**TERMS AND CONDITIONS**

**FOR HOLDING A TENDER FOR PARTIAL TRANSFER OF RIGHTS AND OBLIGATIONS OF BULGARGAZ EAD UNDER THE FRAMEWORK AGREEMENT SIGNED WITH BOTAS FOR THE PROVISION OF REGASIFICATION, STORAGE AND TRANSMISSION OF LIQUEFIED NATURAL GAS SERVICE TO THE STRANDZHA1/** **MALKOÇLAR INTERCONNECTION POINT**

1. **SUBJECT OF THE PROCEDURE:** Partial transfer of the rights and obligations of Bulgargaz EAD under the Framework Agreement signed with Botas for the provision of regasification, storage and transmission of liquefied natural gasserviceto the Strandzha 1/Malkoçlar Interconnection Point.
2. **MANDATORY REQUIREMENTS FOR THE PROVISION OF THE SERVICE.**

* Conclusion of a Confidentiality Agreement between Bulgargaz and the admitted participant in order to become aware of Bulgargaz EAD’s rights and obligations under the Framework Agreement between Bulgargaz EAD and Botas – *Annex 1.*

*Participants who have signed a Confidentiality Agreement in a previous procedure do not need to provide it again.*

1. **PERIOD OF TRANSFER OF RIGHTS AND OBLIGATIONS:**

**3.1 One-year product for the period 01.01.2025 - 31.12.2025.**

**–** number of cargoes - **up to 3 cargoes ≈ 3 000 000 MWh.**

**3.2. Five-year product for the period 01.01.2025 - 31.12.2029.**

- Number of cargoes - **up to 3 cargoes** ≈ **3 000 000 MWh**.

**3.3 Ten-year product for the period 01.01.2025 - 31.12.2034**

- Number of Cargoes - **up to 4** ≈ **4 000 000 MWh**.

**3.4 Ten-year product for the period 01.01.2026 - 31.12.2035**

**-** Number of cargoes **- up to 4 cargoes ≈ 4 000 000 MWh.**

1. **Main rights and obligations under the concluded Framework Agreement between Bulgargaz EAD and Botas, subject of this procedure**

* **Rights**
* Right to supply up to 4 LNG cargoes per year (or approximately 4,000,000 MWh per year).
* Right to nominate the supply of the LNG deliveries at the Exit Point of the Turkish gas transmission network Malkoçlar on a daily basis in the range as follows:
* from 1000 MWh to 3,500 MWh at 1 LNG cargo service (1,277,500 MWh/year).
* from 1000 MWh to 7,000 MWh at 2 LNG cargoes service (2,555,000 MWh/year)
* from 1000 MWh to 10,500 MWh at 3 LNG cargoes service (3,832,500 MWh/year
* from 1000 MWh to 14 000 MWh at 4 LNG cargoes service (5,110,000 MWh/year)
* The right to transfer the offtake of 20% of the LNG delivered in the calendar year for delivery at the Strandzha 1/Malkoçlar Interconnection Point in the following calendar year.
* **Obligations:**

- To agree an annual LNG cargo delivery programme for the following calendar year by 31 October of the previous calendar year;

- To pay a daily fee.

- To prepay the daily fee for three months.

**-** To enter into a definitive sale and purchase agreement with Botas detailing terms and conditions consistent with those agreed in the Framework Agreement;

1. **REQUIREMENTS FOR THE PARTICIPANTS IN THE PROCEDURE:**
2. Sources of LNG supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
3. Ownership of the company - the ownership (ultimate beneficiary) must be clear and of good commercial standing and free from companies from countries that are subject to sanctions, embargoes or any trade restrictions;
4. Credibility in terms of banks and reputation - the supplier company must be acceptable to banks and credible for financing the agreed services;
5. Not be in liquidation or bankruptcy proceedings and not be declared bankrupt under the law of registration.
6. **STAGES OF THE PROCEDURE**

**Stage I. Pre-selection of candidates**

By **22:00** hours local time on 19.06.2024, all interested parties who wish to participate in this tender procedure shall submit to Bulgargaz EAD by e-mail to the following address: [tenders@bulgargaz.bg](mailto:tenders@bulgargaz.bg) ***a letter of intent***, indicating their interest in further participation in the procedure and ***attaching*** acompleted *Bulgargaz EAD KYC Questionnaire, as per the template* - *Annex No. 2 to these Terms and Conditions and signed Confidentiality Agreement - Annex No 1 to these Terms and Conditions, in case they did not provide such in previous procedures;*

A committee appointed by order of the Executive Director of Bulgargaz EAD will verify the compliance of the participants with the requirements for participation in the tender procedure on the basis of the submitted documents and will notify the applicants admitted to participate in the next stage of the tender procedure by 16:00, local time, on 20.06.2024, by e-mail to the e-mail addresses indicated by them. Together with the notification of admission, a Confidentiality Agreement also signed by Bulgargaz EAD will be sent by the latter, detailed information on the rights and obligations proposed for the transfer in this procedure, and starting price for the transfer.

