

OPEN CONTEST REGULATIONS

**FOR SUPPLY OF BALL VALVES WITH HYDRO-PNEUMATIC
ACTUATOR FOR INCUKALNS UNDERGROUND GAS STORAGE**

Riga 2018

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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 ball valves with hydro-pneumatic actuator 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 ball valves with hydro-pneumatic actuator.

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
- 1.2.2. The authorized representative of the Contracting Authority who will provide information with regard to the procedure of the Contest is Head of the Procurement division of the Legal Department Sandris Strazdiņš, Mob.tel. +371 29511577, e-mail: Sandris.strazdins@conexus.lv, and the requirements included in the Contest Regulations is: Project manager of Technical development and investments division – Inta Antonova, Mob. +371 29390504, e-mail: inta.antonova@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 Interior procurement procedure of the Contracting authority.
- 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 shall submit only one Tender. A Tenderer who submits more than one Tender will be disqualified.
- 1.4.2. The Tenderer may submit Tender in compliance with Clause 2, 5 and 6 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.
- 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 Contracting Authority will exclude the Tenderer from further participation if the Tenderer:
 - 1.4.10.1. has tax or social security contributions' debts in accordance with the legal provisions of his country of registration exceeding in total the amount of 150 eur (one hundred fifty *euro*);
 - 1.4.10.2. is declared insolvent or wound up, has suspended or ceased his business activities or is the subject of proceedings with regard to termination of the Tenderer's activities, insolvency or bankruptcy;
- 1.4.11. Tenders shall be submitted for the full scope 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 are prepared in English.

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 supply of ball valves with hydro-pneumatic actuator for replacement of valve No.III-2 of the 1st stage Gas Pumping Unit No.3 and valve No.V-2 of the 1st stage Gas Pumping Unit No.5 at Gas Compressor Station No.2 of Incukalns Underground Gas Storage.

2.1.2. The scope of supply includes the following:

2.1.2.1. Ball valve Dn700 ANSI 600 with hydro-pneumatic actuator – 2 pcs;

2.1.2.2. Seals for cable entries to connect power and control cables.

The tendered Goods shall comply with the requirements of the Technical Specifications (Appendix No.1).

2.1.3. Each Tenderer shall submit only one Tender. 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, 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 **September 20 of 2019**. Deliveries of Goods in several parts **are acceptable**.

2.3. Price of the Tender

2.3.1. The price shall be quoted in *euro* (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 another 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 Tender, including the 21% VAT of the Republic of Latvia, which will be payable to the subcontractor.

2.3.2. 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 propose full scope of the Goods, stated in Sub-clauses 2.1.2.1. and 2.1.2.2.. Tenders for the part of the required scopes shall not be considered.

2.3.3. 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).

2.3.4. 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 requirements of regulatory enactments of his home country.	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 (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 an experience of at least 3 years (2015, 2016 and 2017, year 2018 will be taken into account) in the manufacture and/or delivery of	Information shall be performed in acc. with the following table: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">The Contracting Authority</th> <th style="text-align: center;">Description of similar</th> <th style="text-align: center;">Year/month of</th> <th style="text-align: center;">Contract amount excl.</th> <th style="text-align: center;">The Contracting</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	The Contracting Authority	Description of similar	Year/month of	Contract amount excl.	The Contracting					
The Contracting Authority	Description of similar	Year/month of	Contract amount excl.	The Contracting								

	<p>goods similar to those required by the Contest Regulations.</p> <p>The Tenderer has delivered the Goods required by the Contest Regulations at least one contract during the last 3 years (2015, 2016 and 2017, year 2018 will be taken into account)</p>	<table border="1"> <tr> <td></td> <td>projects performed by the Tenderer</td> <td>delivery</td> <td>VAT EUR</td> <td>Authority contact person, name, position, phone</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		projects performed by the Tenderer	delivery	VAT EUR	Authority contact person, name, position, phone									
	projects performed by the Tenderer	delivery	VAT EUR	Authority contact person, name, position, phone												
		Information shall include last 3 years period.														
6)	The offered Goods are produced in accordance the quality assurance system (ISO 9001 or equivalent)	Copy of the manufacturer's quality certificate or description of the quality assurance system implemented in the company.														
7)	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	Copy of the authorization letter or certificate (if applicable).														
8)	<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="737 1142 1479 1293"> <tr> <td data-bbox="737 1142 932 1293">Name and register number</td> <td data-bbox="932 1142 1479 1293">Scope performed by sub contractor, amount of supplies in EUR without VAT</td> </tr> <tr> <td></td> <td></td> </tr> </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															

