installation materials (fitting set for connecting the wellhead, SSSV, and tubing hanger; ½" control line- 1000 m on the drum; 3/8" control line- 4 m - 100 pieces).
- 4.4. Spare parts - the sealing elements have to be included – 2 sets for 6 5/8" casing packers, 2 sets for circulating valves, 2 sets for control panel.

5. Documentation:

- 5.1. Technical description for each type of the supplied equipment.
- 5.2. Tests certificates.
- 5.3. Quality conformance certificates.
- 5.4. Operation and assemblage engineering instruction in Russian or English language.

The subsurface equipment before installing it into the well has to be checked for the functionality under the professional control and leadership of the winner of the Open Tender. The manufacturer of the elements of the subsurface equipment is responsible for the correct functionality of a set of equipment. The well completion company using the slick line technique, and using the 50 tons workover rig will do the assemblage of the equipment.

If the special equipment for the assemblage is demanded, it has to be offered by the manufacturer of the equipment.

TECHNICAL SPECIFICATIONS**Lot No. 2****Supply of wellhead equipment for Incukalns Underground Gas Storage.****1. Objectives and tasks:**

To supply 30 sets of wellhead equipment, including 30 casing heads and 30 sets of Christmas trees (Wellheads with tubing spool, master gate valves and wing valves) for production wells of Incukalns Underground Gas Storage.

2. Operating conditions:

2.1. Climatic conditions:

- ambient temperatures from -40°C to $+35^{\circ}\text{C}$,
- maximum air humidity - 89%.

2.2. Wellbore environment:

- natural gas (see Table No.1),
- Protection (killing) liquid used when well repairs (industrial waters, drilling waters, formation waters, calcium chloride solution and biological polymers).

Natural gas composition (components):**Table No. 1**

Components	Value, % of volume	Components	Value %
Methane (CH_4)	97,282%	Hexane	0,011%
Ethane (C_2H_6)	1,194%	Carbon dioxide	0,049%
Propane (C_3H_8)	0,403%	Nitrogen	0,859%
<i>i</i> -Butan ($\text{i-C}_4\text{H}_{10}$)	0,075%	Oxygen	0,0037%
Butane ($\text{n-C}_4\text{H}_{10}$)	0,097%	Hydrogen sulphide	0,0189 mg/m^3
<i>i</i> -Pentane ($\text{i-C}_5\text{H}_{12}$)	0,017%	Ethyl mercaptan	0,0302 g/m^3
Pentane ($\text{n-C}_5\text{H}_{12}$)	0,013%	Total sulphur	0,1388 mg/m^3

3. Technical requirements and scope of supply.

3.1. Assembling set description for wells: See wells casing program 9-5/8" x 6-5/8" x 2-7/8" (Attachment 1.1):

Table No. 2

No.	The name of the Item supplied	Parameters	Q-ty.
	1. One-flanged casing head in a set assembly, in its amount fastening studs and nuts, and ring gaskets		

No.	The name of the Item supplied	Parameters	Q-ty.
1.1.	One-flanged casing head in assembly		
	Protecting casing	9 ⁵ / ₈ "	30 sets
	Production casing	6 ⁵ / ₈ "	30 sets
	Production string hanging type	segmented slips with retention features (max. installation load of casing 8t) and the ring gasket with the packoff (pressure testing) possibility on both directions	
	Upper flange marking	11"-3000 psi	
	Connection of casing head	Threaded (type LTC, API 5CT)	
1.2.	Gate valves slab style	Gate valves with sealing "metal to metal" 2 ⁹ / ₁₆ "-3000 psi	30 pcs.
	Valves Operation	Manual	
2. Christmas tree (Wellheads with tubing spool, master valves and wing valves)			
No.	The name of the Item supplied	Parameters	Q-ty.
2.1.	Tubing spool with casing hanger slip style, in its amount fastening studs, nuts and ring gaskets.	11"-3000×7 ¹ / ₁₆ "-3000 psi	30 sets
	Studded side outlets		
	Flanges marking accordingly API	2 ⁹ / ₁₆	
	- low	11"-3000 psi	
	- upper	7 ¹ / ₁₆ "-3000 psi	
- side	2 ⁹ / ₁₆ "-3000 psi		
2.2.	Tubing hanger for gastight tubing (VAGT, VAM TOP) 2 1/2" with 2 1/2" BPV thread	With control channel for safety valves control line	30 sets
	Cross-over 2 ⁷ / ₈ " × 2 ⁷ / ₈ "	Pin x pin API non upset (NU) gastight joint (Connecting threads type will be confirmed after the qualification of the winner of the tubing delivery Lot)	30 pcs.
2.3.	Tubing spool adapter, in its amount fastening studs, nuts and ring gaskets		30 sets
	Working pressure	3000 psi	
	Low flange marking accordingly API	7 ¹ / ₁₆ "-3000 psi	
	Upper flange marking accordingly API	2 ⁹ / ₁₆ "-3000 psi	
2.4.	Tee studded, in its amount fastening studs, nuts and ring gaskets.		30 sets
	Flanges marking accordingly API		
	- low	2 ⁹ / ₁₆ "-3000 psi	

No.	The name of the Item supplied	Parameters	Q-ty.
	- upper	2 ⁹ / ₁₆ "-3000 psi	
	- side	2 ⁹ / ₁₆ "-3000 psi	
2.5.	Top connectors	2 ⁹ / ₁₆ "-3000, with NPT 1/2" thread	120 pcs.
2.6.	Gauge valves – three-way	NPT 1/2"	120 pcs.
2.7.	Welding neck line pipe flanges (for pipeline 89×8mm)	2 ⁹ / ₁₆ "-3000 psi	30 pcs.
2.8.	Gate valves slab style	Gate valves with sealing "metal to metal" 2 ⁹ / ₁₆ "-3000 psi	150 pcs.

