



**Co-financed by the Connecting Europe  
Facility of the European Union**

**OPEN CONTEST REGULATIONS**

**ENHANCEMENT OF 30 GAS PRODUCTION WELLS AT INCUKALNS  
UNDERGROUND GAS STORAGE OF JSC "CONEXUS BALTIC GRID"**

**ID NR. "CONEXUS BALTIC GRID" 2019/6 CEF**

**Main CPV code**

45250000-4 Construction works for plants, mining and manufacturing and for buildings relating to the oil and gas industry

**Additional CPV code**

76000000-3 Services related to the oil and gas industry

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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 works for Enhancement of 30 (thirty) gas production wells at Incukalns Underground Gas Storage of JSC "Conexus Baltic Grid" (hereinafter – the Enhancement Works) with competition ensured.
- 1.1.2. The Joint Stock Company "Conexus Baltic Grid" (registered as "Akciju sabiedrība "Conexus Baltic Grid""), hereinafter – the Contracting Authority, calls for tenders for the performance of Enhancement of 30 (thirty) gas production wells at Incukalns Underground Gas Storage of JSC "Conexus Baltic Grid" in accordance with the Technical Requirements (Appendix No. 1).
- 1.1.3. Enhancement of 30 (thirty) gas production wells of the Contracting Authority shall be done in accordance with "Gazpom VNIIGAZ, LLC" Project (hereinafter – Project) requirements and the Contract signed.
- 1.1.4. The open contest is co financed within the framework of the Contract No INEA/CEF/ENER/M2018/175201, Action No 8.2.4-0031-LV-W-M-18.
- 1.1.5.

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

- 1.2.1. The Organiser of the Contest is:  
Joint Stock Company "Conexus Baltic Grid"  
Unified Reg. No. 40203041605,  
Stigu str. 14, LV-1021, Riga, Latvia  
Incukalns Underground Gas Storage,  
Ragana, Krimulda parish, Krimulda district, LV-2144, Latvia  
"Swedbank" AS, Account: LV08HABA0551042978827, HABALV22.
- 1.2.2. The authorized representatives of the Contracting Authority who will provide information with regard to the procedure and with regard the technical requirements of the Open contest Head of the Procurement Division of the Legal Department of JSC "Conexus Baltic Grid" – Sandris Strazdiņš, phone: +(371) 67087972, phone: +(371) 29511577, email: [sandris.strazdins@conexus.lv](mailto:sandris.strazdins@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 Law on the Procurement of Public Service Providers.
- 1.3.2. Participation in the Contest is open to any person or a group of persons registered in any countries who meet the required qualifying criteria.
- 1.3.3. Participation in the Contest is a demonstration of the free volition of Tenderers, based on equal terms and conditions for all Tenderers.

### **1.4. Instructions for Tenderers**

- 1.4.1. Each Tenderer may submit only one Tender for the whole scope of Enhancement works. The Tenderers who submit more than one Tender or the Tender is submitted not in a whole scope of Enhancement works will be disqualified.

- 1.4.2. The Tenderer may submit the Tender in compliance with Clause 2 of the Contest Regulations (hereinafter – Contest Regulations) and the requirements of Technical Requirements (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 Tender implies a 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 for 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 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 no later than before signing the Contract.
- 1.4.8. In case when the Tender is submitted by a group of persons, requirements applicable to the Tenderer, shall refer to the group of persons together, except for the requirements stated in Clause 3 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. An intention by the Tenderer to sign subcontract with regard to a certain part of the Contest shall be clearly stated in the Tender, and documents confirming the Subcontractor(s) qualification, in accordance with Clause 3 shall be provided.
- 1.4.10. The Tenderer is not subject to any circumstances referred to the first paragraph of Article 48 of the Law On the Procurement of Public Service Providers:
  - 1.4.10.1. the candidate, tenderer or person being member of the Board or Council of the candidate or the tenderer, the person entitled for representation or the proctor, or the person entitled for representation of the candidate or the tenderer in activities related to a subsidiary, with an injunction of public prosecutor regarding punishment or court judgment, which has come into force and is no longer disputable, has been found guilty of or has a coercive measure applied for any of the following criminal offences:
    - a) creating or leading a criminal organisation, involvement therein or in an organised group contained in its composition or other criminal formation or participation in criminal offences committed by such organization,
    - b) accepting bribes, giving of bribes, misappropriation of a bribe, intermediation in bribery, illegal participation in property transactions, illegal acceptance of benefits, commercial bribery, illegal asking, acceptance or giving of benefits, bargaining with effects,
    - c) fraud, misappropriation and money laundering,

- d) terrorism, financing of terrorism, setting up or organizing a terrorist group, traveling for terrorism, justifying terrorism, calls for terrorism, the threat of terrorism or recruiting or training to carry out terrorist acts,
  - e) human trafficking,
  - f) avoidance of tax or evasion of similar payments;
- 1.4.10.2. it has been established that the candidate on the last day of the period for the submission of applications and the tenderer – of the tenders, or on the day when the decision regarding the possible award of a procurement contract has been made, in Latvia or in the country where it is registered or permanently residing, has tax debts (including debts of the State mandatory social insurance payments) which in aggregate exceeds 150 *euro* in any of the countries. As regards the candidates or the tenderers registered and permanently residing in Latvia, the public service provider shall take into account the information contained in the information system specified by the Cabinet of Ministers at the date of the last updating of data of the State Revenue Service public database of tax debtors and the Immovable Property tax administration system;
- 1.4.10.3. insolvency process has been declared for the candidate or the tenderer, economic activity of the candidate or the tenderer is suspended or the candidate or the tenderer is being liquidated;
- 1.4.10.4. rapport of the procurement procedure documents (official or employee of the public service provider), a member or an expert of the Procurement Commission is related to the candidates or tenderers in the meaning of Article 30, paragraph one or two of the present Law or is interested in selection of any candidate or tenderer, and the public service provider may not be able to resolve this situation by means of less restrictive measures for the candidate or the tenderer;
- 1.4.10.5. the candidate or the tenderer has anti-competitive advantages in the procurement procedure, because they have been involved or their associated legal person has been involved in preparation of the procurement procedure in accordance with Article 22, paragraph three of the present Law, and it cannot be prevented by less restrictive measures, and the candidate or the tenderer is unable to prove that participation of them or their associated legal person in preparation of the procurement procedure does not restrict competition;
- 1.4.10.6. the candidate or applicant with such decision of a competent authority or a court judgment, which has entered into effect and has become indisputable and not subject to appeal, has been found guilty of violation of competition rights manifested as a horizontal cartel agreement, except for the case when the relevant authority, upon determining violation of competition rights, for cooperation within the framework of the leniency programme has exempted the candidate or the tenderer from fine or reduced the fine;
- 1.4.10.7. the candidate or the tenderer with decision of a competent authority, with an injunction of public prosecutor regarding punishment or court judgment which has come into effect and become non-disputable and not subject to appeal, has been found guilty and punished for an offense in the form of:
- a) employment of one or more persons, if they do not have the required work permits, or they are not entitled to reside in the European Union Member State,

- b) employment of a person without any written employment contract, by failing within the time period specified in regulatory enactments regarding this person to submit the informative declaration regarding the employees to be submitted regarding the persons who starts their work;
- 1.4.10.8. the candidate or the tenderer has provided false information for confirmation of compliance with the provisions specified in the present Section or the requirements for qualification of the candidates or tenderers specified under the present law or has not provided the requested information;
- 1.4.10.9. partnership member (if the candidate or the tenderer is represented by partnership) shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8.of Regulations.
- 1.4.10.10. the subcontractor indicated by the tenderer, value of the works to be performed or of the services to be provided by whom shall be at least 10 per cent of the total contractual value of the construction works, service or supply shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8. of Regulations.
- 1.4.10.11. the person indicated by the candidate or the tenderer, on whose abilities the candidate or the tenderer is relying in order to certify that the qualification thereof complies with the requirements laid down in notice regarding the contract or in the procurement procedure documents, shall be subject to the conditions referred to in subparagraphs 1.4.10.1.- 1.4.10.8. of Regulations.
- 1.4.11. Tenders shall be submitted for the full scope of works specified in Clause 2.1 of Contest Regulations in accordance with the requirements of Technical Requirements (Appendix No.1) filling data in the Tender Letter Form (Template in Appendix No. 2) and the prices of Tenders indicated in the Forms of the Financial Bid – (Template in Appendix No. 4).
- 1.4.12. The Contest Regulations and Technical Requirements are prepared in English language.