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 Regulation may send the questions to the Contracting Authority's contact person specified in Sub-Clause 1.2.2 Inta Antonova by email 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 or 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 in the amount of 2 (two percents) of the total financial tender. The Tender Security shall be valid for up to 90 (ninety) days after the deadline for submission of Tenders.
- 5.2.2. The Tender Security shall be in the form of a bank guarantee (Appendix No.4) issued by a reputable bank acceptable to the Contracting Authority and located in Latvia or abroad.
- 5.2.3. Any Tender not accompanied by an acceptable original Tender Security will be rejected and will not be considered for the evaluation.
- 5.2.4. The original of the Tender Security will be returned to Tenderers within 10 (ten) days in the following cases:
- 5.2.5. to the Tenderers whose Tenders are rejected – after the notice of rejection;

- 5.2.5.1. to the Tenderers whose Tenders are rejected – after the notice of rejection;
- 5.2.5.2. to unsuccessful Tenderers – after signing the Contract with the successful Tenderer;
- 5.2.5.3. to the successful Tenderer – after signing the Contract with the Contracting Authority in accordance with the requirements of Sub-Clause 9.4 of the Contest Documents;
- 5.2.5.4. to all Tenderers – after sending a notice in case the Tender is cancelled without awarding the Contract;
- 5.2.5.5. if the Tenderer has withdrawn his Tender before the deadline for the submission of Tenders.

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.
- 5.3.1. **Original Tender Security** in accordance with Clause 5.2 of the Contest Regulations (Appendix No.4)
- 5.3.2. **Qualification documents** listed under Clause 3 establishing the Tenderer's and subcontractor's qualification and eligibility.
- 5.3.3. **Financial Tender** in accordance with requirements stated in Clause 2.3 and Appendix No.3 (Forms of Financial Tender).
- 5.3.4. **Technical Tender** – including, as a minimum:
 - 5.3.4.1. detailed time schedule for the supply of Goods and Delivery conditions;
 - 5.3.4.2. technical specification of Goods and documentation in accordance with the requirements of Technical Specifications;
 - 5.3.4.3. warranty terms and conditions.
- 5.3.5. 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. Tender must be put in an envelope, which must be closed, sealed and must bear the following:

JSC “Conexus Baltic Grid”
6 Aristida Briāna street, Rīga, LV-1001, Latvia,
Tender for the Open Contest
“FOR SUPPLY OF BALL VALVES WITH HYDRO-PNEUMATIC ACTUATOR FOR
JSC “CONEXUS BALTIC GRID” INCUKALNS UNDERGROUND GAS STORAGE”
Not to be opened before January 21, 2019, 10:00
To be opened only in the presence of the Contest Committee.

- 5.4.2. The envelope shall contain one original of the Tender marked respectively as “**Original**” and one copy marked respectively as “**Copy**”.
- 5.4.3. The Original and Copy of the Tender shall be printed; pages shall be numbered and bound together, indicating the quantity of numbered and bound pages.
- 5.4.4. If the Tender is not sealed and marked as required above in these Contest Regulations, the Contracting Authority will assume no responsibility for a premature opening of the Tender, but such event will not constitute grounds for rejection of the Tender.
- 5.4.5. The Tenderer shall undertake the risk for delivery of the Tender.
- 5.4.6. For avoidance of any doubt or misunderstanding, all words and figures in the Tender must be clearly legible, without any insertions or erasures.

6. SUBMISSION OF TENDER

6.1. Place and time for submission of Tenders

- 6.1.1. The Tenderer shall submit for incorporation the Tender and documents attached to it to *JSC “Conexus Baltic Grid” 6 Aristida Briāna street, Rīga, LV-1001, Latvia*, to the secretary (phone +371 67087999) to be received till **January 21, 2019, 10:00 (Latvian time)**.
- 6.1.2. The Tender has to be submitted to the Contract Authority within the term set by the Contest Regulations. The Tender may be delivered by courier or personally to the secretary at business days starting from 8:00 a.m. till 15:00 p.m. The Tenders received after the prescribed time deadline shall be rejected regardless of the reasons.

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 Tender 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**”.