3.2. Oil - gas assortment materials for well hook up (piping)

Table No. 3

No.	The name of Item	Parameter	Q-ty.
1.	Reducers, welded, 168 x89x8mm	Standard: EN/ISO	30 pcs.
2.	Angle bars, welded, 89x8mm (angle 60°)	Standard: EN/ISO	70 pcs.
3.	Seamless, electrically welded pipe 89mm x 8 mm	Standard: EN/ISO	150 m

3.3. Spare parts

Table No. 4

No.	The name of Item	Parameter	Q-ty.
1.	Tubing hanger seal	Seal type- S-SEAL and SEAL PACKOFF (top and bottom)	6 sets
2.	Casing head seal	Rubber sealing	6 sets

All equipment, excluding the 3.2. clause mentioned equipment, have to correspond to the standard requirements for wellhead equipment EN ISO 10423 or analogues API 6A in its amount:

- nominal pressure class : 3000 psi (21 MPa);
- temperature class API-L (-45°C to +82°C);
- material category accordingly EN ISO 10423 (H₂S-containing environments);
- quality requirements PSL1 and higher;
- christmas tree and wellhead body have to be made by forging;
- test procedure has to correspond with EN ISO 10423;
- installation position on ground;
- equipment has to be protected from atmospheric precipitation by a painting primer for metal;
- christmas tree valves have to allow changing the valve piston stem sealing under the gas pressure.
- Clause 3.2. mentioned equipment have to correspond to the standards EN-1594:2013, ISO 13623:2017, and ISO 3183:2012

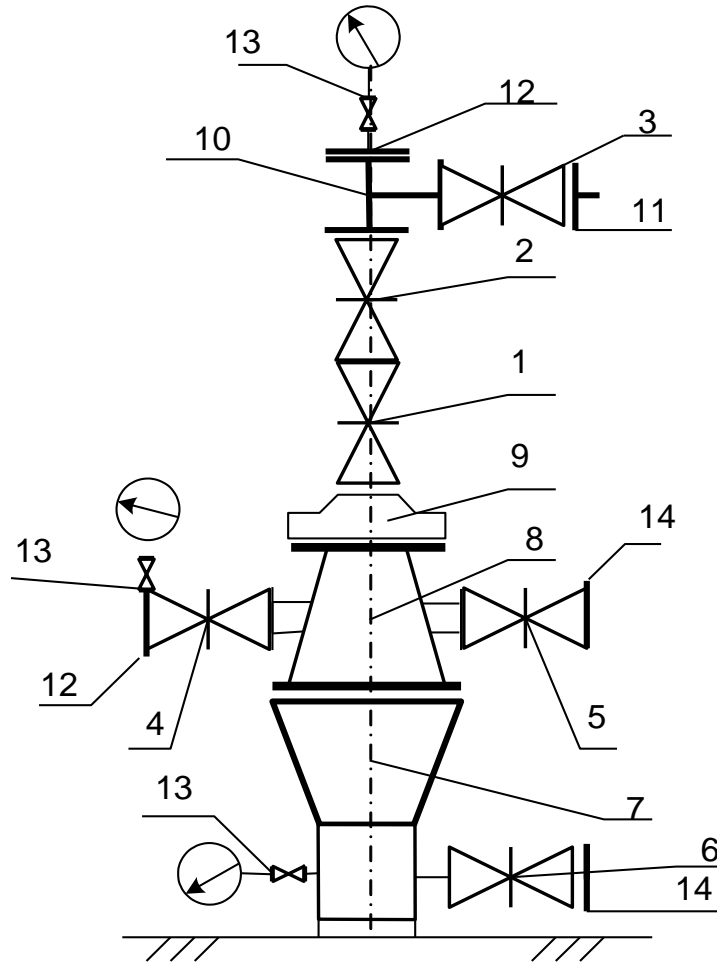
The acceptance of the equipment after the tests performed, have to be made at the manufacturer's site in the presence of the Employer.

4. Documentation / certificates:

1. Material Quality conformance certificates (accordingly EN ISO 10423).
2. Test reports (accordingly EN ISO 10423).
3. Certificate of Compliance to EN ISO 10423.
4. Certificates 3.1.B according to EN ISO 10204 for 3.2. clause.
5. Operation and assemblage engineering instruction in Russian or English language.

Attachment No.1.1.

Scheme of production wells wellhead hook up (completion) per one well



No.	Item	Q-ty.
1.	Master gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
2.	Gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
3.	Gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
4.	Master gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
5.	Master gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
6.	Gate valve 2 ⁹ / ₁₆ " -3000psi	1 pc.
7.	One-flanged casing head	1 set

8.	Christmas tree casing head	1 set
9.	Tubing head adapter	1 pc.
10.	Tee studded 2 ⁹ / ₁₆ "-3000psi x 2 ⁹ / ₁₆ "-3000psi x 2 ⁹ / ₁₆ "-3000 psi	1 pc.
11.	Welding neck line pipe flange	1 pcs.
12.	Top connector	2 pcs.
13.	Gauge valve(three-way)	3 pcs.
14.	Top connector	2 pcs.

TECHNICAL SPECIFICATIONS

Lot No. 3

Supply of well tubing for Incukalns Underground Gas Storage.

1. Objectives and tasks:

To supply the production wells of Incukalns UGS with new tubes as they are foreseen for wells technical equipping.

2. Well tubing technical characteristics:

- 2.1. The diameter of well tubing with coupling: **Ø 114,3 mm (4 ½")** and **Ø 73 mm (2 7/8")**,
- 2.2. Well tubing steel grade: **J 55**;
- 2.3. The thickness of the well tubing's walls: **Ø 114,3 mm (4 ½") - 6.88 mm**; **Ø 73 mm (2 7/8") - 5.51 mm**.
- 2.4. Well tubing thread type; **gastight joint (VAGT, TPS TECHNISEAL or VAM TOP)**;
- 2.5. Well tubing's length range: **8,5m ÷ 9,5m (Range 2)**;
- 2.6. Pup joints: **2,0 m**.

3. Wellbore environment:

- Natural gas (see Table No.1);
- Protection (killing) liquid used when well repairs (industrial waters, drilling waters, formation waters, calcium chloride solution and biological polymers).

Natural gas composition:

Table No.1

Components	Value of volume	Components	Value of volume
Methane (CH ₄)	97,282%	Hexane	0,011%
Ethane (C ₂ H ₆)	1,194%	Carbon dioxide	0,049%
Propane (C ₃ H ₈)	0,403%	Nitrogen	0,859%
<i>i</i> -Butane (i-C ₄ H ₁₀)	0,075%	Oxygen	0,0037%
Butane (n-C ₄ H ₁₀)	0,097%	Hydrogen sulphide	0,0189mg/m ³
<i>i</i> -Pentane (i-C ₅ H ₁₂)	0,017%	Ethyl mercaptan	0,0302 g/m ³
Pentane (n-C ₅ H ₁₂)	0,013%	Total sulphur	0,1388 mg/m ³

4. Scope of supply:

Well tubing with coupling: **Ø114, 3mm (4 ½ ") - 21 000 m (Range 2)**

Well tubing with coupling: **Ø73mm (4 ½ ") - 500 m (Range 2)**

Pup joints: **2 7/8" - 2m" - 50 pcs.**

4.1. Documentation/Certificates:

4.1.1. Well tubing assemblage instruction;

4.1.2. Tubing material Quality conformance certificates, metallic products inspection certificates (accordingly EN ISO 10204-3.1B, EN ISO 10423 and API – Specification 5CT/ISO 11960);

4.1.3. Well tubing hydraulic tests reports.

The manufacturer has to make the well tubing with coupling hydraulic tests, accordingly by API – specification 5CT/ ISO 11960.