## **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 is the Enhancement of 30 (thirty) gas production wells at JSC "Conexus Baltic Grid" Incukalns Underground Gas Storage.
- 2.1.2. The Enhancement works must be completed till December 20, year 2024 (approximately 6 wells each year).
- 2.1.3. The scope of Enhancement works, according to the Technical Specification (Appendix No. 1) of wells includes the following main activities:
- Preliminary works (mobilization, Plan of performance of well Enhancement Works and technological – geological plan, well site preparation);
  - Well killing;
  - Pulling up the old well subsurface equipment;
  - Replacement of casing head, well head, master and wing valves (here and after – wellhead equipment);
  - Well washing;
  - Well logging during the wells Enhancement works (Appendix No. 1. Attachment No. 4).
  - Sealing of all production casing couplings;
  - Recreation of cement stone between production casing and technical casing (if necessary, according to the well logging results)\*;
  - The wells borehole bottom recovery;

- Tubing running and installation of the well subsurface equipment (tubing, packer, SSSV and, if necessary, sand screens) with the following tubing string hydraulic testing;
  - Well development till reach the well productivity at least as shown in Appendix No. 1 table No. 1. +5% with the installation of separation unit behind the well to separate killing liquids and other dirt, appearing during the development, from gas flow before the entrance in the pipelines of Incukalns UGS.
  - Re-cultivation of well site, reinstating of the existing road surface that approaches the well and mounting of fence and well site in accordance with Appendix No. 1. Attachment No. 5.
- \* - The necessity to provide the works will be defined during the enhancement performance on each well. The Contractor must give the price for providing the mentioned type of works which will be applicable to any of the wells. The price for the mentioned works has to be given separately from Tender price (Appendix No.4 table No.1).

## **2.2. Contract Place and Time of Completion**

- 2.2.1. The place of the Enhancement of 30 (thirty) gas wells: JSC "Conexus Baltic Grid", Incukalns Underground Gas Storage, Ragana, Krimulda district, Krimulda region, Latvia.
- 2.2.2. The Enhancement works specified in the Technical Specification and Project are carried out **from year 2020 and must be finished until 20<sup>th</sup> of December of year 2024**. It is acceptable to finish the enhancement works before 20<sup>th</sup> of December of year 2024.

## **2.3. Price of Tender**

- 2.3.1. The total price of Tender and all unit prices shall be quoted only in *euros* (EUR).
- 2.3.2. Taxes and duties shall be included in the price of 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 shall be included in the price of the Tender, except for the 21% VAT of the Republic of Latvia, except in the event of Sub-clauses 2.3.2. b);
  - b) If the Tenderer is not a company registered in the Latvia or the other EU country, but intends to invite a company registered in Latvia or other EU country as subcontractor, all taxes and duties payable in Latvia and abroad with regard to the performance of the Contract 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.
- 2.3.3. Prices of Tenders shall be indicated in the Tender Letter (the Form of Tender Letter – Template in Appendix No. 2) and in accordance with the Financial Bid (the Form of the Financial Bid – Template in Appendix No. 4) completing the forms enclosed herewith. The Tenderer shall propose a full scope of the Enhancement Works according to the Technical Specification (Appendix No. 1). Tenderers for only a part of the required scopes shall not be considered.
- 2.3.4. 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).
- 2.3.5. The Contest Committee shall evaluate the Tender price without VAT of Republic of Latvia except for the case referred to in Sub-clause 2.3.2.b).

### 3. TENDERER'S QUALIFICATION REQUIREMENTS AND QUALIFICATION DOCUMENTS

#### 3.1. Requirements to Tenderer's Qualification and Documents Establishing the Tenderer's Qualification

Tenderers shall comply with the following qualification requirements and shall submit documents establishing that the selection and qualification criteria are met:

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 an extract from the Commercial Register of the Tenderer's home country, or from equalled registers, in accordance with the regulation of the state where the Tenderer is registered
2)	The Tenderer is registered as a tax payer in accordance with the legislation of the Tenderer's home country	A copy of the Tenderer's tax payer's registration certificate
3)	The Tenderer has no taxes or social security contributions' debts in the total amount exceeding 150 <i>euro</i> (EUR)	A statement issued by 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. A statement and other documents issued by the competent authorities of the Republic of Latvia are accepted and recognized by the procurement commission, if they are issued maximum 1 (one) month prior to the day of submission, but statement and other documents issued by foreign competent authorities are accepted and recognized by the contracting authority if they are issued maximum six months before the day of submission unless the issuer of a notice or document has stated a shorter validity period.
4)	The Tenderer has not been declared insolvent or wound up and its 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 not been found guilty of professional misconduct and the Tenderer's officials have not been found guilty for participation in criminal organizations, corruption, fraudulent or money laundering activities.	Declaration signed by the Tenderer attesting that he is not found guilty of professional misconduct and the Tenderer's officials has not been found guilty for participation in criminal organizations, corruption, fraudulent or money laundering activities.
6)	The Tenderer has not been found guilty of violation of competition rights manifested as a vertical agreement aimed	Declaration issued and signed by the Tenderer attesting that he is not find guilty of violation of competition rights manifested as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or



	at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, except for the case when the relevant authority, upon determining violation of competition rights, has released the candidate or Tenderer from a fine.	horizontal cartel agreement, except for the case when the relevant authority, upon determining violation of competition rights, has released the candidate or Tenderer from a fine.			
7)	The Tenderer's turnover in each of the last two years (2017 and 2018) has been at least 5 000 000 (five million <i>euro</i> )	Copies of consolidated profit and loss accounts of the Tenderer for the years of 2017 and 2018. For foreign Tenderer – other financial or accounting statements confirming that the annual turnover is acceptable.			
8)	The Tenderer has at least 3 years (2016, 2017, 2018, also 2019) experience in similar projects (wells repair, renovation, reconstruction/ of wells) at underground gas storages.	1) Information prepared in acc. with the following table:			
		The Contracting Authority, contact person, name, position, phone	Description of similar works (well repair, renovation, reconstruction or construction) performed by the Tenderer	Year/month of works	Contract amount (excl.VAT) EUR
		The information shall cover a period of the last 3 years.			
		2) At least 3 positive references from the former Contracting Authoritys about finished wells repair, renovation, reconstruction works, at least one from an underground gas storage.			
9)	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' consents for participation in the performance of the Contract. Compliance of each Tenderer's partner and sub-contractor with the requirements of the Sub-clauses 3.1. 1) - 6)	The subcontractors documents (if applicable): 1. The list of subcontractors in the following table:			
		Name and registration number	Scope performed by the subcontractor, amount of supplies in EUR without VAT		
		2. Statements of participation in the performance of the Contract signed by the subcontractors; 3. Partners' consents for participation in the performance of the Contract 4. The documents listed in Sub-Clauses 3.1. 1) - 6)			
10)	The Tenderer and its subcontractors have the	A list of proposed main personnel, copies of CV and valid certificates or licenses.			

	appropriate qualified, educated and experienced personnel.	
11)	The Tenderer (together with his subcontractors) has to have the technical capabilities necessary to perform works, or there has to be a possibility to purchase, take on lease or procure them in some other way.	A list of available (owned rented) equipment and machinery for the performance of works.
12)	Confirmation that no international or national sanctions or major sanctions (including sanctions for proliferation financing) 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, true beneficiary, 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.	According to tender letter and clause 8.3.4.-8.3.7.