6.4. Opening of Tenders

6.4.1. Tender documents, including Tender Amendments and Tender Withdrawals, shall be opened by the Contest Committee, consisting of at least three members, in the conference room of the, JSC “Conexus Baltic Grid”, 6 Aristida Briāna street, Rīga, LV-1001, Latvia on **January 21, 2019, 10:01** (Latvian time).

6.4.2. Opening of Tenders before the due time is not permitted.

6.4.3. Only those Tenders received by the Contracting Authority on or before the date and time specified in the Contest Regulations will be opened by the Contest Committee. For late Tenders and the Tenders the withdrawal of which is accepted, the Tender will be returned unopened to the address specified on the envelope.

6.4.4. Envelopes bearing the inscription “Tender Withdrawal” shall be opened first. Tender documents, in respect of which a notice of withdrawal is submitted, shall not be opened.

6.4.5. Members of the Contest Committee shall put their signatures on the Tenders and Amendments submitted by the Tenderers.

6.4.6. Envelopes bearing the inscription “Tender Amendment” shall be opened consecutively with the opening of the respective Tenderer’s envelope with Tender documents.

6.4.7. During the Tender opening procedure the names of the Tenderers and the Prices of the Tender shall be stated in the record of the Contest Committee.

6.4.8. Representatives of the Tenderers **are allowed to participate in the opening of Tenders**. During the Tender opening procedure the Tenderers’ representatives present with an identity document shall submit a power of attorney that authorises them to present the company, announce the name and address of the Tenderer they represent, as well as their name, surname, position, phone number and e-mail.

6.4.9. The Chairman of the Contest Committee or another member of the Contest Committee shall open the Tenders in the order of their submission and naming the tenderer, the time of the submission of the tender, the price tendered and other information, which characterises the tender, indicating them in the record of the Contest Committee.

6.4.10. Tenderers’ representatives do not participate in further process of the Contest.

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, 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	at least 3,5 years after delivery
8	at least 3 years after delivery
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
1	1 year after delivery

The 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. If Tender prices are quoted in different currencies, the Contest Committee will, in order to facilitate the evaluation and comparison of the Tenders, convert the Tender prices into EUR in accordance with the currency exchange rate stated by European Central Bank on the day of the Tender opening.
- 8.2.2. 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.
- 8.2.3. 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.
- 8.2.4. 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.
- 8.2.5. 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:

$$\text{Lowest price} / \text{price of Tender "N"} \times 40$$

- 8.2.6. Up to 30% payment before delivery 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.
- 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 in writing (sent by e- mail) of the Contest results.

9. CONTRACT NEGOTIATIONS AND SIGNING OF CONTRACT

- 9.1. The Contracting Authority will invite the successful Tenderer 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 contact with the successful Tenderer, decrease or increase the scope of procurement by up to 20% of the price 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.
- 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.

Chairman of the procurement committee

S. Strazdiņš

Appendix No.1
to the Tender Documents of the Open Tender
“For supply of ball valves with hydro-pneumatic actuator
for Incukalns Underground Gas Storage”

TECHNICAL SPECIFICATIONS

**Supply of ball valves with hydro-pneumatic actuator
for Incukalns Underground Gas Storage**

1. Objective and Task

1.1. For supply of ball valves with hydro-pneumatic actuator for replacement of valve No.III-2 of the 1st stage Gas Pumping Unit No.3 and valve No.V-2 of the 1st stage Gas Pumping Unit No.5 at Gas Compressor Station No.2 of Incukalns Underground Gas Storage.

2. Operational environment

- 2.1. Natural gas, (methane 96.5–98.5%), density 0.688 g/m³, temperature from -10 °C up to +80 °C.
- 2.2. Working pressure up to 55 bar.
- 2.3. Ambient temperature from -40 °C up to +40 °C.
- 2.4. Max. humidity up to 90%.
- 2.5. Altitude 70 m above sea level.

3. Delivery scope

- 3.1. Ball valve Dn700 ANSI 600 with hydro-pneumatic actuator – 2 pcs;
- 3.2. Seals for cable entries to connect power and control cables.