Well tubing has to be without internal coating. There has to be a well tubing external protective layer to protect it against corrosion from atmospheric precipitation. There is no need for the external protective coatings removal before its insertion into the well.

Well threads have to be protected by thread protectors (plastic sealing/coverage) and have to be covered by preservative lubricant accordingly by API.

Appendix No.2
to the Open Contest Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

FORM OF TENDER LETTER

_____, 2019

Place

To: Joint Stock Company "Conexus Baltic Grid"
6 Briana Street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage
Lot No. _____

Having examined the Contest Regulations, we, the undersigned, undertake, in case our Tender is accepted and the Contract signed to supply the Goods of **Lot No.** _____

_____ for the Joint Stock Company „ Conexus Baltic Grid” for the amount of

Tender price _____

VAT (21%) _____

Tender price with VAT (in figures and words) _____

**The Tenderers registered in the Republic of Latvia shall also specify the 21% VAT and the Tender price with VAT.*

1. Hereby we certify that:

- we are not in any respect interested in any other Tender and are not participating in any other Tender submitted for this Contest;
- our Tender is valid for a period of 90 days after the date for the submission of Tenders and can be accepted at any time prior to the expiry of its validity;
- information and documents included in our Tender are complete and true;
- we have examined all documents of the Contest Regulations, their clarifications, amendments and modifications and we fully understand the requirements and conditions of the Contest;
- we have carefully examined the scope of procurement and the Technical Specifications, and our Tender price contains all costs associated with the manufacture and supply of the Goods, including the costs of materials and transport and the taxes and duties payable in accordance with the requirements of the Contest Regulations;

- We certify that no international or national sanctions, or substantial sanctions affecting the interests of the financial and capital market imposed by the European Union or the North Atlantic Treaty Organization Member State that affect the performance of the negotiated agreement have been imposed with respect to us, as a Candidate, our Board or Council Members, persons entitled to represent us, or our procurators, or persons entitled to represent us in operations related to the branch office.
- 2. We hereby agree that the Contracting Authority has the right to decrease or increase the scope of the Contract by up to 20% of the Tender price without changes in unit prices, when signing the Contract with the successful Tenderer.
- 3. We understand that you are not bound to accept the lowest or any Tender you may receive.
- 4. **Date of delivery**
If our Tender is accepted, we undertake to supply the Goods in terms (according to paragraph 2.2.3.):
First part delivery of equipment for 6 wells till _____;
Second part delivery of equipment for ____ wells _____.
- 5. **Terms of payment**
Advance payment 30% of Contract amount, the advance payment guarantee will be submitted for the amount of advance payment.
After delivery of Goods 70% of Contract amount.
- 6. **Terms of guarantee and warranty**
Guarantee of the Goods _____ after delivery date.
Warranty of the Goods _____ after delivery date.
- 7. **Terms of delivery**
Goods under the Contract will be delivered in accordance with the terms _____ (e.g. DDP, Incukalns Underground Gas Storage, Latvia (Incoterms 2010)).
- 8. **Information about contact person**

Our contact person authorized to make decisions with regard to our Tender and the subsequent Contract:

Full name: _____
Name of the company: _____
Position: _____
Address for correspondence: _____
Telephone: _____
Fax: _____
E-mail: _____
- 9. The Tenderer meets the following entrepreneur status (**mark as appropriate**):

- Small enterprise (an enterprise which employs fewer than 50 persons and which have an annual turnover and/or annual balance in total not exceeding EUR 10 million);
- Medium enterprise (an enterprise which is not a small business, and which employs fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or annual balance in total not exceeding EUR 43 million).

10. Performance security

If our Tender is accepted, we undertake to submit a bank guarantee in the amount equivalent to 30% of the Contract price for the performance of our contractual obligations.
 If we want to receive an advance payment we undertake to submit a bank guarantee in the amount of the sum of advance payment. A Form of bank guarantee should be accepted by Contracting Authority.

11. Partners and subcontractors *(delete one or both of them, where applicable)*

11.1. The Tender was submitted by a group of partners consisting of:

Leader _____
 Partners _____

If our Tender is accepted, we undertake, at the Contracting Authority's request, to set up a partnership or any other legal form for the performance of the Contract in accordance with the procedure established by the law.

An undertaking signed by all partners of the group to participate in the Contest and subsequent performance of the Contract is enclosed.

11.2. We intend to subcontract the following part of the Contract to the following subcontractors:

Name of the subcontractor	Part of the Contract to be performed

A statement signed by the subcontractors confirming their participation in the performance of the Contract is enclosed.

The subcontractor involved by the Tenderer meets the following entrepreneur status (mark as appropriate for each subcontractor): ○ Small enterprise (an enterprise which employs fewer than 50 persons and which have an annual turnover and/or annual balance in total not exceeding EUR 10 million); ○ Medium enterprise (an enterprise which is not a small business, and which employs fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or annual balance in total not exceeding EUR 43 million).	
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Hereby we submit our Tender consisting of the Tender Security, Tenderers' qualification documents in accordance with Sub-Clause 3.1 of the Contest Regulations and Technical Tender and Financial Tender.

Name of the Tenderer:

Name and position of the authorized person:

Signature of the authorized person:

Appendix No.3
to the Open Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

_____, 2019

Place

To: Joint Stock Company "Conexus Baltic Grid"
6 Aristida Briana Street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage.

FORM OF FINANCIAL TENDER

Lot No. 1

Supply of well subsurface equipment for Incukalns Underground Gas Storage

№	Good description	Quantity	Unit Price	Sum Currency
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>3x4=5</i>
1.	Well subsurface equipment:			
1.1.	Production packer for casing 6-5/8", (production, retrievable), steel L-80, 3,0÷10.7 MPa	30 pcs.		
1.2.	Circulating valve, (slickline operated, sliding sleeve) 2-7/8", steel L-80, 3,0÷10.7 MPa	30 pcs.		
1.3.	Subsurface safety valve control panel with field installation materials	30 sets		
1.4..	Subsurface safety valve, steel L-80, 3,0÷10.7 MPa	30 sets		
1.5.	Flow coupling 2-7/8" box to pin 4-1/2"	30 pcs. <i>(see Technical specifications)</i>		
1.6.	2-7/8" Flow coupling	30 pcs. <i>(see Technical specifications)</i>		
1.7.	Cross over from 2-7/8" to box 4-1/2"	30 pcs. <i>(see Technical specifications)</i>		
1.8.	Cross over 4-1/2" box to 2-7/8" pin	30 pcs. <i>(see Technical specifications)</i>		

		<i>specifications)</i>		
1.9.	2-7/8" Pup joints	60 pcs. <i>(see Technical specifications)</i>		
2.2.	WLEG 4-1/2"	30 pcs.		
2.3.	XN type nipples 2-7/8" x 2.313"	30 pcs.		
4.	Special equipment for the installation of well subsurface equipment in the wells	<i>(see Technical specifications scope of supply)</i>		
TOTAL AMOUNT				
VAT 21% <i>(if applicable)</i>				
TOTAL with VAT 21%				

The Price includes certificates and technical documentation, tests certificates, quality conformance certificates, operational maintenance and assemblage engineering instruction in Russian or English languages.

