**ATKLĀTA KONKURSA**

**“Par Inčukalna pazemes gāzes krātuves tehnoloģiskās uzraudzības nodrošināšana 2020-2022. gadam”**

**NOLIKUMS**

**OPEN CONTEST**

**“For Services of technological supervision**

**of Incukalns underground gas storage operation in 2020 -2022”**

**REGULATIONS**

Iepirkuma identifikācijas numurs PRO-2020/139

Riga 2020

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# GENERAL TERMS

# Purpose

* + 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 services of technological supervision for JSC “Conexus Baltic Grid” Incukalns Underground Gas Storage operation in 2020 -2022 (hereinafter – the Works).
    2. The Joint Stock Company “Conexus Baltic Grid” (registered as Akciju sabiedrība ”Conexus Baltic Grid”), hereinafter – the Contracting Authority, invites Tenderers for providing services of technological supervision of Incukalns Underground Gas Storage operation in 2020 -2022.

# Organiser of the Contest

* + 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. 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 Technical specification: Head of Geological Survey – Inta Karvonena, Mob. +371 26950538, e-mail: inta.karvonena@conexus.lv.

# Type of the Contest

* + 1. The Contest is organised as an open procurement procedure in accordance with the requirements of Interior procurement procedure of the Contracting authority.
    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.
    3. Participation in the Contest is a demonstration of free volition of Tenderers, based on equal terms and conditions for all Tenderers.

# Instructions for Tenderers

* + 1. Each Tenderer shall submit only one Tender. A Tenderer who submits more than one Tender will be disqualified.
    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 Specification (Annex No.1).
    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 Annexes.
    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.
    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.
    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.
    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. 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.
    2. 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.
    3. The Contracting Authority will exclude the Tenderer from further participation if the Tenderer:
       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*);
       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;
    4. 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 (Annex No.1) filling data in Form of Tender Letter (Annex No.2) and prices of Tenders indicated in the Form of Financial Tender – (Annex No.3).
    5. The Contest Regulations are prepared in English.

# Information on the subject of the contest

# Subject of the Contest, its Quantitative and Qualitative Characteristics

# The Subject of the Contest and the subsequent Contract is for providing Services of technological supervision of Incukalns Underground Gas Storage operation in 2020-2022 at Incukalns Underground Gas Storage.

# The Supervision Works start form July 01, 2020 and shall be completed till June 30,2022. The place of the Supervision Works: JSC “Conexus Baltic Grid”, Incukalns Underground Gas Storage, Ragana, Krimulda district, Krimulda region, Latvia.

# The scope of Supervision Works includes the following main activities:

* + Forecasting calculations of maximum capacities (productivity) of Incukalns UGS in GW/day and m3/day;
  + Analysis of the Incukalns UGS for each operating season (injection/withdraw);
  + Maintenance of gas dynamic, geological technological 3D model.

# Price of the Tender

* + 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:

1. 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);
2. If the Tenderer is not a company registered in Latvia or another EU country, but for the delivery of Works 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.
   * 1. Prices of Tender shall be indicated in the Tender Letter Form (Annex No.2) and in accordance with Financial Tender (Form of Financial Tender (Annex No.3), completing the forms enclosed herewith. The Tenderer shall propose full scope of the Works, 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. 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).
     3. The Contest Committee will evaluate Tender price without Latvian Republic VAT except if the case referred to in Sub-Clause 2.3.2. b).

# REQUIREMENTS FOR THE TENDERER’S QUALIFICATION AND QUALIFICATION DOCUMENTS

* 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).  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 5 years (2015 - 2019, year 2020 also will be taken into account) of similar technological supervision works of underground gas storage to those required by the Contest Regulations.  The Tenderer has experience of the Works required by the Contest Regulations at least one contract during the last 5 years (2015 - 2019, year 2020 also will be taken into account) | Information shall be performed in acc. with the following table:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | The Contracting Authority | Description of similar projects performed by the Tenderer | Year/ month | Contract amount excl. VAT EUR | The Contracting Authority contact person, name, position, phone | |  |  |  |  |  |   Information shall include last 5 years period. |
| 6) | For partners and sub-contractors the following requirements have been fulfilled (if applicable):   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) | The subcontractors documents (if applicable) :   1. The list of subcontractors with the following table:  |  |  | | --- | --- | | Name and register number | Scope performed by sub contractor, amount of supplies in EUR without VAT | |  |  |  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. Documents listed in Sub-Clauses 3.1. 1) - 5) |
| 7) | The Tenderer is not directly or indirectly related to PJSC “Gazprom” and its related companies (due to certification requirements). | Information inserted in Tender letter. |

* 1. 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.