**No applicant will be admitted to Phase II of the tender procedure:**

* who has submitted a letter of intent outside the time limit;
* who has not submitted a completed KYC questionnaire to Bulgargaz EAD according to the template - *Annex 2*;
* who has not submitted a signed Confidentiality Agreement – *Annex No 1*
* in the questionnaire of which there is insufficient information or the information indicates that it does not meet the requirements for participation in the procedure.

**Stage II. Submission of binding offer**

1. **Deadline for submission: by 22:00 hours** local time **on 24.06.2024**

The participants admitted to Stage II of the procedure shall submit *an electronically signed offer – template Annex 3* to these terms and conditions, together with the annexes thereto via email to the following email address [tenders@bulgargaz.bg](mailto:tenders@bulgargaz.bg) in an archived format with a password by 22:00 local time on 24.06.2024.

The password shall be sent by a separate e-mail to the same email address no earlier than 9:00 a.m. and no later than 11:00 a.m., local time, on **25.06.2024.**

**2. Mandatory offer contents requirements:**

**2.1. Product(s) for which the interested party is participating.**

**2.2.** **Offered price for the transfer**

* + The price offered shall not be lower than the starting price announced when the successful participants were notified.

**2.3. Number of LNG cargoes applying for**

- offered quantity shall not be less than 1 cargo (1,000,000 MWh) and not more than 3 cargoes (3,000,000 MWh) for the five-year product and not more than 4 cargoes per year (4,000,000 MWh) for the ten year products;

2.4. **A declaration of absence of circumstances**, in the form attached as Annex 3 to these terms and conditions.

2.5. **Power of Attorney** - to be attached if the offer is signed by a proxy.

No participant shall be admitted to evaluation and ranking:

* submitting an offer and/or password outside the deadline;
* submitted an offer the content of which does not comply with the above mandatory requirements.

**Stage IV. Evaluation and ranking of the offers submitted**

The offers will be evaluated and ranked on the basis of a complex evaluation as follows:

**The complex evaluation of the offers is based on 3 indicators:**

**KO = K1 + K2+K3**

**K1 Nominated product**

The relative weight of the indicator in the complex evaluation is **80 points**.

|  |  |
| --- | --- |
| K1 Nominated product | Points |
| One year product 01.01.2025 - 31.12.2025 | 40 |
| Five-year product for the period 01.01.2025 - 31.12.2029. | 30 |
| Ten-year product for the period 01.01.2025 - 31.12.2034. | 20 |
| Ten-year product for the period 01.01.2026 - 31.12.2035. | 10 |

**K2 Nominated number of cargoes for transferring**

The relative weight of the indicator in the complex evaluation is **20 points**.

The maximum possible number of points under indicator K2 will be awarded to the offer of the participant who has nominated the maximum possible quantity for carrying out the service.

**Method for determining the evaluation for indicator K2:**

|  |  |
| --- | --- |
| K2 Quantity | Points |
| 1 LNG cargo | 5 |
| 2 LNG cargoes | 10 |
| 3 LNG cargoes | 15 |
| 4 LNG cargoes | 20 |

**K3 Price offer**

The relative weight of the indicator in the complex assessment is 40 points.

The maximum possible number of points will be awarded to the offer of the participant offering the highest price.

The assesment for this indicator shall be calculated according to the following formula:

**K1 = (nX/nMax)\*40,** where,

**nX** is the price proposed by the specific participant

**nMax** is the highest price offered by a participant

*Note*: Offers with a proposed price lower than the starting price will not be admitted to assessment and ranking.

**Final ranking**

The final ranking of the admissible participants shall be carried out in descending order on the basis of the complex evaluation obtained for each offer. First place shall be awarded to the participants whose offer has received the highest complex evaluation (highest number of points).

By 17:00, local time, on 26.06.2024, Bulgargaz EAD will notify by e-mail, to the e-mail addresses indicated by them, the qualified participants with whom will proceed to partial transfer of rights and obligations under the Agreement between Bulgargaz and Botas.

*Bulgargaz EAD reserves the right to terminate the procedure at any time without selecting a participant to whom the rights and obligations shall be transferred.*