Tenderer can decode prices for equipment for each delivery for each year: _____.

Name, family name, position of authorized person:

Signature of the Tenderer _____

_____, 2019

Place

To: Joint Stock Company "Conexus Baltic Grid"
6 Aristida Briana Street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage

FORM OF FINANCIAL TENDER

Lot No. 2

Supply of wellhead equipment sets for Incukalns Underground Gas Storage

№	Good description	Quantity	Unit Price	Sum Currency
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>3x4=5</i>
1.	Wellhead equipment, including:			
1.1.	Casing heads 9-5/8" x 6-5/8" x 2-7/8", 3000psi with 6 5/8" tubing hanger	30 sets <i>(see Technical specifications)</i>		
1.2.	Christmas trees 2-9/16" x 2-9/16", 3000psi	30 sets <i>(see Technical specifications)</i>		
1.3.	Spare parts (Tubing hanger seal and casing head seal)	2 sets <i>(see Technical specification)</i>		
1.4.	Oil - gas assortment materials for well hook up (piping)	<i>(see Technical specification)</i>		
TOTAL AMOUNT				
VAT 21% <i>(if applicable)</i>				
TOTAL with VAT 21%				

The Price includes certificates and technical documentation, tests certificates, quality conformance certificates, operational maintenance and assemblage engineering instruction in Russian or English languages.

Tenderer can decode prices for equipment for each delivery for each year: _____.

Name, family name, position of authorized person:

Signature of the Tenderer _____

_____, 2019

Place

To: Joint Stock Company "Conexus Baltic Grid"
6 Aristida Briana Street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage

FORM OF FINANCIAL TENDER
Lot No. 3
Supply of well tubing for Incukalns Underground Gas Storage

№	Good description	Quantity	Unit Price	Sum Currency
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>3x4=5</i>
1.	Well tubing with coupling Ø114, 3mm (4½") – (Range 2) (L=8.5 – 9.5m), 4-1/2" x 12.6 lbs/ft (114.3x6.88mm)	21 000 m		
	Well tubing with coupling Ø73 mm (2 7/8") – (Range 2) (L=8.5 – 9.5m), 2-7/8" x 6.5 lbs/ft (73x5.51mm)	500 m		
2.	Pup joints 2 7/8" - 2 m.	50 pcs.		
TOTAL AMOUNT				
VAT 21% (if applicable)				
TOTAL with VAT 21%				

The Price includes certificates and technical documentation, tests certificates, quality conformance certificates, operational maintenance and assemblage engineering instruction in Russian or English languages.

Tenderer can decode prices for equipment for each delivery for each year: _____.

Name, family name, position of authorized person:

Signature of the Tenderer _____

Appendix No.4
to the Open Contest Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

TENDER SECURITY FORM

_____, 2019

_____ *place*

To: Joint Stock Company "Conexus Baltic Grid"
6 Aristida Briana Street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage

Lot No. _____

We – _____ (unified registration No. : _____; registered office: _____) (hereinafter referred to as the Bank) – have been notified that our client – _____ (unified registration No. : _____; registered office: _____)

(hereinafter referred to as the Tenderer) – has submitted a bid for the " _____ " tender (procurement identification No. : _____) Lot Nr. (hereinafter also referred to as the Tender) organised by You – (unified registration No. : _____; registered office (address): _____) (hereinafter referred to as the Contracting Authority). In accordance with the documentation for the procurement procedure, the Tenderer is obliged to provide the Contracting Authority with a bid bond.

Therefore, the Bank hereby irrevocably undertakes the obligation to pay the Contracting Authority any requested amounts of money not exceeding [currency] _____ (_____) if, in observance of the requirements specified in this bid bond, the Bank is provided with an appropriate document signed by the Contracting Authority (hereinafter referred to as the Claim), whereby the Claimant requires the Bank to effect payment on the basis of this bid bond and which notes that at least one of the following conditions applies with regard to the Tender (specifying which exact condition applies):

1. The Tenderer recalls its bid while this bid bond is in effect;
2. The Tenderer, its bid having been selected in accordance with the bid selection criterion, fails to provide to the Contracting Authority the agreement performance guarantee specified in procurement procedure documents and the procurement agreement;
3. The Tenderer, its bid having been selected in accordance with the bid selection criterion, fails to sign the purchase contract within the term specified by the Contracting Authority.

The Claim shall be submitted either as a paper document or electronically. Electronic submissions shall be performed by means of an authenticated SWIFT message. For identification purposes, the signatures of parties signing the Claim shall be notarised or the Claim shall be submitted via the credit institution servicing the Tenderer which shall confirm the identity of the signatories and their authority to sign the Claim on behalf of the Contracting Authority.

This bid bond shall be valid until _____ (hereinafter referred to as the Termination Date). The Claim must be received by the Bank no later than the Termination Date,

either at the Bank (address: _____) or – if the Claim is submitted electronically – at _____ (the Bank's SWIFT address).

This bid bond shall lose force prior to expiration of the term specified in the guarantee if the Contracting Authority relieves the Bank from liability under this bid bond in writing.

This bid bond shall be subject to the Uniform Rules for Demand Guarantees (2010 edition, International Chamber of Commerce publication No. 758). This bid bond and the legal relationships stemming from it, insofar as the relevant matters are not regulated by the aforementioned Uniform Rules for Demand Guarantees, shall be subject to the applicable legislation of the Republic of Latvia.

Any dispute between the Bank and the Contracting Authority with regard to this bid bond shall be resolved by a court in the Republic of Latvia.

[signatory's job title] [personal signature] [signatory's first name and surname] Sealed with the Common Seal of the said Bank

Appendix No.5
to the Open Contest Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

CONDITIONS OF CONTRACT

1. Payment

1.1. The Contracting Authority shall pay the Contract Price for the Goods supplied and Services provided in compliance with the invoice submitted by the Supplier by bank transfer to the bank account specified in the invoice in accordance with the following procedure:

(a) advance payment for 30% (thirty per cent) of the Fee of the Goods after signing the Contract and receipt of the advance payment guarantee in the amount of 30% (thirty per cent) of the Fee of the Goods according to the Clause 3.1., and 3.2.;

(b) 70% (seventy per cent) of the Fee of the Goods in compliance with the submitted invoice within 30 (thirty) days after each complete DDP delivery part of the Goods and the related documentation in full amount to the destination, and after mutual signature of the statement of acceptance for the Goods and the related services provided in full compliance with the Contract.