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 Regulations may send the questions to the Contracting Authority's contact person specified in Sub-Clause 1.2.2 Sandris Strazdins by e-mail 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 PROCESSING OF TENDER**

### **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 table of the Financial Bid shall be signed by the duly authorised person or persons on behalf of the Tenderer. The full name and position of each of such persons having signed the Tender shall be indicated below the signature. In case of the Tender being submitted by a group of persons, all persons shall sign it.
- 5.1.3. The Tender shall be submitted in Latvian, Russian or English. The documents with the original language other than Latvian, Russian or English shall be submitted in the original language accompanied by a 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 50,000 (fifty thousand) EUR.
- 5.2.2. The Tender Security shall be valid for up to 90 days after the deadline for submission of Tenders.
- 5.2.3. Tender security shall be submitted in one of the forms:
  - 5.2.3.1. as an original of the unconditional bank guarantee for the Applicant, issued by a bank operating in the Republic of Latvia or abroad, in accordance with the template indicated in (Appendix No. 3). The bank guarantee must be issued and registered in accordance with the legislation of the State where the respective bank is registered;
  - 5.2.3.2. 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 Public Service Provider's account, which is pointed in Clause 1.2.1. The payment order shall bear in inscription that it is tender security for open contest.
  - 5.2.3.3. 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.3. 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.
- 5.2.4. The types of the tender security referred to in Clauses 5.2.2.1. and 5.2.2.2. of the 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 Clause 5.2.6. of the 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.

- 5.2.5. The original of the Tender Security will be returned to Tenderers within 10 days in the following cases:
- 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 the day when the successful Tenderer submits the Contract Performance security in amount of 3% (three per cent) of the Contract price;
  - 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 submission of Tenders, after the submission of notice of withdrawn of Tender.
- 5.2.6. The Tender security shall be withheld if:
- 5.2.6.1. Tenderer withdraws its tender during the validity term of the tender security;
  - 5.2.6.2. Tenderer whose tender is selected according to the award criteria has not signed the contract within the time period, stipulated in Regulations;
  - 5.2.6.3. Tenderer whose tender is selected according to the award criteria has not submitted the security for execution of the contractual obligations stipulated in the Negotiation Regulations within the term, which is set in Regulations.
- 5.2.7. The requirements laid down in article 5.2.6.2. of the Regulation also applies to the Applicant having the next best result (the next lowest price tenderer), which the provider of public services is entitled to conclude an agreement with.
- 5.2.8. If a bank guarantee is submitted as the Tender Security (in compliance with Clause 5.2.3.1 of the Regulations), the original bank guarantee shall be submitted to the Public Service Provider or sent by post by the term defined by Clause 6.1.1. of the Regulations.

The address for submission or delivery by post:

Joint Stock Company "Conexus Baltic Grid", Stigu street 6, Riga, LV-1021, Latvia ("*Submission of procurement offers, documents, mail*")

### **5.3. Content of Tender**

A Tender shall contain the following documents and information:

- 5.3.1. **Tender Letter and a document certifying signature.** 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 a document certifying signature – an extract from the Company Register, the company's statutes or the original power of attorney, which gives rights to sign the Tender.
- 5.3.2. **Original Tender Security** in accordance with Clause 5.2 of the Contest Regulations (Appendix No.3).
- 5.3.3. **Qualification documents** listed under Clause 3 establishing the Tenderer's and subcontractor's qualification and eligibility.
- 5.3.4. **Financial Bid** – Financial bid in accordance with requirements stated in Clause 2.3 and Appendix No.4 (Form of Financial Bid).
- 5.3.5. **Technical Bid** – including at least:

- 5.3.5.1. Time schedule for the performance of the wells works;
  - 5.3.5.2. Outline plan for the organization of the works;
  - 5.3.5.3. Description of the activities ensuring well blowout safety during gas wells enhancement works;
  - 5.3.5.4. List of subcontractors and suppliers (naming the persons who will supervise the installation of the equipment);
  - 5.3.5.5. List of well equipment to be supplied and installed by the Tenderer and copies of certificates of equipment;
  - 5.3.5.6. Warranty time for the enhancement works performed by the Tenderer.
  - 5.3.5.7. Technical Tender information handed by the Tenderer in accordance with Technical Requirements (Appendix No. 1).
- 5.3.6. 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.

#### **5.4. Form of Tender**

- 5.4.1. The Tender must be submitted electronically to the Electronic Procurement System ([www.eis.gov.lv](http://www.eis.gov.lv), hereafter referred to as the EIS) in the e-Competition Subsystem, subject to the following Tenderer's choices:
- 5.4.1.1. using the tools provided by the EIS e-Tendering Subsystem by completing the EIS subsystems in the format of this procurement section;
  - 5.4.1.2. electronically filled out documents electronically preparing outside the EIS competition subsystems and uploading systems to relevant sites completed PDF forms, incl. in form of files (in this case the applicant is responsible for the compliance of the forms to be filled with the documentation requirements and shape samples).
- 5.4.2. Only Tenders submitted to the EIS e-Tendering Subsystem will be accepted and evaluated for participation in the procurement procedure. Tenders submitted outside of the EIS e-Tendering Subsystem will be considered inappropriately submitted and will not participate in the procurement procedure.
- 5.4.3. When preparing the Tender, the Applicant shall observe that:
- 5.4.3.1. Tender proposal letter, technical and financial offer must be completed, using the electronically available templates (forms) EIS e-Tender subsystem;
  - 5.4.3.2. By submitting an offer, the Applicant signs it using the EIS incorporated signing tool or electronic signature corresponding to the Republic of Latvia regulatory enactments regarding electronic documents and electronic signatures status;
  - 5.4.3.3. The offer must be prepared in such a way that the EIS e-competition is not jeopardized in any way the operation of the subsystem and would not have limited access to the offer information, including the offer must not contain computer viruses and other harmful software or their generators.
- 5.4.4. The Tenderer, in order to prove compliance with the qualification requirements, may submit the European single procurement procedure documents (hereinafter - ESPD), by completing only the ESPD document sections related to confirming of compliance with the requirements set forth by the Regulations (form available at website <https://ec.europa.eu/tools/espd/filter?lang=lv>).

- 5.4.5. If the Tenderer has selected to submit ESPD, they shall submit this document also for each person on whose abilities they are based, in order to certify that their qualification complies with the requirements set forth by the Regulations, and for each subcontractor (if any will be involved), the value of the services to be provided by whom is amounting to at least 10 (ten) per cent of the proposed value of a framework agreement. The association of suppliers shall submit a separate ESPD regarding each its member.
- 5.4.6. The Tenderer may submit ESPD, which has been submitted in another procurement procedure.

## **6. SUBMISSION OF TENDER**

### **6.1. Place and Time for Submission of tender**

- 6.1.1. Place and time for submission of Tenders, opening the Tenders the Tenderer must submit the Tender and the documents until **28<sup>th</sup> October year 2019 at 14:00 a.m.** (Latvian time) in the EIS e-Tendering subsystem.
- 6.1.2. The submitted offers will be opened in the EIS e-Tendering Subsystem on **28<sup>th</sup> October year 2019 at 14:01 a.m.** (Latvian time) immediately after the deadline for submission.
- 6.1.3. The process of opening the submitted offers in an electronic environment is open and can be followed up online in the EIS e-Competition subsystem, as well as after the opening of tenders in the EIS e-Competitions subsystem, applicants can familiarize themselves with the results of the opening of tenders.

