

## **ATKLĀTA KONKURSA**

**“Inčukalna pazemes gāzes krātuves Kompresoru ceha Nr.2 tehnoloģisko komunikāciju apsaites krānu Nr.38 un Nr.39 un GPA Nr.2 otrās pakāpes izejas līnijas pretvārsta piegāde”**

### **NOLIKUMS**

## **OPEN CONTEST**

**“For supply of technological piping valves No.38 and No.39 and swing check valve for Gas Compressors Station No.2 at Incukalns Underground Gas Storage”**

### **REGULATIONS**

Iepirkuma identifikācijas numurs PRO-2020/027

Rīga 2020

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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 piping valves and swing check valve 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 and 2nd stage of swing check valve.

### **1.2. Organiser of the Contest**

- 1.2.1. Contracting Authority:  
Joint Stock Company "Conexus Baltic Grid"  
Unified Registration No. 40203041605,  
Stigu street 14, Riga, LV-1021, Latvia  
Incukalns Underground Gas Storage,  
Ragana, Krimulda parish, Krimulda district, LV-2144, Latvia.  
"Swedbank" AS, Account: LV08HABA0551042978827, HABALV22.
- 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 Project Managing Office of Technical Development and Investments Department – 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 Form 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 and the 2nd stage swing check valve of Gas Compressor Station No.2 at Incukalns Underground Gas Storage.

2.1.2. The scope of supply includes the following:

2.1.2.1. Ball valve Dn700 ANSI 600 with mechanical actuator – 2 pcs;

2.1.2.2. Supply of Dn 400, ANSI 900 swing check valve – 1 pc.

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

### 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 **November 15 of 2020**. 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 2.3.1 and 2.3.2 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 2.3.1 and 2.3.2 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 (Form 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:

<b>No</b>	<b>Qualification requirements</b>	<b>Document</b>
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).  In relation to the Tenderer registered and constantly residing in Latvia, the Contracting Authority shall take into account the information posted in the information system established by the Cabinet of Ministers.
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 (2017, 2018 and 2019, year 2020 will be taken into	Information shall be performed in acc. with the following table:

<p>account) in the manufacture and/or delivery of goods similar to those required by the Contest Regulations.</p> <p>The Tenderer has manufactured and delivered the Goods required by the Contest Regulations at least one contract during the last 3 years (2017, 2018 and 2019, year 2020 will be taken into account)</p>	<table border="1"> <thead> <tr> <th data-bbox="781 149 954 394">The Contracting Authority</th> <th data-bbox="954 149 1122 394">Description of similar projects performed by the Tenderer</th> <th data-bbox="1122 149 1235 394">Year/month of delivery/manufacture</th> <th data-bbox="1235 149 1386 394">Contract amount excl. VAT EUR</th> <th data-bbox="1386 149 1528 394">The Contracting Authority contact person, name, position, phone</th> </tr> </thead> <tbody> <tr> <td data-bbox="781 394 954 436"></td> <td data-bbox="954 394 1122 436"></td> <td data-bbox="1122 394 1235 436"></td> <td data-bbox="1235 394 1386 436"></td> <td data-bbox="1386 394 1528 436"></td> </tr> </tbody> </table>	The Contracting Authority	Description of similar projects performed by the Tenderer	Year/month of delivery/manufacture	Contract amount excl. VAT EUR	The Contracting Authority contact person, name, position, phone					
The Contracting Authority	Description of similar projects performed by the Tenderer	Year/month of delivery/manufacture	Contract amount excl. VAT EUR	The Contracting Authority contact person, name, position, phone							
<p>6)</p>	<p>Information shall include last 3 years period.</p> <p>The offered Goods are produced in accordance the quality assurance system (ISO 9001 or equivalent)</p>										
<p>7)</p>	<p>Copy of the manufacturer's quality certificate or description of the quality assurance system implemented in the company.</p> <p>Copy of the authorization letter or certificate (if applicable).</p>										
<p>8)</p> <p>For partners and sub-contractors the following requirements have been fulfilled (if applicable):</p> <ol style="list-style-type: none"> <li>1. Statements of participation in the performance of the Contract signed by the subcontractors.</li> <li>2. Partners agreements of participation in the performance of the Contract.</li> <li>3. Each Tenderer partner and sub-contractor response to the requirements of the Sub-Clauses 3.1. 1) - 5)</li> </ol>	<p>The subcontractors documents (if applicable) :</p> <ol style="list-style-type: none"> <li>1. The list of subcontractors with the following table: <table border="1" data-bbox="781 1066 1523 1220"> <thead> <tr> <th data-bbox="781 1066 979 1178">Name and register number</th> <th data-bbox="979 1066 1523 1178">Scope performed by sub contractor, amount of supplies in EUR without VAT</th> </tr> </thead> <tbody> <tr> <td data-bbox="781 1178 979 1220"></td> <td data-bbox="979 1178 1523 1220"></td> </tr> </tbody> </table> </li> <li>2. Statements of participation in the performance of the Contract signed by the subcontractors;</li> <li>3. Partners agreements of participation in the performance of the Contract</li> <li>4. Documents listed in Sub-Clauses 3.1. 1) - 5)</li> </ol>	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 **EUR 2000 (two thousand euro)**. 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 submitted in one of the forms:
- 5.2.2.1. as an original of the unconditional bank guarantee for the Tenderer, issued by a bank operating in the Republic of Latvia or abroad, in accordance with the template indicated in (Appendix No. 4 Template I). The bank guarantee must be issued and registered in accordance with the legislation of the State where the respective bank is registered;
- 5.2.2.2. 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 Contracting Authority's account, which is pointed in Sub-clause 1.2.1. of the Contest Regulations. The payment order shall bear in inscription that it is tender security for open contest;
- 5.2.2.3. 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 (Appendix No. 5 Template II). 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.