2. Insurance

The Supplier shall maintain, at his own expense, insurance of the Goods during their delivery. The Goods shall be insured in the amount of 100% (one hundred per cent) of the value of the Goods DDP "Incukalns Underground Gas Storage", Ragana, Krimulda parish, Krimulda district, Latvia, from "warehouse" to "warehouse" against all risks, including war and strikes.

3. Packing and Storing conditions

3.1. The Supplier shall provide such packing of the Goods as is required to prevent their damage or disarrangement during transportation. The packing shall be sufficient to withstand rough handling during transit and exposure to fluctuations of temperature and precipitation during transit.

3.2. All packages shall be adequately marked in order to enable identification of their contents. Each item contained in a package shall be clearly identified on the packing list by its description and part number and assembly drawing reference, and shall be marked to correspond to the packing list.

3.3. The Supplier shall give instructions and requirements to the Contracting Authority with regard to the storing of the Goods.

4. Delivery and Documentation of the Goods and the Works

4.1. Delivery of the Goods shall be made by the Supplier in accordance with DDP Incukalns Underground gas Storage, Latvia (*Incoterms 2010*). The place of delivery:

Incukalns Underground Gas Storage,
Ragana, Krimulda parish, Krimulda district, Latvia.

4.2. The Supplier shall, together with the loading of the Goods into the vehicle, inform the Contracting Authority by e-mail or formal letter of the transportation of the Goods, including the description, amount, dimensions and weight of the Goods and the expected date of delivery.

4.3. The Supplier shall, together with the delivery of the Goods, submit the following documents to the Contracting Authority:

- (a) Manufacturer's guarantee certificate;
- (b) The respective transportation document;
- (c) Detailed packing list with the identification of its content;
- (d) Manufacturer's factory inspection/test certificate;
- (e) Certificate of origin of the Goods;
- (f) Specification of packing materials and weight list;
- (g) Commercial invoice;
- (h) Technical description for each unit of supplied equipment.

5. Penalties

5.1. Penalties for delay:

- (a) In the event the Supplier fails to supply the Goods by the dates specified in the Contract or any other date agreed by both Parties in writing, the Contracting Authority has the right to calculate and in such case pay to the Contracting Authority penalty for delay equivalent to 0.2% (zero point two per cent) of each not delivered part of the Goods for each day of delay up to the maximum deduction of 10% (ten per cent) of the Contract Price. The Contracting Authority may deduct the penalty for delay from the amounts payable to the Supplier;
- (b) If the Contracting Authority fails to make payments within the time periods specified in the Contract, the Supplier has the right to calculate and in such case the Contracting Authority has an obligation to the Supplier penalty for delay equivalent to 0.2% (zero point two per cent) of the amount of the delayed payment for each day of the delay up to the maximum deduction of 10% (ten per cent) of the amount of the delayed payment.

5.2. Penalty for termination. If the Supplier fails to perform his contractual obligations or unilaterally withdraws from the performance of these obligations, the Supplier shall pay back the advance payment made by the Contracting Authority, as well as the penalty in the amount of 10% (ten per cent) of the Contract Price. The repayment of the advance payment shall apply only to the part of the advance payment not covered with the Goods supplied or Services performed.

6. Resolution of Disputes

The Contracting Authority and the Supplier shall make every effort to resolve amicably by mutual negotiations any disagreement or dispute arising between them in connection with the Contract. If the Parties have failed to resolve the dispute by mutual negotiations within 3 (three) calendar months, the dispute shall be settled in the court in accordance with the laws and regulations of Republic of Latvia.

7. Applicable Law

The Contract shall be concluded, performed and interpreted in accordance with the laws and regulations of the Republic of Latvia. In regard to the issues not included in the Contract, the Parties shall comply with the laws of the Republic of Latvia.

Appendix No.6

to the Open Contest Contest Regulations of the
"Supply of Well Equipment for
Incukalns Underground Gas Storage"

FORM OF ADVANCE PAYMENT GUARANTEE

_____, 2019

_____ (*place*)

Beneficiary: JSC "Conexus Baltic Grid"
6 Aristida Briana street, Riga, LV-1001, Latvia

Project: For supply of well equipment for thirty wells of Incukalns underground gas storage

Contract: _____ No. ____

WHEREAS _____ hereinafter "the Supplier")
(*Name of the Contractor*)

(has undertaken, in pursuance of Contract No. _____ dated _____ 20__, the obligations and liabilities of the **supply of** _____ for the Joint Stock Company " Conexus Baltic Grid " (hereinafter the "Purchaser"),

AND WHEREAS it has been stipulated in the said Contract that the Supplier have the right to receive an advance payment, for which the Contract requires him to obtain a guarantee in amount of advance payment _____.

At the request of the Purchaser, we (*name of bank*) _____ hereby irrevocably undertake to pay you, the Beneficiary/ Purchaser any sum or sums not exceeding in total the amount of _____ (the Guaranteed amount, say: _____) upon receipt by us of your demand in writing and your written statement stating:

- (a) That the Supplier has filed to repay the advance payment in accordance with the conditions of the Contract, and
- (b) Amount which the Supplier has filed to repay.

This guarantee shall become effective upon receipt of advance payment by the Supplier. This Guaranteed amount is effective till advance payment is repaid.

Any demand for payment must contain your signature(s) which must be authenticated by your bankers or by a notary public. The authenticated demand and statement must be received by us at this office on or before (the date of expected expiry of the Time of Completion) _____, when this guarantee shall expire and shall be returned to us.

We undertake to pay you such guaranteed amount upon receipt by us; within Contract period of your demand in writing that the advance payment has not been repaid.

This Guarantee is valid until the _____ day of _____ 201__.

Signature and Seal of the Guarantor

Date: _____

Address: _____

Appendix No.7

to the Contest Regulations of Open Contest
"Supply of Well Equipment for the
Incukalns Underground Gas Storage"

**PURCHASE CONTRACT No. CON-2019/____ PROJECT
for supply of well equipment for thirty wells of Incukalns underground gas storage**

This contract (hereinafter referred to as the "Contract") is entered into on the [date] [month], 2019 by and between:

Purchaser: Joint Stock Company "Conexus Baltic Grid", unified registration No.40203041605, Aristida Briana iela 6, Riga, LV-1001, Latvia, represented by _____, the Chairman of the Board, and _____, Member of the Board, acting in accordance with the Articles of Association; and

Supplier: [name of the company], unified registration No. [number], [address], [city], [postal code], [country] represented by [name, surname], [position in the company],

the Purchaser and the Supplier jointly referred to as the "Parties" or each separately as the "Party".