# ADDITIONAL INFORMATION REGARDING THE CONTEST

* 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 Sandris Strazdiņš 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.

# PREPARATIONS AND FORM OF THE TENDERS

# Preparation of Tender

* + 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.
    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.
    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.

# Content of Tender

The Tender shall contain the following documents and information:

* + 1. **Tender Letter** The Tender Letter shall be in the form attached to the Contest Regulations (Annex 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.
    2. **Qualification documents** listed under Clause 3;
    3. **Financial Tender** in accordance with requirements stated in Clause 2.3 and Annex No.3 (Forms of Financial Tender).
    4. **Technical Tender** in free form with description of services tenderer will provide according technical specification (Annex 1);
    5. Tenderer’s and Tenderer’s Specialist’s Experience (Annex No.4).
    6. The Tender shall start with the list of contents listing all the included documents. The documents shall follow the sequence specified under Clause 5.3.

# Form of Tender

* + 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 Services of technological supervision**

**of Incukalns Underground Gas Storage operation in 2020 -2022*”***

***Not to be opened before May 28*, *2020, 10:00***

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

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

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

5.3.2.2. 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).

* + 1. 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.
    2. 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.
    3. The Tenderer shall undertake the risk for delivery of the Tender.
    4. For avoidance of any doubt or misunderstanding, all words and figures in the Tender must be clearly legible, without any insertions or erasures.

# SUBMISSION OF TENDER

* 1. **Place and time for submission of Tenders**
     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 **May 28, 2020, 10:00 (Latvian time).**
     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.

# Tender Validity

* + 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.
    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, otherwise the Tender will be rejected.

# Amendment and Withdrawal of Tender

* + 1. The Tenderer may 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.
    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”.**

# Opening of Tenders

* + 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 ***May 28*, *2020, 10:01*** (Latvian time).
    2. Opening of Tenders before the due time is not permitted.
    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.
    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.
    5. Members of the Contest Committee shall put their signatures on the Tenders and Amendments submitted by the Tenderers.
    6. Envelopes bearing the inscription "Tender Amendment” shall be opened consecutively with the opening of the respective Tenderer’s envelope with Tender documents.
    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.
    8. Representatives of the Tenderers **areallowed 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.
    9. The Chairman of the Contest Committee or another member of the Contest Committee shall open the Tenders in the order of there 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.
    10. Tenderers’ representatives do not participate in further process of the Contest.

# TENDER SELECTION CRITERIA AND PROCEDURE

# Procedure for the Selection of Tenders

* + 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.

* + 1. The Contest Committee shall carry out the evaluation of the Tenders in the following procedure:
  1. examination of the Tenderers’ qualification and conformity of the Tenders in accordance with Clause 7.2;
  2. technical evaluation of the Tenders in accordance with Clause 8.1;
  3. financial evaluation of the Tenders in accordance with Clause 8.2;
  4. final evaluation of the Tenders in accordance with Clause 8.3.
     1. During the Tender evaluation, the Contest Committee has the right to ask any Tenderer:

1. 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;
2. to attend a clarification meeting in order to specify the Tender details.

# Examination of the Tenderers’ Qualification and Conformity of the Tender

* + 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.
    2. Prior to the Tender evaluation the Contest Committee shall also check whether each Tender complies with the requirements of the Contest Regulations. 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 lacking other required documents or information shall be rejected without further evaluation.
    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.