5.2.3. The types of the tender security referred to in Sub-clause 5.2.2.1. and 5.2.2.3. of the Contest 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 Sub-clause 5.2.1. of the Contest 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.

5.2.4. If a bank guarantee is submitted as the Tender Security (in compliance with Sub-clause 5.2.2.1 of the Contest Regulations), the original bank guarantee shall be submitted to the Contracting authority or sent by post by the term defined by Sub-clause 6.1.1. of the Contest Regulations.

The address for submission or delivery by post: Joint Stock Company "Conexus Baltic Grid", Stigu street 14, Riga, LV-1021, Latvia (*"Submission of procurement offers, documents, mail"*).

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”***  
***14 Stigu street, Riga, LV-1021, Latvia,***  
**Tender for the Open Contest**  
**“For supply of technological piping valves No.38 and No.39 and swing**  
**check valve of Gas Compressor Station No.2 at Incukalns Underground**  
**Gas Storage”**

*Not to be opened before March 10, 2020, 10:00*

*To be opened only in the presence of the Contest Committee.*

5.4.2. The Tenderer must submit the Tender in one of the following ways:

5.4.2.1. one original in paper format and one additional offer in electronic format (PDF) stored on an electronic data storage device (CD, DVD or USB flash drive);

5.4.2.2. in electronic format (.doc, .docx, .xls, .xlsx, .odf or .pdf), observing the regulations of electronic document processing, signed with a secure electronic signature containing a time stamp and placed on an electronic data storage device (CD, DVD) or USB flash drive).

5.4.3. The original in paper format 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” 14 Stigu street, Riga, LV-1021, Latvia,*** to the secretary (phone +371 67819032) to be received till ***March 10, 2020, 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, in the conference room of the JSC “Conexus Baltic Grid”, 14 Stigu street, Riga, LV-1021, Latvia on **March 10, 2020, 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:

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

## 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 10% advance 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 main contract conditions included in the Contest Regulations (Appendix No. 5) shall be included in the Contract.

9.3. 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.

9.4. 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.

- 9.5. 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).
- 9.6. 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.
- 9.7. 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.
- 9.8. 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.
- 9.9. 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.