WHEREAS the Purchaser has accepted the bid of the Supplier to the Open Contest " For supply of well equipment for thirty wells of Incukalns underground gas storage " (which was organized within the framework of the Contract No INEA/CEF/ENER/M2018/175201, Action No 8.2.4-0031-LV-W-M-18), in accordance with which the Supplier has been awarded the Contract,

THE PARTIES HAVE HEREBY AGREED AS FOLLOWS:

1. SUBJECT OF THE CONTRACT

The Supplier has agreed to supply and the Purchaser has agreed to purchase *//the well subsurface equipment, wellhead equipment sets and well tubing//* for Incukalns Underground Gas Storage (hereinafter the "Goods") in accordance with the requirements of Technical Specification (Appendix No.1) and the Regulations of the Open Contest " For supply of well equipment for thirty wells of Incukalns underground gas storage " (procurement identification number: Conexus Baltic Grid 2019/3) Lot Nr.____, whereas the Purchaser is willing for the Goods and services to be provided by the Supplier.

2. CONTRACT FEE AND PAYMENT TERMS

2.1. The Purchaser undertakes to pay the Supplier the fee according to the following terms, providing that the Supplier performs its obligations and liabilities in accordance with the terms and conditions of the Contract.

2.2. Total Contract fee for the supply of the Goods and services provided, performed duly and in accordance with the Contract, is [amount in number] EUR ([amount in words]) (hereinafter referred to as the "Fee"), excluding VAT 21%. The Parties shall reflect the transaction according to the relevant EU VAT legislation applicable.

2.3. The Purchaser shall pay the Fee for the Goods supplied and services provided in compliance with the invoice submitted by the Supplier via bank transfer to the bank account specified in the invoice and in accordance with the following procedure:

2.3.1. 30% (thirty per cent) of the Fee of the Goods after signing the Contract and receipt of the advance payment guarantee in the amount of 30% (thirty per cent) of the Fee of the Goods according to the Clause 3.1., and 3.2.;

2.3.2. 70% (seventy per cent) of the Fee in compliance with the submitted invoice within 30 (thirty) days after each complete DDP delivery part of the Goods according to the Clause 3.1., and the related documentation in full amount to the destination specified in Clause 3.2., and after mutual signature of the statement of acceptance for the Goods and the related services provided in full compliance with the Contract.

2.4. The Fee and unit prices are final and shall not be changed during the validity of the Contract.

2.5. Transportation costs of the Goods to the final destination specified in Clause 3.2. shall be included in the Fee.

2.6. The Purchaser may withhold payments due to the Supplier, without having to pay contractual penalty, if after the receipt of the Goods delivered by the Supplier, they prove not to be in accordance with the Contract. Such withheld payments shall be made in full amount, but without contractual penalty, as soon as the Supplier has remedied the defect.

3. DELIVERY AND DOCUMENTATION OF THE GOODS

3.1. The Goods shall be delivered and services provided by the Supplier **till September 30th, 2023** in ___ separate delivery parts (deliveries of Goods in several parts are acceptable):

First delivery part – equipment for ___ wells till _____;

Second delivery part – equipment for ___ wells not later than _____;

3.2. Delivery of the Goods shall be made in accordance with DDP (Incoterms 2010). The place of delivery is: Joint Stock Company "Conexus Baltic Grid", "Incukalns Underground Gas Storage", Krimulda parish, Krimulda district, LV-2144, Latvia.

3.3. Place of loading of the Goods: [address][city][country].

3.4. The Supplier shall maintain, at his own expense, insurance of the Goods during their delivery. The Goods shall be insured in the amount of 100% (one hundred per cent) of the value of the Goods DDP "Incukalns Underground Gas Storage", Ragana, Krimulda parish, Krimulda district, Latvia, from "warehouse" to "warehouse" against all risks, including war and strikes.

3.5. The date of receipt of the Goods at the final destination is considered to be the delivery date.

3.6. The Supplier shall together with the loading of the Goods into vehicle inform the Purchaser by formal letter or e-mail of the transportation of the Goods, including the description, amount, dimensions and weight of the Goods and the expected date of delivery.

3.7. The Supplier shall provide such packing of the Goods as is required to prevent their damage and ensure full safety from any kind of damage or disarrangement during the transportation to the final destination. The packing of the Goods shall be sufficient to withstand rough handling during transportation and exposure to fluctuations of temperature and precipitation during the transportation.

3.8. All packages of the Goods shall be adequately marked in order to enable identification of their contents to the Purchaser. Each item contained in a package shall be clearly identified on the packing list at least by means of its description and part number and assembly drawing reference, and shall be marked to correspond to the packing list.

3.9. The Supplier has a full liability and undertakes to cover all expenses arising from dispatch of the Goods to the wrong address when Supplier's fault or due to inadequate or not complete packing or marking.

3.10. The Supplier shall altogether with the delivery of the Goods submit the following documents to the Purchaser:

- 3.10.1. technical description for each unit of supplied equipment;
- 3.10.2. Manufacturer's Guarantee Certificate;
- 3.10.3. the respective transportation documentation;
- 3.10.4. operation and maintenance instructions;
- 3.10.5. certificate of origin of the Goods;
- 3.10.6. Manufacturer's factory inspection/test certificates;
- 3.10.7. detailed packing list with the identification of its content:
 - 3.10.7.1. gross weight,
 - 3.10.7.2. net weight,
 - 3.10.7.3. packing material,
 - 3.10.7.4. weight of packing material;
- 3.10.8. commercial invoice.

3.11. The Supplier shall give the instructions and requirements to the Purchaser with regard to the operation and storing the Goods.

4. GUARANTIES, WARRANTIES

4.1. The Supplier warrants that the Goods supplied under the Contract are new, undamaged and fully comply with the technical specification in Appendix No.1. The quality of the Goods shall be certified by Manufacturer's Guarantee Certificate.

4.2. The guarantee and warranty shall remain valid for [number] ([number in words]) months after the Goods have been completely delivered to the final destination indicated in the Contract.

4.3. The Purchaser shall notify the Supplier in writing of any claims arising under the warranty within 10 (ten) days after the moment of arising of such claims. The notice is completed as a Non-confirmation Report.

4.4. Upon receipt of such Non-confirmation Report the Supplier within 21 (twenty one) days shall make arrangements for a service technician to arrive at the final destination specified in the Contract and advise the Purchaser on instructions for the defective Goods. Once the Non-confirmation Report is received, the Supplier shall repair or replace the defective Goods to be in accordance with the Contract in the shortest time possible, but not exceeding 30 (thirty) days, without any additional costs for the Purchaser.

4.5. The Supplier shall take any action required to meet the agreed warranty and delivery time schedule requirements including redelivery and repair of the Goods.

4.6. After the receipt of the Goods by the Purchaser, the Supplier shall not be responsible for damages of the Goods caused by improper storage.

5. INSPECTION

5.1. The Goods before sending to the final destination shall be inspected for the functionality under the professional control and leadership of the Supplier. The Supplier shall be responsible for the correct functionality of a set of equipment with regard to the Goods.

