**TERMS AND CONDITIONS**

**FOR HOLDING A TENDER FOR THE PROVISION OF REGASIFICATION, STORAGE AND TRANSMISSION OF LIQUEFIED NATURAL GAS SERVICE TO VTP BULGARIA.**

1. **SUBJECT OF THE TENDER:** Provision of regasification, storage and transmission service of LNG to VTP BULGARIA.
2. **MANDATORY REQUIREMENTS FOR THE PROVISION OF THE SERVICE.**

* Conclusion of Service Provision Agreement - *Annex 1*

1. **PRODUCTS OFFERED:**

**3.1 Five-month product 2024**

- Quantity of LNG to be delivered for regasification, storage, and transmission - up **to 3 cargoes** ≈ **3,000,000 MWh.** 1 cargo of LNG must be in the range of **950,000 MWh** (3,230,000 MMBtu) to **1,050,000 MWh** (3,570,000 MMBtu).

- Period of LNG delivery by the service user - **August - December 2024** not more than 1 cargo/month. The first or the only cargo must be delivered in September 2024.

- The quantity for delivery to VTP BULGARIA - not more than the delivered LNG

- Delivery period to VTP BULGARIA - 01.08.2024 - 31.12.2024

- Daily contract quantity for delivery of VTP BULGARIA - subject to a daily nomination sent by the service user to the service provider (Bulgargaz EAD) by 14:00 on the day preceding the day of delivery.

- The daily nomination shall be in the following ranges depending on the amount of service used:

1000 MWh to 8000 MWh for 1 LNG cargo service

1000 MWh to 16000MWh for 2 LNG cargoes service

1000 MWh to 24000MWh for 3 LNG cargoes service

3.2. **Eight-month product 2024 -2025 (Summer 2024 - Winter 2024-2025)**

- Quantity of LNG to be delivered for regasification, storage, and transmission - **up to 4 cargoes** ≈ **4,000,000 MWh**. 1 cargo of LNG shall be in the range of **950,000 MWh** (3,230,000 MMBtu) to **1,050,000 MWh** ( 3,570,000 MMBtu).

- LNG delivery period by service user - **August 2024 - March 2025** not to exceed 1 cargo/month. The first or the only cargo must be delivered in August 2024.

- Delivery quantity to VTP Bulgaria - no more than the LNG as delivered

- Delivery period to VTP Bulgaria - 01.08.2024 - 31.03.2025.

- Daily contract quantity for delivery to VTP Bulgaria - subject to a daily nomination sent by the service user to the service provider (Bulgargaz EAD) by 14:00 hours on the day preceding the day of delivery.

- The daily nomination shall be in the following ranges depending on the amount of service used:

1000 MWh to 6000MWh for 1 LNG cargo service

1000 MWh to 12 000 MWh for 2 LNG cargoes service

1000 MWh to 18 000 MWh for 3 LNG cargoes service

1000 MWh to 24 000 MWh for 4 LNG cargoes service

3.3**. Four-month product Winter 2025.**

- Quantity of LNG to be delivered for regasification, storage, and transportation - **up to 3 cargoes** ≈ **3,000,000 MWh**. 1 cargo of LNG shall be in the range of **950,000 MWh** (3,230,000 MMBtu) to **1,050,000 MWh** (3,570,000 MMBtu).

- LNG delivery period by the service user - **January 2025 - April 2025** not to exceed 1 cargo/month. The first or the only cargo must be delivered in January 2025.

- Delivery quantity to VTP Bulgaria - no more than the LNG as delivered

- Delivery period to VTP Bulgaria - 01.01.2025 - 30.04.2025.

- Daily contract quantity for delivery to VTP Bulgaria - subject to a daily nomination sent by the service user to the service provider (Bulgargaz EAD) by 14:00 hours on the day preceding the day of delivery.