## **11. APPENDIXES**

There are 3 (three) Annexes attached to the Regulations:

- Annex 1 – Technical specifications on 4 pages;
- Annex 2 – Form of Tender letter on 3 pages;
- Annex 3 – Form of Financial tender on 1 page;
- Annex 4 – Tender security form on 1 page;



Annex 5 – Conditions of the contract on 1 page;  
Annex 6 – Form of advance payment guarantee on 1 page.

Chairman of the Procurement Committee

S. Straziņš

## TECHNICAL SPECIFICATIONS

### I. Supply of technological piping valves No.38 and No.39 of Gas Compressors Station No.2

#### 1. Objective and Task

- 1.1. Supply of ball valves with mechanical actuators for Joint Stock Company “Conexus Baltic Grid”.

#### 2. Operation conditions

- 2.1. Operation medium: 2.type natural gas (LVS459-2017), (methane 96.5–98.5%), density 0.688 g/m<sup>3</sup>, temperature from -10 °C up to +65 °C.
- 2.2. Operation 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. Scope of Supply

- 3.1. Ball valve Dn700 ANSI 600 with mechanical actuator – 2 pcs;
- 3.2. Sealing paste.

#### 4. Technical specifications

- 4.1. Ball valve Dn700 ANSI 600 with mechanical actuator

No.	Parameters	Measurement Units	Requirements
<b>Valve</b>			
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.	Type of connection	-	Welded to pipe 720x16mm, steel 20
7.	Actuator	-	Mechanical

8.	Working pressure	barg	55
19.	Lifetime	years	30
10.	Warranty at least	months	24
<b>Actuator</b>			
11.	Type	-	Mechanical with indication of valve position
12.	Actuator control	-	Manual, equipped with gearbox
13.	Control voltage	V, DC	24
14.	Indication of valve position		Open/Closed
15.	Lifetime	year	30
16.	Warranty at least	month	24

- 4.2. Valves shall be compliant with LVS EN 1594 standard requirements.
- 4.3. Valve tightness class shall be compliant with LVS EN 12266-1: 2012 (A class).
- 4.4. Valves shall be weather protected by weatherproofing coating RAL 7000.
- 4.5. Valves, actuators and there accessories shall be factory mounted and tested.
- 4.6. Open/Close handweel torgue < 150 N;
- 4.7. Mechanical actuators shall have the following accessories:
- 4.7.1. Two (2) limit switches (1 (one) open and 1 (one) close), explosion proof performance, EEx-d IIC T6 IP66 certified;
- 4.7.2. Distribution box, explosion proof performance, EEx-d;

## 5. Documentation to be submitted:

- Name of manufacturer.
- Drawings incl. structural dimensions;
- Certificate compliant with Directive PED 97/23CE;
- Bill of materials;
- Valves and actuators passport and 3.1.testing certificate accordingly to EN 10204 standard requirements;
- Manufacturer spare parts list, incl. identification numbers;
- Operation and maintenance instructions (in Latvian or English language);
- Documents shall be submitted in Latvian or English language.

## 6. Place and provision of delivery

- Incukalns Underground Gas Storage, Krimuldas parish, Krimuldas district;
- DDP (Incoterms 2010).

## **II. Supply of Gas Compression Unit No.2 the 2<sup>nd</sup> stage swing check valve Dn 400, ANSI 900 for Gas Compressor Station No.2 at Incukalns Underground Gas Storage**

### **1. Objective and Task**

Supply of Dn 400 (16”), ANSI 900 swing check valve with butt weld ends for Joint Stock Company “Conexus Baltic Grid”.

### **2. Operation conditions**

- 2.6. Operation medium: 2. type natural gas (LVS459-2017), (methane 96.5–98.5%), density about 0.688 g/m<sup>3</sup>, temperature from -10 °C up to +70 °C;
- 2.7. Working pressure 100 barg;
- 2.8. Ambient temperature from -40 °C up to +40 °C;
- 2.9. Max. humidity up to 90%.