5.2. The Supplier 2 (two) weeks before the final functionality inspection of Goods shall inform the Purchaser of the time and place of the inspection. The representatives of the Purchaser shall have a right to participate in the final functionality inspection of the Goods.

6. DELAY IN THE SUPPLIER PERFORMANCE

6.1. Delay by the Supplier in the performance of his contractual obligations in accordance with the Contract, except when it is *Force Major* or the Purchaser's fault, shall render the Supplier liable to the following sanctions: reduction of the Fee as penalty for the delay in accordance with Clause 7.1. and/or termination of the Contract for default as specified under Clause 8.1.

6.2. If at any time during the performance of the Contract the Supplier should encounter conditions impeding timely delivery of the Goods, the Supplier shall promptly, but not exceeding 10 (ten) days of acknowledging the impeding event, notify the Purchaser in writing of the fact of the delay, its likely duration and cause(s). Upon notification by the Supplier the Purchaser shall within a reasonable time evaluate the situation and the Purchaser shall have a rights at his own discretion extend the period for the performance of the Supplier obligations. In this case the Contract extension shall be agreed between the Parties by issuing the amendments to the Contract.

7. PENALTIES

7.1. In the event the Supplier fails to supply the Goods by the dates specified in the Contract or any other date agreed by between the Parties in writing, the Supplier shall pay to the Purchaser penalty for delay equivalent to 0.2% (zero point two per cent) of the full Contract fee for each day of delay up to the maximum deduction of 10% (ten per cent) of the Contract Fee. The Purchaser may deduct the penalty for delay from the amount payable to the Supplier. The penalty payment shall not release the Supplier from the obligation to provide the Goods and services as required under the Contract.

7.2. If the Purchaser fails to make payments within the time periods specified in the Contract, the Purchaser shall pay to the Supplier penalty for delay equivalent to 0.2% (zero point two per cent) of the amount of the delayed payment for each day of the delay up to the maximum deduction of 10% (ten per cent) of the amount of the delayed payment.

8. TERMINATION FOR THE SUPPLIER DEFAULT

8.1. The Purchaser may, without prejudice to any other remedy under the Contract, by written notice to the Supplier terminate the Contract for the failure to perform the obligations:

8.1.1. if the Supplier fails to deliver the Goods within the time period or in the scope specified in the Contract and if the delay for the performance of the Contract by the Supplier is more than 2 (two) months;

8.1.2. if the Supplier fails to perform any other obligations under the Contract and has not remedied such default within 30 (thirty) days after receipt of a written notice from the Purchaser.

8.2. In the event when the Purchaser terminates the Contract pursuant to Clause 8.1., the Purchaser may procure Goods similar or equivalent to the Goods undelivered and the Supplier shall be liable to the Purchaser for any excess costs in relation to the procurement of such similar or equivalent Goods. Supplier's maximum liability hereunder shall be limited to 100% (one hundred per cent) of the value of the defective Goods supplied under the Contract.

9. FORCE MAJOR

1.1. Notwithstanding the provision of Clauses 6. and 8. neither Party shall be liable for penalties or termination of the Contract for default, if and to the extent that, it's delay in performance or other failure to perform its obligations under the Contract is the result of *Force Major*.

1.2. For the purposes of this Clause, "*Force Major*" means an event beyond the control of the Supplier or the Purchaser and not involving the Party's fault or omission and not foreseeable. Such events may include, but are not restricted to wars, revolutions, fires, floods, epidemics, volcanic eruption, acts or omissions of government.

1.3. If a *Force Major* Situation arises, the affected Party shall, not later than within 5 (five) days from the occurrences of such circumstances, notify the other Party in writing of such circumstances, the causes and expected duration thereof.

9.1. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform his obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for the performance of the Contract to the extent not prevented by the *Force Major* event. If the *Force Major* situation lasts for more than 90 (ninety) days, either Party may terminate the Contract.

10. TERMINATION FOR INSOLVENCY

The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, without any compensation to the Supplier, if the Supplier becomes bankrupt or insolvent, provided that such termination will not prejudice or affect any right of action or remedy, which is due or will be due thereafter to the Purchaser.

11. SANCTIONS

11.1. Sanctions - a legal act on economic sanctions, decrees, trade embargoes or similar measures or restrictions established, administered or applied from time to time by the legislative and / or executive authorities of the United States of America (including Bureau of Industry and Security of the United States Department of Commerce (BIS), Office of Foreign Assets Control (OFAC) of the United States Treasury Department, United Nations Security Council, the European Union or a group of countries to which the Republic of Latvia, the government of the country with jurisdiction over the parties (each individually - the sanctioning body).

11.2. Taking into account the sanctions valid on the date of the conclusion of the Contract, the Purchaser confirms that they do not affect the execution of the Contract. In the case of the introduction of sanctions affecting the execution of the Contract, the Purchaser undertakes to notify the Supplier no later than 3 (three) working days from the date of their introduction. In this case the parties undertake within 5 (five) working days from the moment the Supplier is notified of the

imposition of Sanctions affecting the execution of the Contract, to conduct joint negotiations on the possibility of the Contract's further execution by the Parties, as a result of which the authorized representatives of the Parties may sign an agreement on the further execution of the Contract or on its termination. In the event of termination of the Contract, the Purchaser must pay the Supplier the cost of the works rendered (performed) before its termination.

11.3. Non-fulfillment and / or improper fulfillment of obligations related to fulfillment of obligations under the Contract caused by the Sanctions is not considered for the Purchaser caused by *Force Majeure*, and the Supplier shall not be liable for non-fulfillment or improper performance of any of its obligations under the Contract due to Sanctions.

12. DISPUTE RESOLUTION

12.1. The Parties shall make every effort to resolve amicably by mutual negotiations any disagreement or dispute arising between them in connection with the Contract. If the Parties have failed to resolve the dispute by means of mutual negotiations within 3 (three) months, the dispute shall be settled in the court in accordance with the laws and regulations of the Republic of Latvia and conducted in Latvian language.

12.2. The Contract shall be concluded, performed and interpreted in accordance with the laws and regulations of the Republic of Latvia. In regard to the issues not included in the Contract, the Parties shall comply with the laws of the Republic of Latvia.

13. LIMITATION OF LIABILITY

13.1. Neither the Purchaser nor the Supplier and/or employees shall be liable for any incidental or consequential damages, including but not limited to, loss of product, loss of profit, loss of use, business interruption or facility downtime howsoever caused, and whether based on warranty, the Contract, negligence or otherwise. The total liability of the Supplier or the Purchaser arising out of the (non)performance of the Contract, whether based on warranty, contract, negligence or otherwise, shall not exceed in the aggregate a sum equal to the Fee. The limitation of liability set forth in this clause shall prevail over any conflicting or inconsistent provisions contained in any documents comprising the Contract.