### **6.2. Tender Validity**

- 6.2.1. Tenders shall remain valid for 90 days after the deadline for the submission of Tenders specified in Sub-clause 6.1.1. Tenders with a 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 Tenders**

- 6.3.1. The Tenderer may, without forfeiture of the Tender Security, modify or withdraw his Tender, provided that a written notice of the amendment and withdrawal is received by the Contracting Authority prior to the deadline for 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's modification or withdrawal notice shall be prepared, sealed, marked and submitted in the same way as the Tender marked respectively as "Tender Amendment" or "Tender Withdrawal".

## **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 Tenders in the following procedure:
- a) examination of the Tenderer's 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 his Tender. The Tenderer shall send replies to such requests to the Contracting Authority by fax 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 the Tenderers' qualification and the 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 as noncompliant or not sufficiently qualified for 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 submitted. 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 for those rejected under Sub-Clauses 7.2.1 and 7.2.2 on the basis of criteria specified in Clause 7.3 of the Contest Regulations.

## **7.3. Evaluation Criteria**

The Contract shall be awarded to the most economically advantageous Tender, in accordance with the following evaluation criteria:

<b>Evaluation criteria</b>	<b>Weight, %</b>
<b>Financial criteria</b>	<b>40</b>
<i>Tender price (without VAT of Republic of Latvia) according to the Clause 5.3.4. of Contest Regulations</i>	40
<b>Technical criteria</b>	<b>60</b>
<i>Tender compliance with the Technical Requirements (Appendix No.1) and conformity of the Technical bid to Clause 5.3.5. of Contest Regulations</i>	50
<i>Warranty time</i>	10
<b>Total weight of technical and financial criteria</b>	<b>100</b>

## 8. EVALUATION OF TENDERS

### 8.1. Technical Evaluation

8.1.1. The Tender compliance with the Technical Requirements and conformity of the Technical bid to Clause 5.3.5 of Contest Regulations will be evaluated by awarding grades:

- 10 - The technical solutions used to provide scope of Enhancement works are excellent (even better than required in the Technical Requirements), the scope of Enhancement works fully corresponds to Technical Requirements. The Technical bid is prepared in accordance with Clause 5.3.5 of the Contest Regulations;
- 6-9 - The used technical solutions and the scope of Enhancement works fully correspond to the Technical Requirements. The Technical bid is prepared in accordance with Clause 5.3.5 of the Contest Regulations;
- 1-5 - The used technical solutions and (or) the scope of Enhancement works are prepared with derogations from the Technical Requirements. The Technical bid is prepared with derogations from Clause 5.3.5 of the Contest Regulations;
- 0 - The used technical solutions and the scope of Enhancement works do not correspond to the Technical Requirements.

8.1.2. The above-mentioned score of Tender compliance with the Technical Requirements and conformity of the Technical bid to Clause 5.3.5 of the Contest Regulations will be calculated as follows:

**Score of Tender compliance with the Technical Requirements = grade \* weight of the criterion / 10**

e.g.  $9 * 50 / 10 = 45$  (of the maximum score 50)

8.1.3. Warranty time is evaluated by awarding the scores for the proposed warranty time:

- 10 - 5 years and more
- 8 - 4 years
- 6 - 3,5 years
- 4 - 3 years
- 0 - Less than 3 years

8.1.4. The Tender with no Warranty or Warranty under 3 years after delivery will not be accepted and will be rejected.

8.1.5. The 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. 36, the Contracting Authority reserves the rights to reject all Tenders.

### 8.2. Evaluation of Tender Price and decision -making

8.2.1. The Contest Committee will increase or decrease the Tender price by the following amounts:

- a) corrections of arithmetic errors as described below;
- b) the scope of Works included in the Tender price in order to compare, during the Tender evaluation, the Contracting Authority's expenses for the whole scope of Works.



- 8.2.2. 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.
- 8.2.3. 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.
- 8.2.4. 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 40**

- 8.2.5. The Tender with payment conditions not in accordance with the Contract draft may be rejected.
- 8.2.6. The financial criteria scores of each Tender will be summed up.

### **8.3. Final Evaluation**

- 8.3.1. Total score will be calculated as follows:

$$\text{Total score} = \text{Total score of technical criteria} + \text{Total score of financial criteria}$$

- 8.3.2. The Contest Committee shall award the Contract to the Tenderer whose Tender is determined as the most advantageous and 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. In regard to the Tenderer who is to be awarded contracting rights, the Public Service Provider shall check whether any international or national sanctions or major sanctions (including sanctions for proliferation financing) 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 have been imposed against the Tenderer, the Tenderer's Members of the Management Board or Supervisory Board, true beneficiary, persons holding the authority of representation or a commercial Power of Attorney, or persons who are authorised to represent the Tenderer in activities related to a branch office, or a member of a partnership if the Tenderer is a partnership. If 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 hinder the performance of the contract have been imposed against the relevant Tenderer, such Tenderer shall be excluded from participation in the contract award procedure. 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. The Public Service Provider in accordance to a foreign registered tenderer who should be awarded a contract will be requested to submit a statement of the competent authority of the foreign state institution regarding the true beneficiary within a specific time limit (not

shorter than 10 (ten) working days) or the fact that the true beneficiary cannot be identified. If the documents are not issued, the documents concerned may be replaced by an oath or, if no oath making is provided for by regulatory enactments of the country concerned, – by a personal certification of the Tenderer to a competent executive or court authority, sworn notary or a competent organization in the field concerned in the country of their registration (permanent place of residence).

- 8.3.6. The condition referred to in Paragraph 8.3.5. of the Regulation also applies to a subcontractor registered foreign states.
- 8.3.7. The check referred to in Paragraph 8.3.4. of the Regulation shall also be carried out in regard to the subcontractor or person on whose opportunities the Tenderer relies to confirm that its qualification meets the requirements laid down in the Regulation. If international or national sanctions or major sanctions (including sanctions for proliferation financing) by a member state of the European Union or NATO affecting the interests of the financial and capital market that hinder the performance of the contract have been imposed against the mentioned person or the subcontractor, the relevant Tenderer shall be excluded from participation in the contract award procedure, unless this Tenderer replaces the mentioned person within 10 working days after the Employer issues or sends such a request.
- 8.3.8. 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.
- 8.3.9. If none of the Tenders submitted complies with the requirements of the Contest Regulations, the Contest Committee reserves the rights to reject all Tenders and close the Contest without awarding the Contract.
- 8.3.10. All Tenderers shall be notified about the Contest results in written content sent by e-mail.

## **9. CONTRACT NEGOTIATIONS AND SIGNING OF CONTRACT**

- 9.1. The Contracting Authority shall invite the successful Tenderer to the Contract negotiations. Shall 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 the Contract Project is provided in Appendix No. 5.
- 9.3. The successful Tenderer shall, within the period of 30 days, after receiving an official letter by e-mail from the Contracting Authority of the results of the 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, submit 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 9.3 of the Contest Regulations, the Contracting Authority reserves the right to annul the results of the Contest and withhold the Tender Security.
- 9.9. In cases mentioned in Sub-Clause 9.5 of the Contest Regulations, 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 is confidential and shall not be disclosed until the Tender opening. Contents of the Tenders and meetings of the Contest Committee's are confidential and shall not be disclosed to other Tenderers or third parties.
- 10.2. All information and specifications included in Appendix No.1 of the Contest Regulations are confidential. The Tenderer shall not, without a prior written consent of the Contracting Authority, disclose them to any other person, except for cases specified in the regulatory enactments of the Republic of Latvia. If this third person participates in the Tender, disclosure of the information and specifications is permissible to the extent necessary for the performance of contractual obligations.