# 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** | **60** |
| **Technical criteria** | **40** |
| Tenderer’s experience in cooperation with companies which are operating in any of the national liberalised gas markets within the European Union as foreseen in Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (hereinafter – Open gas market). | 20 |
| Tenderer’s personnel, responsible for the performance of contract, experience of similar Works | 10 |
| Tenderer’s experience of similar technological supervision Works in aquifer underground gas storages, the number of storage facilities to be monitored | 10 |
| **Total weight** | **100** |

# EVALUATION OF THE TENDERS

# Evaluation of Tender price

* + 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.
    2. The Tender price will be increased or decreased by the following amounts:

1. corrections of arithmetic errors as described below;
2. scope of supplies included in the Tender price might be corrected, during the Tender evaluation by the Contracting Authority.
   * 1. The Contest Committee will check the Tenders for arithmetic errors and correct them as follows:
3. 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;
4. if the total price will differ from the sum of cost items, the total price will be corrected.
   * 1. 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.
     2. When evaluating the Tender price, the price exclusive of the 21% VAT payable in the Republic of Latvia will be considered. The Tender price will be evaluated as follows: the Tender with the lowest price will be awarded the maximum score (equal to the weight of criterion), but the score of the other Tenders will be determined as a proportion in relation to the lowest cost:

**Lowest price / price of Tender “N” x 60**

* 1. **Technical criteria** 
     1. Tenderer’s experience in cooperation with companies in Open gas market in European Union is evaluated by awarding the scores:

20 Tenderer has wide (over 5 years) experience (list of examples);

10 Tenderer has a medium (3 - 5 years) experience (list of examples);

2 Tenderer has a minimal (till 3 years) experience (list of examples).

* + 1. Tenderer’s personnel experience in performance of Works mentioned in technical Specification Annex No.1) mentioned in Specialist’s experience list (Annex No.4):

The Technical criteria "Tenderer’s personnel experience" (responsible for the performance of contract) is evaluated according to an algorithm where the Tenderer with the most experience in project management of similar projects will receive the maximum score of 10. For other tenderers, points are awarded proportionally:

X / Z \* 10 = score to be obtained where:

X- Personnel’s experience in similar projects proposed by the tenderer (in years);

Z- Personnel’s most experience (in years) in similar projects offered by tenderers.

* + 1. Tenderer’s experience of similar technological supervision Works in aquifer underground gas storages, the number of storage facilities to be monitored:

10 Tenderer has wide (more than 7 underground gas storages) experience (with examples);

6 Tenderer has a medium (3 - 7 underground gas storages) experience (with examples);

2 Tenderer has a minimal (till 3 underground gas) experience (with examples).

# Final evaluation

* + 1. Total score will be calculated as follows:

**Total score = Total score of technical criteria + Total score of Tender price**

* + 1. 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.
    2. The Contest Committee is not bound to award the contract to the Tender with the lowest Tender price.
    3. 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.
    4. 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.
    5. 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.
    6. All Tenderers shall be notified in writing (sent by e- mail) of the Contest results.

# CONTRACT NEGOTIATIONS AND SIGNING OF CONTRACT

* 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.
  2. 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.

* 1. 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).
  2. If a Tenderer 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.
  3. If a Tenderer 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 Works to the Contracting Authority.

# CONFIDENTIALITY

* 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. ANNEXES

There are 4 (four) Annexes attached to the Regulations:

Annex 1 – Technical specification on 5 pages;

Annex 2 – Form of Tender letter on 3 pages;

Annex 3 – Form of Financial tender on 1 page;

Annex 4 – Form of Tenderer’s and Tenderer’s Specialist’s Experience on 1 page.

Chairman of the Procurement Committee S. Strazdiņš

06 of May, 2020.

**Annex No.1**

to the Tender Documents of the Open Tender

“For Services of technological supervision

of Incukalns underground gas storage operation in 2020 -2022”

**TECHNICAL SPECIFICATION**

**For providing Services of technological supervision**

**of Incukalns Underground Gas Storage operation in 2020 -2022.**

1. **Overview of the Object**

Services of technological supervision are performed on the operation of Incukalns Underground Gas Storage (IUGS)), located 40 km north-east from Riga (Latvia), its operation started in 1968 year.

Process Design of the storage was developed by Gazprom VNIIGAZ, LLC (Russia) in 1968, and the last change to the Design was made in 2 000 year.

The maximum total storage volume is 4,445 billion m3, 2,145 billion m3 is the cushion gas. The maximum daily rate of gas injection into IUGS is 17 million m3 and gas withdrawing daily rate - 30 million m3. The total production capacity of two compressor stations is 33.5 MW (45 600 hp). 93 production wells are used for gas injection and withdrawal. The monitoring of IUGS operation is carried out using 47 observation and 23 control wells.

Cambrian aquifer reservoir is the object of storing gas, represented by medium-poorly cemented medium-fine-grained quartz sandstones with interlayers of siltstones, with an average thickness of 60m. The reservoir has a depth of 700-800m with good reservoir properties (permeability up to 4 Darcy, porosity up to 32%, piezoconductivity averaged 15 000 cm2/sec).