### **3. Technical specification**

#### 3.1.

<b>No.</b>	<b>Parameters</b>	<b>Measurement Units</b>	<b>Requirements</b>
1.	Diameter (Dn)	mm	400
2.	Operation pressure in pipeline		100
3.	Pipeline position	-	Above ground, horizontal
4.	Type of valve bore		Full bore
5.	Type of connection	-	Welded to pipe 426x20mm, steel 20
7.	Lifetime	year	30
8.	Warranty	month	24

3.2. Valve shall be compliant with LVS EN 1594 standard requirements.

3.3. Valve shall be weatherproof and shall have weatherproofing coating.

3.4. Valve clapper must be easy to dismantle and repairable in the field.

3.5. Valve and its fittings shall have ATEX certification and bear Ex marking and CE conformity marking.

3.6. Valve shall provide connection to pipe 426 mm x 20 mm and material type – steel 20

(Ct20; GOST 1050-74).

#### **4. Documentation to be submitted:**

- Drawings incl. structural dimensions;
- Certificate compliant with Directive PED 97/23CE;
- Bill of materials;
- Valve passport and 3.1.testing certificate accordingly to EN 10204 standard requirements;
- Manufacturer spare parts list, incl. identification numbers;
- Operation and maintenance instructions (in Latvian or English language);
- Documents shall be submitted in Latvian or English language.
- 

#### **5. Place and provision of delivery**

- Incukalns Underground Gas Storage, Krimuldas parish, Krimuldas district;
- DDP (Incoterms 2010).

**Appendix No.2**

to the Open Contest Contest Regulations of the  
“For supply of technological piping valves No.38 and No.39 and swing check valve for Gas  
Compressors Station No.2 at Incukalns Underground Gas Storage”

**FORM OF TENDER LETTER**

\_\_\_\_\_, 2020

\_\_\_\_\_  
*Place*

To: Joint Stock Company “Conexus Baltic Grid”  
14 Stigu Street, Riga, LV-1021, Latvia

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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 understand that you are not bound to accept the lowest or any Tender you may receive.

3. **Date of delivery**

If our Tender is accepted, we undertake to supply the Goods within \_\_\_\_\_ weeks after signing the Contract.

4. **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.

5. **Terms of warranty**

\_\_\_\_\_ after delivery date.

6. **Terms of delivery**

Goods under the Contract will be delivered in accordance with the terms DDP, “Incukalns Underground Gas Storage”, Latvia (Incoterms 2010).

7. **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: \_\_\_\_\_

8. 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).

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

9.1. 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.

9.2. 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"> <li>o 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);</li> <li>o 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).</li> </ul>	
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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 technological piping valves No.38 and No.39 and swing check valve for Gas  
Compressors Station No.2 at Incukalns underground gas storage”

**FORM OF FINANCIAL TENDER**

\_\_\_\_\_, 2020

\_\_\_\_\_  
*Place*

To: Joint Stock Company “Conexus Baltic Grid”  
14 Stigu Street, Riga, LV-1021, Latvia

**Project:** Supply of technological piping valves No.38 and No.39 and swing check valve for Gas  
Compressors Station No.2 at 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>
	<b>Ball Valve:</b>			
1.1.	Ball valve Dn700 ANSI 600	2 pcs.		
1.2.	Mechanical actuator	2 pcs.		
1.3.	Sealing paste			
1.4.	Dn 400 (16”), ANSI 900 swing check valve with butt weld ends	1 piece		
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  
“For supply of technological piping valves No.38 and No.39 and swing check valve for Gas  
Compressors Station No.2 at Incukalns Underground Gas Storage”

**TENDER SECURITY FORM**  
**I Template**

\_\_\_\_\_, 2020

\_\_\_\_\_ *place*

To: Joint Stock Company “Conexus Baltic Grid”  
14 Stigu Street, Riga, LV-1021, Latvia

**Project:** Supply of technological piping valves No.38 and No.39 and swing check valve for Gas  
Compressors Station No.2 at Incukalns Underground Gas Storage