## **11. TENDERER'S RIGHTS TO SUBMIT A COMPLAINT**

- 11.1. The Tenderer may submit a complaint about any activity or decision of the Contracting Authority with regard to the contesting process, in accordance with the procedure established by the Law on the Procurement of Public Service Providers of the Republic of Latvia.

Head of Procurement Committee,  
Head of Procurement Division  
of JSC"Conexus Baltic Grid"

S. Strazdins

## **TECHNICAL REQUIREMENTS**

FOR ENHANCEMENT OF 30 GAS PRODUCTION WELLS Nos. 43, 72, 76, 78, 79,  
82, 88, 89, 92, 95, 96, 101, 109, 112, 113, 118, 121, 122, 123, 124, 125, 126, 127, 129,  
130, 131, 132, 133, 135, 140  
AT INCUKALNS UNDERGROUND GAS STORAGE  
OF JSC "CONEXUS BALTIC GRID"

### **Introduction.**

These technical requirements have been developed and worked out for the Contest Regulations "Enhancement of 30 gas production wells at Incukalns Underground Gas Storage of JSC "Conexus Baltic Grid"".

### **Information about the object**

The wells Enhancement works are executed at the Incukalns Underground Gas Storage (Incukalns UGS) of JSC "Conexus Baltic Grid" located at a distance of 40 km northeast from Riga (Latvia) near the village Ragana.

#### **1. Summary of geological characteristics of the object**

The object of gas storage is a reservoir of terrigenous aquifer type, represented by Cambrian middle-grained quartz sandstones with an aleurolitic texture and the average thickness of 60 m, which occurs on the crust of weathering of Archaean foundation. The reservoirs depth varies from 650 m to 765 m and deeper, the reservoir has good properties such as permeability up to 4 D (Darcy), porosity up to 32% and piezoconductivity of 15 000 sm<sup>2</sup>/sec. The reservoir's pressure changes during the process of gas storage operations – starting from 33 bars (min.) at the end of extraction, to 110 bars (max.), after the injection period. The hydrostatic pressure of reservoir is 70 bars. The period of minimum pressures (lower than hydrostatic) is mostly from March till June. The reservoir contains sodium chloride waters with a mineralization which varies from 94 to 106 g/l, and the average reservoir temperature is 22<sup>0</sup>C.

The reservoir is covered by a 15-20 meter thick layer of early Ordovician age clays, very solid, partially shale, which form a cap rock above the reservoir bed. Thick and hard carbonates of early, middle and late Ordovician are situated overtop. The total thickness of these deposits reaches 200 m and that is enough to secure the reservoirs tightness.

Full technical Specification Tenderer shall be requested

by e-mail: [sandris.strazdins@conexus.lv](mailto:sandris.strazdins@conexus.lv)

**FORM OF TENDER LETTER**

\_\_\_\_\_, 2019

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

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

**Project: Enhancement of 30 gas production wells at JSC "Conexus Baltic Grid" Incukalns Underground Gas Storage**

Having examined the Contest Regulations, we, the undersigned, undertake to perform the **Enhancement of 30 gas production wells at Incukalns Underground Gas Storage** for the Joint Stock Company "Conexus Baltic Grid" for the amount of:

Price of the Tender \_\_\_\_\_ EUR

VAT (21%, *if applicable*\*) \_\_\_\_\_ EUR

**Price of the Tender with VAT**  
**(*if applicable*\*) (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 in any respect interested in any other Tender and are not participating in any other Tender submitted for this Contest;
- 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 the documents of the Contest Regulations, their clarifications, amendments and modifications (if any) and fully understand the requirements and conditions of the Contest;
- our Tender is in compliance with the regulations of safety, employment and labour protection effective in the Republic of Latvia;
- we have carefully examined the scope of Works and found the Technical Requirements, and our Tender includes all costs associated with full performance of the scope of works and supplies until the completion of the works, including personnel, material, transport, travel and other costs. And we understand that the Contracting Authority will not accept any additional costs apart from those related to unforeseen works;

- no international or national sanctions or major sanctions (including sanctions for proliferation financing) 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, true beneficiary, 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.

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

3. If we want to receive an advance payment we undertake to submit a bank guarantee in the amount of the sum of advance payment. A Form of bank guarantee should be accepted by Contracting Authority.

4. **Date of enhancement works**

If our Tender is accepted, we undertake to perform the Enhancement of the 30 wells in accordance with the attached time schedule and to complete them by \_\_\_\_\_.

5. **Terms of warranty**

We undertake to provide a warranty of \_\_\_\_\_ months after the day of commissioning. We undertake to remedy all the damages, defects and unconformities with the Contract of the goods, works and services free of charge.

6. **Information about the 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: \_\_\_\_\_

7. 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).

8. **Performance security**

If our Tender is accepted, we undertake to submit a bank guarantee in the amount equivalent to 3 % (three per cent) of the Contract price for the performance of our contractual obligations.

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 (value of the works to be performed or of the services to be provided by whom shall be at least 10 per cent of the total contractual value of the construction works, service or supply):

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>	
--	--

Hereby we submit our Tender consisting of the Tender Security, Tenderers' qualification documents in accordance with Clause 3 of the Contest Regulations and Technical proposal and Financial bid.

Name of the Tenderer:

Name and position of the authorized person:

Signature of the authorized person:

**TENDER SECURITY FORM**

\_\_\_\_\_, 2019

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

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

**Project: Enhancement of 30 gas production wells at JSC "Conexus Baltic Grid" Incukalns Underground Gas Storage**

Whereas

\_\_\_\_\_  
(name, reg. No. and address of the company)  
(hereinafter called "the Tenderer") has submitted his Tender dated \_\_\_\_\_ 2019  
(hereinafter called "the Tender") for the Contest on the Enhancement of 30 gas production wells  
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", Stigu  
street 14, Riga, LV-1021, Latvia (hereinafter called "the Contracting Authority") for the amount  
of 50 000,00 (fifty thousand) EUR 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 50 000,00 (fifty thousand) 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 furnish the Performance Security in terms and conditions requested by Contract.

This guarantee will remain in force until \_\_\_\_\_ 20\_\_, and any demand in respect  
thereof shall reach the Bank not later than the above date.

\_\_\_\_\_ (Name and signature of the Bank's representative)



**FORM OF FINANCIAL BID**  
**for**  
**Enhancement of 30 gas production wells at JSC "Conexus Baltic Grid" Incukalns**  
**Underground Gas Storage**

\_\_\_\_\_, 2019

\_\_\_\_\_ place

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

**Project: Enhancement of 30 gas production wells at JSC "Conexus Baltic Grid" Incukalns  
Underground Gas Storage**

**Table No.1**  
**SUMMARY**

<b>№</b>	<b>Cost Item</b>	<b>Quantity</b>	<b>Sum</b>	<b>Currency, EUR</b>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.	Enhancement of the gas production well No.72	In accordance with Table No. 2		
2.	Enhancement of the gas production well No.76	In accordance with Table No. 2		
3.	Enhancement of the gas production well No.78	In accordance with Table No. 2		
4.	Enhancement of the gas production well No.79	In accordance with Table No. 2		
5.	Enhancement of the gas production well No.82	In accordance with Table No. 2		
6.	Enhancement of the gas production well No.88	In accordance with Table No. 2		
7.	Enhancement of the gas production well No.92	In accordance with Table No. 2		
8.	Enhancement of the gas production well No.95	In accordance with Table No. 2		
9.	Enhancement of the gas production well No.96	In accordance with Table No. 2		
10.	Enhancement of the gas production well No.101	In accordance with Table No. 2		
11.	Enhancement of the gas production well No.109	In accordance with Table No. 2		
12.	Enhancement of the gas production well No.112	In accordance with Table No. 2		
13.	Enhancement of the gas production well No.113	In accordance with Table No. 2		
14.	Enhancement of the gas production well No.118	In accordance with Table No. 2		