The reservoir pressure during storage operation varies from 35 bar (min) in March (after gas withdrawal) to 105 bar (max) in October (after gas injection), hydrostatic pressure is of 70 bar. The period of minimum reservoir pressures (below hydrostatic) is from March to June. The reservoir contains sodium chloride waters with a mineralization of 106 g/l, the reservoir temperature is about 22°C.

Object monitoring program, developed by Gazprom VNIIGAZ, LLC is operated at IUGS, in accordance with the standards (LVS 364, LVS EN 1918-1) and it includes the following three directions:

* + 1. Gas field monitoring - measurements of reservoir pressure/water level in production, observation and control wells;
    2. hydro-geochemical monitoring - control of gas field saturation , tectonic fault and cap rock formation tightness (47 observation and 23 control wells);
    3. well logging monitoring - control of the gas saturated volume in 55 wells (25 wells after gas withdrawal season and 30 wells after gas injection).

**2. Scope of Services performed by the Contractor**

| No | Description | Timeline |
| --- | --- | --- |
| 2.1. | Forecasting calculations of maximum capacities (productivity) of Incukalns UGS in GW/day and m3/day: | |
| 2.1.1. | Curve and graph of maximum withdraw /injection capacity of natural gas with the following parameters:  Pressure in the reservoir;  Daily capacity;  Volume of active gas;  etc. | 5 days after the end of the season |
| 2.1.1.1 | The maximum gas capacity curve which is adjusted depending on the actual gas pressure and the amount of active gas remaining; | Before the 3rd of each month |
| 2.1.1.2. | If necessary, the maximum gas withdrawal/injection curve may be clarified more frequently at the request of the customer (geological service manager email); | Up to 3 times a month |
| 2.1.2 | Forecasting injection curve:  2021  2022 | October 2020 October 2021 |
| 2.2. | Analysis of the Inčukalns UGS for each operating season (injection/withdraw): | |
| 2.2.1. | Analysis of each storage performance index (daily productivity, dynamics of reservoir pressure and volume of gas saturated pore volume); | 30 days after the end of the season |
| 2.2.2. | Based on geophysical measurements and monitoring data, gas saturation, gas saturated thickness and isobar map at scale 1: 25,000 with water - gas contact circuit; | 30 days after the end of the season |
| 2.2.3. | Calculation of volume of gas stored and losses of gas (gas dissolution, sorption, etc.); | 30 days after the end of the season |
| 2.2.4. | Analysis of technological parameters of the well foundation (number of wells worked, their productivity, pressure depression / repression, water factor, methanol consumption and other dynamic parameters); | 30 days after the end of the season |
| 2.2.5. | Recommendations for organization of gas injection/withdrawal (which and how many wells, in which order); | 30 days after the end of the season |
| 2.3. | Monitoring results of the storage and recommendations for adjustment of the monitoring program (if necessary); | 30 days after the end of the season |
| 2.4. | Assessment of storage hermetization, based on monitoring results; | 30 days after the end of the season |
|  |  |  |
| 3. | **Maintenance of gas dynamic, geological technological 3D model[[1]](#footnote-1):** | |
| 3.1. | After each withdrawing/injection season, the Contractor shall add actual data to the operational history of the model; | 30 days after the end of the season |
| 3.2. | After each withdrawing/injection season, the Contractor shall model the storage activity for the previous season. If necessary, the model is adopted and refined. Acceptable modeling error - 10% of the maximum and minimum pressure differences in "typical" wells (see Fig. 2); | 30 days after the end of the season |
| 3.3. | After each withdrawing/injection season, the Contractors provide a brief modeling overview (with maps and sections) and model files; | 30 days after the end of the season |
| 3.4. | Upon the written request of the Customer, the Contractor shall model the possible scenarios of storage operation and provide a brief modeling overview (with maps, cuts and analysis of the results); | 30 days after the end of the season |

For each of the above mention job descriptions, the Contractor shall provide an example of the result and a description of the performance.