- The daily nomination shall be in the following ranges depending on the amount of service used:

1000 MWh to 10000 MWh for 1 LNG cargo service

1000 MWh to 20000 MWh for 2 LNG cargo service

from 1000 MWh to 29000 MWh for 3 LNG cargoes service

**3.4 Annual products**

**Period of annual products offered:**

**01.01.2025 - 31.12.2025**

**01.01.2026 - 31.12.2026**

**01.01.2027 - 31.12.2027**

**01.01.2028 - 31.12.2028**

**01.01.2029 - 31.12.2029**

- Quantity of LNG to be delivered for regasification, storage, and transmission - up **to 6 cargoes** ≈ **6,000,000 MWh per year.** 1 cargo of LNG must be in the range of **950,000 MWh** (3,230,000 MMBtu) to **1,050,000 MWh** ( 3,570,000 MMBtu).

- Period of LNG delivery by the service user - **3 cargoes in the months of January, February and December and 3 cargoes in the months of March to November.** Subject to an annual LNG delivery programme agreed between the parties no later than 1 September of the preceding calendar year.

- Quantity for delivery to VTP BULGARIA - not more than the delivered LNG.

- Period of delivery to VTP BULGARIA - from 01 January to 31 December of the respective calendar year

- Daily contract quantity for delivery of VTP BULGARIA - subject to a daily nomination sent by the service user to the service provider (Bulgargaz EAD) by 14:00 on the day preceding the day of delivery.

- The daily nomination shall be in the following ranges depending on the amount of service used:

1,000 MWh to 3,500 MWh for 1 LNG cargo service

1000 MWh to 7 000 MWh for 2 LNG cargoes service

1000 MWh to 10 500 MWh for 3 LNG cargoes service

1000 MWh to 14 000 MWh for 4 LNG cargoes service

1000 MWh to 17 500 MWh for 5 LNG cargoes service

1000 MWh to 21 000 MWh for 6 LNG cargoes service

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 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%20)  ***a letter of intent***, indicating their interest in further participation in the procedure and ***attaching a*** completed *Bulgargaz EAD KYC Questionnaire, as per the template* - *Annex No. 2* to these Terms and Conditions;

In case the applicant has participated in previous tender procedures of Bulgargaz EAD for the supply of LNG, has been admitted to the stage of submission of a binding offer, and there is no change in the circumstances declared in the *Questionnaire*, it is not necessary to submit a completed *Questionnaire.*

A committee, appointed by order of the Executive Director of Bulgargaz EAD, will verify the compliance of the applicants with the requirements for participation in the tender procedure, based on 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 they have provided. Together with the notification of admission, Bulgargaz EAD will notify the admitted participant of the new initial price of the service offered by Bulgargaz EAD for regasification, storage and transmission of liquefied natural gas (Service fee).

**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*;
* 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.

By 16:00 local time on 20.06.2024 Bulgargaz EAD will inform the candidates not admitted to participate in Stage II of the tender procedure by an individual motivated letter by e-mail to the e-mail addresses they have indicated.

**Stage II. Submission of binding offers**

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

Candidates admitted to participate in Stage II of the Tender Procedure shall submit *an electronically signed offer form - Annex 4* to these Terms and Conditions, together with the annexes thereto, by e-mail to the following address: tenders@bulgargaz.bg, in an archived format by 22:00, local time, on 24.06.2024.

A separate offer shall be submitted for each product (five-month, eighth-month 2024-2025, four-month 2025 and annual).

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

**2. Mandatory content requirements**:

* 1. **Product(s) for which the interested party participates.**
* Participation for more than one annual product is allowed only for the same number of cargoes per year
  1. **LNG quantity for regasification, storage and transmission**
* The quantity offered shall be not less than 1 cargo (1 000 000 MWh) and not more than 4 cargoes (4 000 000 MWh) for the short-term products and not more than 6 cargoes per year ( 6 000 000 MWh) for the annual products;

* 1. **Offered price for the offered service (Service fee)**
* The price offered shall not be lower than the starting price announced when the successful candidates were notified.
  1. **Declaration of absence of circumstances, template -** *Annex № 3 to these terms and conditions.*
  2. **Power of attorney** - to be attached if the offer is signed by a proxy.