<b>№</b>	<b>Cost Item</b>	<b>Quantity</b>	<b>Sum</b>	<b>Currency, EUR</b>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
15.	Enhancement of the gas production well No.121	In accordance with Table No. 2		
16.	Enhancement of the gas production well No.122	In accordance with Table No. 2		
17.	Enhancement of the gas production well No.124	In accordance with Table No. 2		
18.	Enhancement of the gas production well No.125	In accordance with Table No. 2		
19.	Enhancement of the gas production well No.126	In accordance with Table No. 2		
20.	Enhancement of the gas production well No.127	In accordance with Table No. 2		
21.	Enhancement of the gas production well No.129	In accordance with Table No. 2		
22.	Enhancement of the gas production well No.130	In accordance with Table No. 2		
23.	Enhancement of the gas production well No.131	In accordance with Table No. 2		
24.	Enhancement of the gas production well No.132	In accordance with Table No. 2		
25.	Enhancement of the gas production well No.133	In accordance with Table No. 2		
26.	Enhancement of the gas production well No.43	In accordance with Table No. 3		
27.	Enhancement of the gas production well No.89	In accordance with Table No. 3		
28.	Enhancement of the gas production well No.123	In accordance with Table No. 3		
29.	Enhancement of the gas production well No.135	In accordance with Table No. 3		
30.	Enhancement of the gas production well No.140	In accordance with Table No. 3		
	<i>TOTAL AMOUNT</i>			
	<i>TOTAL with reserve (to be included in the Tender Letter (without VAT 21% of Latvian Republic))</i>			
	<i>VAT 21%</i>			
	<i>TOTAL with VAT 21%</i>			
<b>31.</b>	<b>*Recreation of cement stone between production casing and technical casing (without VAT 21% of Latvian Republic)</b>			

\* The Publicity measures organized in accordance with Guide to European Union Publicity Requirements for Structural & Cohesion Funds are included in the total price. In particular, the following means of publicity will be used: billboards near the road, in site during the construction period and permanent commemorative plaques after completion of construction.

If an unforeseen amount of works appears in the course of performance of the scope of Enhancement works, we will perform them for \_\_\_\_\_ EUR/hour without VAT 21% (excluding price for the equipment for additional installation). This price includes manpower, muds and equipment costs used for the unforeseen amount of works).

Name, family name, position of authorized person:

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

**TABLE No.2****ENHANCEMENT WORKS ON GAS PRODUCTION WELL No. \_\_\_\***

(for wells Nos.72, 76, 78, 79, 82, 88, 92, 95, 96, 101, 109, 112, 113, 118, 121, 122, 124, 125, 126, 127, 129, 130, 131, 132, 133)

\*To be filled for each well

<b>No</b>	<b>Cost Item</b>	<b>Price</b>	<b>Currency</b>
1	2	3	4
1.	Delivery of drilling rig, and other equipment, and manpower from accommodation to Incukalns UGS;		EUR
2.	Preparation of detailed plan of works, which include chemical composition of well killing and squeezing liquids		
3.	Preparation of well for Enhancement works		
4.	Preparation of well killing and squeezing liquids		
5.	Killing of well		
6.	Installation of drilling rig		
7.	Dismantling of old casing head and wellhead equipment		
8.	Installation of retrievable packer		
9.	Installation of casinghead and wellhead equipment		
10.	Mounting of preventer		
11.	Dismantling of tubing		
12.	Scraping and cleaning of production casing		
13.	Investigation works (special well logging works)		
14.	Sealing of all casing couplings (liquidation of inter casing gas leakages)		
15.	Perforation (if it is prescribed in Technical Requirements)		
16.	Mounting and installation of underground equipment (with filter if necessary)		
17.	Dismantling of preventer		
18.	Dismantling of drilling rig		
19.	Development of well		
20.	Well testing		
21.	Re-cultivation of earth after reconstruction works preparation of well area and mounting of fence		
<b>TOTAL PRICE FOR THE WELL No. ___</b>			

Name, family name, position of authorized person: \_\_\_\_\_

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

**TABLE No.3**

**ENHANCEMENT WORKS ON GAS PRODUCTION WELL No. \_\_\_\_\***

(for wells Nos. 43, 89, 123, 135, 140)

\*To be filled for each well

<b>No</b>	<b>Cost Item</b>	<b>Price</b>	<b>Currency</b>
1	2	3	4
1.	Replacement of casing head, wellhead, master and wing valves.		EUR
2.	Investigation works (special well logging works)		
3.	Elimination of inter-casing gas leakages (sealing of production casing couplings)		
<b>TOTAL PRICE FOR THE WELL No. __</b>			

Name, family name, position of authorized person: \_\_\_\_\_

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

**Appendix No. 5**  
to the Contest Regulations  
"Enhancement of 30 gas production wells at  
Incukalns Underground Gas Storage  
of JSC "Conexus Baltic Grid""



**Co-financed by the Connecting Europe  
Facility of the European Union**

**DRAFT CONTRACT**  
(minimal content)

**BETWEEN**

**JOINT STOCK COMPANY "CONEXUS BALTIC GRID"**

**AND**

\_\_\_\_\_  
(name of the Contractor (hereinafter the winner of the Contest))

**FOR**

**ENHANCEMENT OF 30 GAS PRODUCTION WELLS AT INCUKALNS  
UNDERGROUND GAS STORAGE OF JSC "CONEXUS BALTIC GRID"**

.

**Riga, 2019**

Riga, \_\_\_\_\_. \_\_\_\_\_20\_\_

The Contract is entered into on the \_\_\_\_<sup>th</sup> \_\_\_\_, 201\_ by and between:

**Joint Stock Company "Conexus Baltic Grid"** (registered name Akciju sabiedrība "Conexus Baltic Grid"), unified Registration, No. 40203041605, Stigu street 14, Riga, LV-1021, Latvia (hereinafter – the Contracting Authority), represented by \_\_\_\_\_, Chairman of the Board and \_\_\_\_\_, Member of the Board, in accordance with the company's Articles of Association and

\_\_\_\_\_, registration No. \_\_\_\_\_,  
address – \_\_\_\_\_ (hereinafter – the Contractor), represented by  
\_\_\_\_\_ acting in accordance with  
\_\_\_\_\_ on the other hand,

together referred to as the contracting parties (hereinafter – the Parties),

WHEREAS the Contracting Authority has accepted the Contractor's offer dated by \_\_\_\_<sup>th</sup>, 201\_ for enhancement of 30 gas production wells at JSC "Conexus Baltic Grid" Incukalns Underground Gas Storage (hereinafter – Incukalns UGS),

have concluded this contract (hereinafter – the Contract) on the following:

## 1. Subject of the Contract

1.1. As required by the Contracting Authority, the Contractor shall, for payment, using his own technical resources and labour force and supplying the necessary equipment, perform the **enhancement of 30 (thirty) gas production wells at JSC Incukalns Underground Gas Storage of JSC "Conexus Baltic Grid"** (hereinafter – the Enhancement Works), in compliance with the terms and conditions of the Contract and in accordance with the Technical requirements (Appendix No.1) and "Gazprom VNIIGAZ", LLC Project requirements (hereinafter – Project), Detail Geological and Technological working plan (Contract Appendix No. 2) and Contractors Technical Support (Contract Appendix No. 5).

1.2. The Enhancement works include the supply of materials and equipment, the preparation of a detailed working plan for each well, the construction of wellsites, the re-equipment of wells and connection to the piping loop system, the testing of wells, the supervision of Works and other activities resulting from the Technical requirements and Project requirements.