13.2. Supplier shall assume the entire responsibility and liability, and fully indemnify Purchaser of any tier against all claims, liabilities and expenses for illness, personal injury or death of persons employed by Supplier or its sub-contractors and for all damage to or loss of property of Supplier; regardless of whether such illness, injury, death, damage or loss is caused by the fault of Purchaser.

13.3. The Purchaser and the Innovation and Networks Executive Agency (INEA) shall not be held liable for any loss incurred or suffered by the Supplier, including any injury incurred by third parties as a result of the performance of the Contract.

14. TAXES AND DUTIES

The Supplier as stipulated in Incoterms 2010 DDP shall perform all necessary exportation customs requirements.

15. CONFIDENTIALITY

15.1. The Parties shall preserve the confidentiality of any information and documents, in any form, which are disclosed in writing or orally in relation to the implementation of the Contract. It shall not include information that is publicly available.

- 15.2. The Parties shall not use confidential information and documents for any reason other than fulfilling their obligations under the Contract, unless otherwise agreed with the other Party in writing.
- 15.3. The Parties shall be bound by the obligations referred to in Clause 15.1. and Clause 15.2. during the implementation of the Contract and for a period of five years starting from the total payment of the Fee, unless:
- a) the Party agrees to release the other Party from the confidentiality obligations earlier;
 - b) the confidential information or documents become public through other means than a breach of the confidentiality obligations;
 - c) the disclosure of the confidential information or documents is required by law.

16. OTHER PROVISIONS

- 16.1. The Supplier, including sub-contractor, shall have no rights vis-à-vis INEA under the Contract. The conditions applicable to the Supplier under Clause 16 shall be also applicable to its sub-contractor.
- 16.2. The Supplier shall ensure that INEA and the European Commission, or any other outside body authorised by these institutions, may carry out the technical and financial inspections and audits in relation to the Contract. Such inspections or audits may be initiated during performance of the Contract and for the period of five years starting from the date when the total Fee under the Contract has been paid to the Purchaser.
- 16.3. The check or audit procedure shall be deemed to be initiated on the date of receipt of the letter of the European Commission or the INEA announcing it.
- 16.4. The Supplier shall keep all the original documents, in particular accounting and tax records, which are stored on any appropriate medium, including digitalised originals, if they are authorised in accordance with the applicable legislation to the Contract and in accordance with the conditions laid down therein, for a period of five years starting from the total Fee payment date under the Contract. Document storage obligation as described in Clause 16 is longer, where on-going audits, appeals, litigation or claims relating to execution of the payment, including irregularities, fraud or breach of obligations are present. In such cases the Supplier shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.
- 16.5. In the framework of a check or audit, the Supplier shall provide any information, including information in electronic format requested by the Purchaser, the European Commission or the INEA, or any other body designated by it. Where appropriate, the Purchaser, the European Commission or the INEA may require the Supplier to provide this information directly.
- 16.6. The Supplier shall allow for the European Commission or the INEA staff and outside personnel, authorised by the European Commission or the INEA, to access the sites and premises where the action in relation to this Contract is or was carried out, all the necessary information, including information in electronic format. The Supplier shall ensure that the information is readily available at the time of the on-the-spot visit, and the required information shall be transferred in the appropriate form.

- 16.7. Based on the final audit findings, the European Commission or the INEA may take the measures it deems necessary, including recovery at the time of payment of the Fee or after exerting payment of the Fee for all or part of the payments made under the Contract.
- 16.8. The European Anti-Fraud Office (OLAF) and the European Court of Auditors shall have the same rights, according to their competences, as the European Commission or the INEA, in particular for the purpose of checks, audits and investigations concerning the Purchaser.
- 16.9. The Supplier shall take all necessary measures to prevent any situation where objective and impartial implementation of the Contract is compromised for reasons connected with the economic interest, political or national affinity, family or emotional life, or any other shared interest with the Purchaser or any other third party relating to the Contract ("conflict of interests").
- 16.10. Any situation that causes or may cause a conflict of interest during the implementation of the Contract, shall be notified to the Purchaser, in writing, without delay. The Supplier shall immediately take all measures necessary in order to remedy this situation. The Purchaser shall reserve the right to examine whether the measures taken by the Supplier are appropriate, and may require additional measures within a specified time limit.
- 16.11. The Parties may make the following substantial amendments to the Contract:
 - 16.11.1. The deadline for the performance of contractual obligations may be extended if the obligation cannot be fulfilled within the time limit due to circumstances beyond the Supplier's (third party delays, delays in the development of related information systems). In such case, the due date for the fulfillment of obligations shall be extended by the time of delay, but not more than by the end of the Project implementation period;
 - 16.11.2. The Parties may make changes to the Technical Specification, including the inclusion of new functionality, waiver of functionality, or modification of the functionality specified in the Technical Specification if the legal provisions governing the functionality of the System change. In such a case, the impact of the changes in the regulatory enactments on the System Development Contract Price shall be determined by applying the procedure for requests for changes;
 - 16.11.3. If the law and regulations that affect the validity of any provisions of the Contract change. In such a case, the provisions of the Contract shall be changed, while retaining their original meaning as far as possible, but if this is not possible they shall be excluded from the Contract.
- 16.12. The Contract shall come into force upon its signing by both Parties and shall remain valid until full performance of the obligations thereof.
- 16.13. The Supplier shall have a right to sub-contract only by a prior written consent of the Purchaser. The Supplier takes full responsibility for the actions and/or failure to act of the sub-contractor even if the sub-contractor has been approved by the Purchaser.
- 16.14. The Contract shall be binding on the Parties' commitment and successors.
- 16.15. If any provision of the Contract (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect. The Parties are obliged to

replace the invalid provision by such a new provision, which approximates as closely as possible to that initially intended.

16.16. Any modifications and amendments to the Contract shall be in a written form and shall become effective upon signing by both Parties.

16.17. The Contract is prepared and signed in 2 (two) identical copies on ___ pages in English language. One copy is retained by the Purchaser and one copy is retained by the Supplier.

16. APPENDIXES

The appendices shall form an integral part of the Contract. The following appendices are the part of the Contract:

Appendix No. 1– Technical Specification;

Appendix No. 2 – Financial Tender.

17. DETAILS AND SIGNATURE OF THE CONTRACTING PARTIES

The Purchaser:	The Supplier:
Joint Stock Company "Conexus Baltic Grid" Unified registration No. 40203041605 VAT number LV40203041605 Aristida Briana iela 6, LV-1001, Riga, Latvia "Swedbank" JSC SWIFT: HABALV22 IBAN: LV08 HABA 0551 0429 7882 7	[name of the company] [registration number] [VAT number] [address][city][country] [name of the bank] [bank SWIFT] [bank account number]
_____ [name][surname] Chairman of the Board	_____ [name][surname] [position]
_____ [name][surname] Member of the Board	