**No participant will be admitted for evaluation and ranking who:**

* has submitted an offer and/or password outside the time limit;
* submitted an offer whose content does not comply with the above mandatory requirements or a password that does not open the submitted offer.

**Stage III. Evaluation and ranking of offers**

The offers of the participants shall be opened by the committee appointed by the order of the Executive Director of Bulgargaz EAD at 12:00 local time on **25.06.2024.**

**No participant will be admitted for evaluation and ranking who:**

* has submitted an offer and/or password outside the time limit;
* submitting an offer whose content does not comply with the above-mentioned mandatory requirements.

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

**Complex evaluation of offers for the short-term product (KO short-term)**

**The evaluation will be determined as the sum of two indicators using the formula:**

**KO short-term=K1+K2+K3,**

Where:

K1 is the offered price

K2 the nominated quantities for carrying out the service

The evaluation for each indicator is determined as follows:

**K1 Price offer**

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

The offer of the participant who has offered the highest price will be awarded the maximum possible number of points.

The evaluation for this indicator is calculated according to the following formula:

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

**nX** - is the offered price of the specific participant

**nMax** - is the highest price offered by a participant in the procedure

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

**K2 Quantities nominated for** **carrying out the service**

The relative weighting in the complex evaluation is 40 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 | 10 |
| 2 LNG cargoes | 20 |
| 3 LNG cargoes | 30 |
| 4 LNG cargoes | 40 |

**K3 Type of nominated short-term product**

Relative weight in the complex assessment is 20 points.

The maximum possible number of points under indicator K3 shall be awarded to the offer of the participant who has nominated the maximum possible quantity for performing the service.

**Method of evaluation for indicator K3:**

|  |  |
| --- | --- |
| К3 type short-terms product | Points |
| 4-month Winter 2025 | 5 |
| 5-month Summer – Winter 2024 | 10 |
| 8-month Summer 2024 – Winter 2024-2025 | 20 |

**Complex evaluation of annual products offers (KO)**

**The evaluation will be determined as the sum of three indicators according to the formula:**

**KO=K1+K2+K3,**

Where:

K1 is the offered price

K2 is nominated number of cargoes

K3 is the nominated number of annual products

The evaluation for each indicator is determined as follows:

**K1 Price offer**

The relative weight of the indicator in the complex evaluation is 30 points.

The offer of the participant who has offered the highest price will be awarded the maximum possible number of points.

The evaluation for this indicator is calculated according to the following formula:

**K = (nX/nMax)\*30**, where,

**nX** - is the offered price of the specific participant

**nMax** - is the highest price offered by a participant in the procedure

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

**K2 Quantities nominated for carrying out the service**

Relative weight in the complex evaluation is 45 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 service.

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

|  |  |
| --- | --- |
| K2 Quantity | Points |
| 1 LNG cargo | 5 |
| 2 LNG cargoes | 10 |
| 3 LNG cargoes | 20 |
| 4 LNG cargoes | 30 |
| 5 LNG cargoes | 40 |
| 6 LNG cargoes | 45 |

**K3 Number of annual products nominated**

Relative weighting in the complex evaluation is 25 points.

The maximum possible number of points under indicator K3 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 K3:**

|  |  |
| --- | --- |
| K3 Number of annual products | Points |
| 1 annual product | 5 |
| 2 annual products | 10 |
| 3 annual products | 15 |
| 4 annual products | 20 |
| 5 annual products | 25 |

**Final ranking**

The final ranking of the admissible offers 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 participant whose offer has received the highest complex evaluation (highest number of points).

By 17:00, local time, on 25.06.2024 Bulgargaz EAD will notify by e-mail, at the e-mail addresses indicated by them, the qualified participants who have submitted offers for the short-term products with whom it will conclude the Agreement under item II of this procedure.

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 who have submitted offers for annual products with whom it will conclude the Agreement under item II of this procedure.

Within the same timeframe Bulgargaz EAD will inform the participants not admitted to evaluation and ranking with an individual motivated letter by e-mail, to the e-mail addresses indicated by them.

*Bulgargaz EAD reserves the right to terminate the procedure at any time, without selecting of a user of the offered service.*