1.3. The Contractor shall provide the publicity measures in accordance with Guide to European Union Publicity Requirements for Structural & Cohesion Funds. In particular, the following means of publicity shall be used: billboards near the road and in site during the Contract period and permanent commemorative plaques after completion of the Works.

1.4. The Contractor shall perform the Works in accordance with the following appendices of the Contract, which are considered to be an integral part thereof:

- Contract Appendix No. 1 – Project technical requirements;
- Contract Appendix No. 2 – Detail Geological and Technological working plan;
- Contract Appendix No. 3 – Price Schedule;
- Contract Appendix No. 4 – Time Schedule;
- Contract Appendix No. 5 – Technical Support;
- Contract Appendix No. 6 – Performance Security Form.

1.5. Equipment shall be supplied and the Enhancement works performed in compliance with the requirements of the European Standards adapted in the Republic of Latvia – LVS EN ISO 10423 - “Petroleum and natural gas industries – drilling and production equipment, wellhead and christmas tree equipment (API 6A or GOST P 51365 -99), LVS EN 1918-1 – “Gas infrastructure - Underground gas storage - Part 1: Functional recommendations for storage in aquifers”, LVS 364 – “Operation, maintenance and repair of natural gas storage in aquifer and transmission pipelines system” and LVS NS GS 09-2009 – “Safety rules of underground gas storage system”, legislation of the Republic of Latvia (including Labor protection Law, Environmental Law and Construction Law of the Republic of Latvia) and the relevant authorities such as the State Fire Fighting and Rescue Service, as well as the requirements of other standards, regulatory enactments issued by the respective municipality and legislative acts applicable to the particular Works.

1.6. The Contractor hereby certifies, that he has duly examined the Project requirements and that the prepared Detailed Geological and Technological working plan and other documents complies with the requirements of the legislative acts, are feasible and no deficiencies or inadequacies have been found in them. The Contractor also certifies that all the Contracting Authority’s expenses associated with implementation of the Project requirements are included in the Contract Amount.

1.7. The place for performance of the Works shall be the site of the production wells at JSC "Conexus Baltic Grid" Incukalns Underground Gas Storage (hereinafter - Incukalns UGS), Ragana, Krimulda parish, Krimulda district, LV-2144, Latvia (hereinafter – the Site).

1.8. The Works specified in the Contract shall be carried out in an enterprise which has not ceased its industrial operation and stated as a production unit with high dangerousness. The Works shall be performed in the manner that does not impede the normal operation of the enterprise and technological process taking into account that the Works will be carried out during the gas withdrawal and injection periods. Therefore, when performing the works, the Contractor shall comply with the instructions of the representative of construction supervision, the responsible representative for against-well-springing safety of the wells and other representatives appointed by the Contracting Authority. In addition, during the performance of the Works, the Contractor shall take into account the information provided by the geological service of Incukalns UGS regarding the current formation pressure in the storage. After squeezing of the wells, the Contractor shall regularly control and record the pressure on the wellhead and in the tubing-casing annulus, as well as comply with other requirements of the Project and the Contract.

1.9. The Contractor shall observe the regulations of Incukalns UGS and agree upon the actual time and place for the performance of particular types of Works with the respective representative of the Contracting Authority.

1.10. The Contractor shall assume full responsibility for the equipment and materials to be supplied and installed in the wells before their commissioning, as well as for all technical resources used during performance of the Works.

1.11. The Works performed shall be accepted in accordance with the procedure prescribed in the Contract.

## **2. Completion Dates**

The Contractor shall perform and complete the Works by the dates specified in the Time Schedule (Contract Appendix No. 4) **till December 20<sup>th</sup>, year 2024.**

## **3. Contract Amount and Terms of Payment**

3.1. For performance of the Works, the Contracting Authority shall pay to the Contractor the total sum in the amount of ..... (.....) (hereinafter – the Contract Amount), including the cost of the Works, equivalent to.....(.....), and VAT 21%, equivalent to ..... (.....).

3.2. The Contracting Authority shall pay to the Contractor the Contract Amount of \_\_\_\_\_ for the good quality and in time performed Works.

3.3. The Contracting Authority pays VAT 21%, equivalent to \_\_\_\_\_ according to the Law about the Value Added Tax Clause 142 to the State budget.

3.4. A breakdown of the Contract Amount by types of Works is provided in the Price Schedules (Contract Appendix no. 3).

3.5. The total Contract Amount shall be paid in accordance with the following procedure:

3.5.1. **an advance payment in the amount of \_\_\_\_\_%** of the total Contract Amount shall be paid by the Contracting Authority to the Contractor within 30 (thirty) days after fulfilment of the following conditions: signing of the Contract between Parties, receipt from the Contractor of the Performance Security of the Contract and receipt of the relevant invoice.

The advance payment shall be repaid through percentage deductions in interim payments. Deductions of one fifth (20%) of the amount of each interim payment shall be made until the advance payment has been repaid;

3.5.2. **interim payments** shall be made not more often than once a month in accordance with the statements of the Works performed submitted by the Contractor and signed by the Contracting Authority.

The payment shall be made in accordance with the Works actually performed during the month deducting the percentage of the advance payment of the Contract.

The sum of interim payments together with the advance payment stated shall not exceed 90% (ninety per cent) of the Contract Amount.

The Contracting Authority shall within 10 (ten) working days after receiving the statement of the Works performed, sign it or express any objections in writing.

The amount approved in the statement of the Works performed shall be paid to the Contractor within 10 (ten) days after its approval and receipt of the relevant invoice from the Contractor;

3.5.3. **the final payment in the amount of 10%** of the total Contract Amount shall be paid by the Contracting Authority to the Contractor within 30 (thirty) days after complete performance of the Contractor's contractual obligations under the Contract, signing of the final acceptance certificate and receipt of the relevant invoice from the Contractor.

3.6. All payments to be made under this Contract shall be made by a transfer to the bank account indicated in the Details of the Parties (Clause 19 of the Contract) in accordance with the invoices submitted by the Contractor and conditions of the Contract.

3.7. If it is necessary to carry out additional work that is not provided for by the Work plan for a specific well, the Parties draw up and sign an additional Work plan. The amount of payment for additional work is calculated based on the time actually spent by the Contractor for additional work, the cost of the brigade-hour specified in Clause 3.8. of the Contract and the cost of the additional equipment used.

3.8. The cost of a brigade hour is \_\_\_\_\_ **EUR** (\_\_\_\_\_) without VAT. This cost takes into account labor costs, process fluids and the cost of equipment used to perform



additional work. Payment for additional work carried out on the basis of an additional work plan is made after the complete completion of such work, on the basis of the Acceptance certificate signed by the Parties of completed work and receiving of the Contractor's invoice for payment.

#### **4. Performance Security**

4.1. The Contractor shall within 21 (twenty one) day after signing the Contract provide to the Contracting Authority a Performance Security in the amount of 3% (three per cent) of the total Contract Amount.

4.2. The Contracting Authority may use the Performance Security to indemnify for the losses incurred by the Contracting Authority as a result of the Contractor's default or withhold an advance payment to be returned or penalties attributable to the Contractor. The Contracting Authority shall at least 7 (seven) days before sending a demand to the bank inform the Contractor about his intention to withhold the Performance Security.

4.3. The Performance Security shall be submitted in a form of a guarantee issued by the bank acceptable to the Contracting Authority, the contents of which shall comply with the Performance Security Form (Contract Appendix No. 6) included in the Contract or is agreed upon with the Contracting Authority. The Performance Security shall be fixed in the same currency as the Contract Amount.

4.4. The Performance Security shall be valid from the date of issuing thereof which is at least 30 (thirty) days from the date of signing the final acceptance certificate as stated in the Contract. In the event when the Contract duration is extended by more than 15 (fifteen) days, the Contractor shall within 5 (five) working days from the extension date submit to the Contracting Authority a Performance Security which is valid for at least 30 (thirty) days after the new date stated for signing the final acceptance certificate.