4. Technical specification

- 4.1. Ball valve Dn700 ANSI 600 with hydro-pneumatic actuator

No.	Parameters	Measurement Units	Requirements
Valve			
1.	Type		Ball valve, full bore
2.	Diameter	mm	700
3.	Type of flow capacity	-	Full capacity flow
4.	Pressure class	-	ANSI 600
5.	Installation	-	Above ground, horizontal
6.	Body type	-	Full welded body
7.	Type of connection	-	Welded to pipe Ø720x16mm, steel 20 (Ct20)
8.	Actuator	-	Hydro-pneumatic
9.	Working pressure	bar	55
10.	Lifetime	years	20
11.	Warranty	months	24
Actuator			
12.	Type	-	Hydro-pneumatic
13.	Actuator control	-	Distance, Local, Manual

14.	Control gas	-	From pipeline, pressure 20-55 bar
15.	Control voltage	V, DC	24
16.	Solenoid power	W	not more than 25
17.	Closing time	sec	not more than 30
18.	Manual closing time	min	not more than 3
19.	Lifetime	year	20
20.	Warranty	month	24

4.2. Hydro-pneumatic actuators shall include the following accessories:

- 4.2.1. Double action hydraulic cylinders
- 4.2.2. Hydraulic type manual close/open device;
- 4.2.3. Two (2) limit switches (open (1) /close (1)), explosion proof performance, EEx-d IIC T6 IP66 certified;
- 4.2.4. Distribution box, explosion proof performance, EEx-d;
- 4.2.5. Two (2) solenoid valves (open (1) /close (1)), 3-way, 2 positions, explosion-proof Performance, EEx-d IIC T6 IP66 certified;
- 4.2.6. Two (2) pneumatic valves, 3-ways, 2 positions;
- 4.2.7. Control gas pressure regulators;
- 4.2.8. Control gas safety valve;
- 4.2.9. Power gas filter dehydrator and condensate separator;
- 4.2.10. Stainless steel double ferrule tubing fittings and stainless steel tubing.

4.3. Valves and actuators shall be compliant with API 6D ANSI and LVS EN 1594 standard requirements.

4.4. Valves and actuators shall have weatherproofing coating.

4.5. Valves, actuators and there accessories shall be factory mounted and tested.

4.6. All wiring from limit switches and solenoid valves shall be terminated in a flame-proof junction box.

4.7. Actuator shall ensure stopping of valve movement at any time with ability to return to actuation start position.

4.8. If operation power is cut-off, valve position shall be maintained.

4.9. Gas and drain take-off pipes has to have locking devices. Ball valve have to be used as locking device above the ground surface.

4.10. Actuators shall be equipped with operation gas pressure control device (manometer).

4.11. Valve tightness class shall be compliant with LVS EN 12266-1: 2012 (A class).

5. Documentation to be submitted:

- Information on valves and actuators manufacturer.
- Information on valves and actuators compliance to the requested technical parameters (data sheet).
- Information on the used materials.
- Valves and actuators certificates.
- Information on expected (guaranteed) lifetime of valves and actuators.
- Drawings incl. structural dimensions.
- Certificate compliant with Directive PED 97/23CE.

- Valves and actuators shall have ATEX certification and CE conformity marking in accordance with Directive 2014/34/EU.
- Accordingly to ATEX classification valves and actuators are installed in Zone 2.
- Specification PED.
- Valves body testing certificates accordingly to EN 10204 - 3.1.
- Operation and maintenance instructions (in Russian, Latvian or English language).
- Spare parts lists with the identification numbers of manufacturer.
- Documents shall be submitted in Latvian or English language.

FORM OF TENDER LETTER

_____, 2019

Place

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

**Project: Supply of ball valves with hydro-pneumatic actuator
for Incukalns Underground Gas Storage**

Having examined the Contest Regulations, we, the undersigned, undertake, in case our Tender is accepted and the Contract signed to supply the Goods 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 shall not perform any fraudulent and corrupt activities in the procurement process, we shall observe the requirements of the laws and regulations governing competition, we shall not participate in transactions restricting competition, nor allow the situations of conflict of interest in mutual cooperation.
- 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;
- no international or national sanctions or major sanctions by a member state of the European Union or NATO affecting the interests of the financial and capital market that have an impact on the performance of the contract under these Negotiations have been imposed against us as the Tenderer, our Members of the Management Board or Supervisory Board, persons holding the authority of representation or a commercial

Power of Attorney, or persons who are authorised to represent us in activities related to a branch office.

- we have carefully examined the scope of procurement and the Technical Specification, 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.
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 within _____ weeks after signing the Contract.
 5. **Terms of payment**
Advance payment ___% of Contract amount, the advance payment guarantee will be submitted for the amount of advance payment.
After delivery of Goods ___% of Contract amount.
 6. **Terms of warranty**
_____ after delivery date.
 7. **Terms of delivery**
Goods under the Contract will be delivered in accordance with the terms 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 - _____ % 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.