1. **Terms of execution**

4.1. The Contractor provides the Services, guided by the European standards EN 1918: 1 "Gas supply systems -Underground gas storage. Part 1: Functional recommendations for storage in aquifers”, EN 1918:5 "Gas supply systems. Underground gas storage. Part 5: Functional recommendations for surface facilities”. Functional recommendations for surface facilities”, LR standard LVS 364: 2011 “Operation, maintenance and repair of natural gas storage in aquifer and transmission pipelines systems", LVS NS GS-09: 2009 "Operational safety rules for underground gas storage system" and other laws and regulations and also will inform of current developments in standards and other regulatory documents concerning to the technological monitoring of gas storage facilities

4.2. The Customer provides the Contractor with the current and necessary data of object monitoring to Contractors request (Annex No.1) in English. If it is necessary to translate (from Latvian or Russian languages) the documents provided by the Customer, the Contractor has to make the translation independently and at his own expense.

4.3. Monitoring data (geophysical and hydro geochemical monitoring of gas and dynamic testing of well) shall be provided to the Contractor within ten days of receipt.

4.4. The technology monitoring services include Contractor's representative’s arrival to the Incukalns UGS at least quarterly (it will not apply, if the emergency situation with COVID-19 continues) to discuss current operational issues and select required materials.

4.4.1. After submission of each report on the withdrawing/injection season, the Contractor shall present and defend the results of the work at the Incukalns UGS.

1. **Expected results**

The Contractor shall submit to the Customer the full report of the operation season of each storage facility in accordance with Technical Specification Article 2, presentation in electronic form. The monthly maximum storage capacity adjustments are emailed.

1. **Time of execution**

6.1. The results of the Inčukalns UGS Technological Supervision are provided in term of two years from the signing of the contract until 30 June 2022;

6.2. No later than 30 days after the end of withdrawing/injection season the Contractor shall submit to the Customer a report on the provision of services in accordance with Technical Specification Article 2 and 3 \*;

6.3. At the beginning of each month, the Contractor shall submit materials to the Customer in accordance with Technical Specification Article 2.1.

Head of Geological Survey of Incukalns UGS \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Inta Karvonena

Deputy Head of Geological Survey of Incukalns UGS \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Edgars Birgers

**ANNEX NO.1 OF TECHNICAL REQUIREMENTS**

List of guidance documents

1. Addition to "Design of IUGS " 2000, Gazprom VNIIGAZ, LLC. 170 pages. (RU);

2. EN 1918:1 «Gas supply systems – Underground gas storage – Part 1: Functional recommendations for storage in aquifers». (RU, ENG, LV);

3. EN 1918:5 «Gas supply systems – Underground gas storage – Part 5: Functional recommendations for surface facilities» (RU, ENG, LV);

4. LVS 364:2011 «Operation, maintenance and repair of natural gas storage in aquafier and transmission pipelines system»,(RU, ENG, LV);

5. LVS NS GS-09:2009 «The underground gas storage system operation safety rules», 36 pages (LV)

6. "Object Monitoring Program at Incukalns UGS in 2018-2022" 14 pages. (RU, LV)

7. Report on the Author's supervision of the operation of Incukalns UGS for 2015. 197 pages. (RU);

8. Report on the Author's supervision of the operation of Incukalns UGS for 2016. 372 pages. (RU);

9. Report on the Author's supervision of the operation of Incukalns UGS for 2017. 139 pages. (RU);

10. Report on the Author's supervision of the operation of Incukalns UGS for 2018. (RU);

11. Report on the Author's supervision of the operation of Incukalns UGS for 2019. 169 pages. (RU);

12. The report on geophysics of Incukalns UGS for 2014 year. 70 pages (RU);

13. The report on geophysics of Incukalns UGS for 2015 year. 83 pages (RU);

14. The report on geophysics of Incukalns UGS for 2016 year. 65 pages (RU);

15. The report on geophysics of Incukalns UGS for 2017 year. 79 pages (RU);

16. The report on geophysics of Incukalns UGS for 2018 year. (RU);

17. The report on geophysics of Incukalns UGS for 2019 year. (RU);

18. Gas-hydro chemical analysis report of IUGS for 2015 year. 126 pages (LV);

19. Gas-hydro chemical analysis report of IUGS for 2016 year. 135 pages. (LV);

20. Gas-hydro chemical analysis report of IUGS for 2017 year.69 pages (LV);

21. Gas-hydro chemical analysis report of IUGS for 2018 year.80 pages (LV);

# Annex No.2

to the Open Contest Contest Regulations of the

“For Services of technological supervision

of Incukalns underground gas storage operation in 2020 -2022”