Whereas \_\_\_\_\_  
(*name, reg. No. and address of the company*)  
(hereinafter called “the Tenderer”) has submitted his Tender dated \_\_\_\_\_ 2020  
**(hereinafter called “the Tender”) for the Contest “For supply of technological piping valves No.38  
and No.39 and swing check valve for Gas Compressors Station No.2 at 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”, 14 Stigu  
street, Riga, LV-1021, 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 Advance payment 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

**II Template**  
**TENDER SECURITY FORM**  
(annex to insurance policy No. \_\_\_\_\_)

\_\_\_\_\_, 2020

\_\_\_\_\_  
(place)

**To :** Joint Stock Company "Conexus Baltic Grid"  
Unified registration No. 40203041605  
14 Stigu street, Riga, LV-1021, Latvia

**Project :** For supply of technological piping valves No.38 and No.39 and swing check valve for Gas Compressors Station No.2 at Incukalns Underground Gas Storage

Order: " \_\_\_\_\_ " (name of the procurement procedure)  
\_\_\_\_\_ (name of the Tenderer) \_\_\_\_\_, registered with the Enterprise Register of [name of the country] under No. \_\_\_\_\_, address \_\_\_\_\_ (hereinafter referred to as the Tenderer) has submitted its tender on \_\_\_\_\_ for execution of the aforementioned Order.

We, \_\_\_\_\_ (name of the Insurer), registered with the Enterprise Register of [name of the country] under No. \_\_\_\_\_, address: \_\_\_\_\_ (hereinafter referred to as the Insurance Company), do hereby certify that we have obligations towards the Conexus Baltic Grid AS (hereinafter referred to as the Customer) in the amount of \_\_\_\_\_ EUR ( \_\_\_\_\_ ), from which payments in favour of the aforementioned Customer shall be made.

The conditions of these obligations are the following:

The Tenderer loses the Tender Security if the Tenderer:

1. Withdraws its tender during the validity term of the tender after opening of the tender;
2. Is pronounced to be the winner of the procurement procedure and within the prescribed period of time:
  - 2.1. fails to sign the contract or
  - 2.2. fails to submit the requested advance payment security for the contract.

We undertake, as the as the debtor itself, to pay the aforementioned amount upon the first request of the Customer without requesting the Customer to substantiate its request, provided that the Customer shall indicate that its request concerns coming into force of one or more provisions of the Contract.

This guarantee shall be valid from \_\_\_\_\_ 201\_\_\_\_ to \_\_\_\_\_ 201\_\_\_\_. Claims in relation to this guarantee shall not be satisfied unless presented to the Insurance Company until \_\_\_\_\_ 201\_\_\_\_ (inclusive).

In case of discrepancies between the insurance policy, conditions of the insurance policy and this Annex, this Annex shall prevail.

Signatures of officials of the Insurance Company and the seal of the Insurance Company.

## **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 advance payment;
  - (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 2020*). The place of delivery:  
Incukalns Underground Gas Storage, 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 Contracting Authority has a right to count, and in such case the Supplier shall pay to the Contracting Authority penalty for delay equivalent to 0.1% (point one 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 Supplier has a right to count, and in such case the Contracting Authority shall pay to the Supplier penalty for delay equivalent to 0.1% (point one 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. The right to terminate the Agreement or it's part**

The Contracting Authority shall have the right to terminate the Agreement or it's 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**

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 Regulations of the

“For supply of technological piping valves No.38 and No.39 and swing check valve for Gas Compressors Station No.2 at Incukalns Underground Gas Storage”

### FORM OF ADVANCE PAYMENT GUARANTEE

\_\_\_\_\_, 2020 \_\_\_\_\_ (place)

Beneficiary: JSC “Conexus Baltic Grid”  
14 Stigu street, Riga, LV-1021, Latvia

**Project:** For supply of technological piping valves No.38 and No.39 and swing check valve for Gas Compressors Station No.2 at 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: \_\_\_\_\_