<p>The subcontractor involved by the Tenderer meets the following entrepreneur status (mark as appropriate for each subcontractor):</p> <ul style="list-style-type: none"> ○ 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). 	
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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
“For supply of ball valves with hydro-pneumatic actuator
for Incukalns Underground Gas Storage”

_____, 2019

Place

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

Project: Supply of ball valves with hydro-pneumatic actuator for Incukalns Underground Gas Storage

FORM OF FINANCIAL TENDER

Supply of ball valves with hydro-pneumatic actuator 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>
	Ball Valve:			
1.1.	Ball valve Dn700 ANSI 600	2 pcs.		
1.2.	Hydro-pneumatic actuator	2 pcs.		
TOTAL AMOUNT				
VAT 21%				
TOTAL with VAT 21%				

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

Name, family name, position of authorized person:

Signature of the Tenderer _____

Appendix No.4
to the Open Contest Regulations of the
“Supply of ball valves with hydro-pneumatic actuator
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: Supply of ball valves with hydro-pneumatic actuator for Incukalns Underground Gas Storage

Whereas _____
(*name, reg. No. and address of the company*)
(hereinafter called “the Tenderer”) has submitted his Tender dated _____ 201__
(hereinafter called “the Tender”) for the Contest “For supply of ball valves with hydro-pneumatic actuator for Incukalns Underground Gas storage”
hereby we _____
(*name, reg. place, reg. No. and legal address of the credit institution*)
(hereinafter called “the Bank”) certify that we are bound unto JSC “Conexus Baltic Grid”, 6 Aristida Briana street, Riga, LV-1001, Latvia (hereinafter called “the Contracting Authority”) **for the amount of _____,00 (_____)** _____ for which payment well and truly be made to the said Contracting Authority by the Bank, as well as the legal successors and legatees of rights thereof.

1. The Bank undertakes to pay the Contracting Authority _____ (_____) EUR upon receipt of his first written demand, provided that in his demand the Contracting Authority will note that the amount claimed by him is due to him owing to the occurrence of one or more of the conditions stated in points 1 to 3:

1. If the Tenderer withdraws his Tender during the period of Tender validity specified by the Tenderer in the Tender Letter, or any extension thereof;
2. If the Tenderer deliberately has provided false or misleading information to the Contest Committee;
3. If the successful Tenderer fails or refuses:
 - to sign the Contract during the period of Tender validity, or
 - to submit the Performance Security in terms and conditions requested by Contract.

This guarantee will remain in force until _____ 20__, and any demand in respect thereof should reach the Bank not later than the above date.

_____ (Name and signature of the Bank’s representative)
Sealed with the Common Seal of the said Bank

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) ____ (____percents) of the Contract Price as an advance payment after signing the Contract and receipt of the advance payment guarantee in the amount of ____% of the Contract Price;
 - (b) ____ (____percents) of the Contract Price upon DDP delivery of the Goods to the Site against documents of Goods and after signing of Acceptance Statement;

2. Insurance

- 2.1. 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 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.

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 Supplier shall pay to the Contracting Authority penalty for delay equivalent to 0.5% (point five per cent) of the Contract Price 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 Contracting Authority shall pay to the Supplier penalty for delay equivalent to 0.5% (point five 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

- 6.1. 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. The right to terminate the Agreement or its part

The Contracting Authority shall have the right to terminate the Agreement or its part unilaterally by sending a written notice to the Supplier if the Supplier or its subcontractor, whose value of the services to be rendered (Goods to be delivered) is at least 10% of the total value of the Agreement, or the possibilities of which the Supplier based, in order to certify in the procurement that its qualification meets the requirements of the procurement document, in

accordance with the International and Latvian Law on National Sanctions At the time of execution of the contract, sanctions imposed by the Member States of the European Union or the North Atlantic Treaty Organization affecting international or national sanctions or significant financial and capital market interests are applicable, if it is therefore impossible to enforce the Agreement or part thereof.

8. Applicable Law

8.1. 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.

FORM OF ADVANCE PAYMENT GUARANTEE

_____, 2018 _____ (place)

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

Project: Supply of ball valves with hydro-pneumatic actuator for 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: _____