# FORM OF TENDER LETTER

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

\_\_\_\_\_\_\_\_\_\_\_\_

*Place*

To: Joint Stock Company “Conexus Baltic Grid”

14 Stigu Street, Riga, LV-1021, Latvia

*--------------------------------------------------------------------------------------------------------------------------------------------------------------------*

Having examined the Contest Regulations, we, the undersigned, undertake, in case our Tender is accepted and the Contract signed to supply the Works for the Joint Stock Company „Conexus Baltic Grid” for the amount of

Tender price \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

VAT (21%) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Tender price with VAT (in figures and words)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

1. Hereby we certify that:

* we are not associated with an energy supply company in field of the production or trade of natural gas or electricity, thereby influencing the customer's certification process.
* 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 Works, including the costs of materials and transport and the taxes and duties payable in accordance with the requirements of the Contest Regulations.

1. We understand that you are not bound to accept the lowest or any Tender you may receive.
2. **Terms of payment**

*(Tenderer describes form of payments).*

1. **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: |  |
| Е-mail: |  |

1. 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);
* Large enterprise.

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

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

|  |  |
| --- | --- |
| Name of the subcontractor | Part of the Contract to be performed |
|  |  |
|  |  |
|  |  |

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

|  |  |
| --- | --- |
| The subcontractor involved by the Tenderer meets the following entrepreneur status (mark as appropriate for each subcontractor):  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);  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).  O Large enterprise |  |

Hereby we submit our Tender consisting of 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: |  |

# Annex No.3

to the Open Contest Regulations of the

“For Services of technological supervision

of Incukalns underground gas storage operation in 2020 -2022”

# FORM OF FINANCIAL TENDER

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

\_\_\_\_\_\_\_\_\_\_\_\_

*Place*

To: Joint Stock Company “Conexus Baltic Grid”

14 Stigu Street, Riga, LV-1021, Latvia

**Project:** For Services of technological supervision of Incukalns underground gas storage operation in 2020 -2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **№** | **Service description** | **Quantity** | **Price per month or unit** | **Sum**  **Currency** |
| *1* | *2* | *3* | *4* | *3x4=5* |
|  | **Technological supervision:** | | | |
| 1.1. | For providing Services of technological supervision of Incukalns Underground Gas Storage operation in 2020-2022 | 24 months |  |  |
| 1.2. | Analysis of the Incukalns UGS for each operating season (injection/withdraw) |  |  |  |
| 1.3. | Maintenance of gas dynamic, geological technological 3D model |  |  |  |
| 1.4. | Additional technological analysis | Man hour |  |  |
| TOTAL AMOUNT | | |  |  |
| VAT 21% | | |  |  |
| TOTAL with VAT 21% | | |  |  |

Name, family name, position of authorized person:

Signature of the Tenderer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Annex No.4

to the Open Contest Regulations of the

“For Services of technological supervision

of Incukalns underground gas storage operation in 2020 -2022”

**Tenderer’s and Tenderer’s Specialist’s Experience**

**in accordance with the Clause 3.1. and 5.2.5., 8.2.2. of the Contest Regulations**

***Information about the Tenderer***

1. Business name:

2. Reg. No.:

3. Place of registration:

4. Year of registration:

5. Registered office:

6. Office address, tel.:, e-mail:

7. Bank:

8. SWIFT code/BIC:

9. Account No.:

10. Tenderers’s liaison for procurements (name, tel., e-mail):

**Tenderer’s experience**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No** | **Project Name/ Contractual partner Name** | **Name, type of**  **Work** | **month/ year** | **Description** | **Person for Contractual Partner (For references)** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Tenderer’s personnel’s responsible for the performance of contract experience**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No** | **Name, Second name** | **Project experience, type of Work** | **month/ year** | **Description** | **Person for Contractual Partner (For references)** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Tenderer’s personnel’s education;

Tenderer’s personnel’s additional training.

|  |  |
| --- | --- |
| Name of the Tenderer : |  |
| Name and position of the authorized person : |  |
| Signature of the authorized person : |  |

1. The Contractor shall disclose the costs of model maintenance and calculations separately from the costs of the Technology Monitoring Services. Depending on price, the work may be included/ not included or transferred to another contractor. [↑](#footnote-ref-1)