#### **5. Rights and Duties of the Contractor**

5.1. The Contractor shall be responsible for the performance of all preparatory works, unless stated otherwise in the Contract or appendices thereof. The Contractor shall, during performance of the Works, fence off the Site from the rest of the Facility's territory.

5.2. The Contractor shall be responsible for coordination and management of the Works.

5.3. The Contractor shall prepare the Work performance plan for each well in accordance with the procedure established by the law and submit for the Contracting Authority's approval. The Work performance plan shall include the tests and commissioning procedure of the Works and against-well-springing safety measures.

5.4. The Work performance plan shall be accepted by author of the Project ("Gazprom VNIIGAZ", LLC).

5.5. The Contractor shall perform the Works in compliance with the accepted Detailed Geological and Technological working plan, the Contract and its Appendices. Any deviation is permissible only by the Contracting Authority's written consent.

5.6. The Contractor shall, within 7 (seven) working days prior to the commencement of the Works in the site, submit to the Contracting Authority the list of Contractor's and subcontractors' staff for issuing entry permits.

5.7. The Contractor shall ensure compliance with work safety, labour protection, fire-prevention, electric safety, sanitary and environmental protection regulations during the entire period of the performance of Works.

5.8. Before commencing the Works the Contractor shall accept the well construction site from the Contracting Authority with signing a Take-over Certificate.

5.9. The Contractor shall accept the equipment and materials provided by the Contracting Authority for installation (Contract Appendix No. 1 "Project requirements"). The Contracting Authority shall deliver the equipment and materials mentioned hereunder to the Contractor in due time and in full. In the event any defect or nonconformity is found in the set of this equipment and materials, they shall be noted in a statement drawn up by the Parties.

5.10. The Contractor shall perform the Works in accordance with the sequence and time specified in the Time Schedule included in the Contract (Contract Appendix No. 4). Any changes to the Time Schedule for performance of the Works shall become valid only after mutual agreement by the Parties thereupon and formalizing of these changes in writing with the relevant amendments to the Contract.

5.11. The Contractor may at his risk and expense invite only those specialists and subcontractors that are licensed in the relevant fields for performance of the specified Works. Subcontractors, which are not included in the List of Subcontractors (Contract Appendix No. 5), shall be invited by the Contracting Authority's prior written consent.

5.12. The Contractor shall be responsible for the supply of all the equipment and materials necessary for the performance of the Works except equipment and materials provided by the Contracting Authority. For performance of the Works, The Contractor shall use the materials, technical resources and equipment identical with those specified in the Technical Requirements, the Contractor's technical Proposal and Price Schedules. Use of other materials, technical resources and equipment is permitted only with the Contracting Authority's written consent.

5.13. The Contractor shall be responsible for the removal, burying or disposal of solid and liquid waste arisen as a result of performance of the Works, as well the dismantled equipment, in accordance with the requirements of the legislation of the Republic of Latvia.

5.14. The Contractor shall, in accordance with the procedure established by the legislation of the Republic of Latvia, draw up and agree with the Contracting Authority on the List of as-built documentation for performance of the Works and, thereafter, in an appropriate manner, process all the necessary as-built documentation.

5.15. The Contractor shall assume responsibility for any damages resulting from the activities carried out by the Contractor, his Subcontractors or personnel.

5.16. The Contractor shall organize regular site meetings during the entire course of the Works. The meetings shall be attended by the works supervisor from the Contractor's side, representative of construction supervision, representative for against-well-springing safety, representative from the management of Inchukalns UGS, as well as the persons invited by them. The meetings shall be organized once a week, unless agreed otherwise or any of the abovementioned persons has made any other proposal.

5.17. After completion of the Works the Contractor shall hand over to the Contracting Authority all the as-built documentation related to the Works (design documentation, as-built documentation for the Works, technical documentation for the equipment, etc., in accordance with the approved List of as-built documentation). Handing over of the abovementioned documentation is a precondition for signing the final acceptance certificate.

5.18. Upon the Contracting Authority's request the Contractor shall provide a report on the progress of the Works. The report shall be submitted to the Contracting Authority within 3 (three) days unless the Contracting Authority has specified another term for submission of the report.

5.19. The Contractor shall provide access for the representatives of construction supervision and against-well-springing safety invited by the Contracting Authority for the purposes of supervision of the performance of the Works, which shall not release the Contractor from his responsibility

regarding the quality and safety of the Works, compliance thereof with the Contract, construction standards of the Republic of Latvia and other laws and regulations.

5.20. If during the preparation or execution of the Works any unforeseen circumstances or works be identified, which may delay fulfilment of obligations pursuant of this Contract or affect the safety of the Facility, wells or any other safety, the Contractor shall immediately, orally or in writing notify the Contracting Authority and the representative for against-well-springing safety thereof. In such event the Contractor shall continue performing his obligations under the Contract as far as it does not affect the safety of the Facility or wells unless the Contracting Authority has requested orally or in writing, to suspend any further Works. If the Works have been suspended, the performance thereof may proceed after the Parties have agreed upon the modification in the scope of the Works and the Contract.

## **6. Rights and Duties of the Contracting Authority**

6.1. The Contracting Authority shall hand over to the Contractor the construction site by drawing up a Take-over Certificate signed by both Parties.

6.2. The Contracting Authority shall provide the Contractor at the latter's cost with the resources necessary for performance of the Works (electricity, gas, water), whereby the necessary capacity shall be agreed upon between the Contracting Authority and Contractor.

6.3. The Contracting Authority shall disconnect the wells including pipeline valves from the piping loop system and hand over the wells to the Contractor with a certificate for further performance of the Works.

6.4. The Contracting Authority shall reply to the clarification requests submitted by the Contractor in writing, sign the documentation submitted by the Contractor or provide reasoned refusal in writing within the time specified in the Contract or, if the time is not specified, within 14 (fourteen) working days.

6.5. By statement signed by both Parties The Contracting Authority shall hand over to the Contractor the equipment and materials provided by the Contracting Authority for installation (Contract Appendix No. 1 "Project requirements") and the supporting documentation in due time and in full set. In the event any defect or nonconformity is found in the set of this equipment and materials, they shall be noted in the statement drawn up by the Parties.

6.6. The Contracting Authority shall provide free access to the Site for the Contractor's personnel and the Subcontractor invited by him, the equipment and technical resources by prior mutual agreement upon the time of the Works.

6.7. The Contracting Authority shall obtain a permit for the renovation of well sites if it is required by legislation of Republic of Latvia.

6.8. The Contracting Authority may invite the representatives of author supervision, construction supervision and against-well-springing safety for supervision of the Works.

6.9. The Contracting Authority shall in accordance with the list submitted by the Contractor issue entry permits for the persons indicated in the list for access to the Site. The Contracting Authority is entitled, at his discretion and without any special substantiation or explanation, to prohibit access of particular persons to the territory of Incukalns UGS.

6.10. The Contracting Authority may immediately suspend the Works, if the Contractor or his personnel do not comply with the regulations for against-well-springing safety of the wells, internal regulations of Incukalns UGS, laws and regulations applicable to the Works or the Contract or if any conditions have arisen that may, in any way, cause emergency situation in the wells, gas leakage or any other damage to the facility or people. The Contractor may resume the Works as approved by the Contracting Authority after having remedied the default. The Contractor

shall not be entitled to any extension of the deadline for completion of the Works specified in the Contract due to the abovementioned suspension of the Works. The Contracting Authority may, if considered necessary, expel the Contractor's personnel from the Site.

6.11. The Contracting Authority may on his own initiative suspend performance of the Works, as well as propose any modifications in the scope of the Works or supplies or in the Technical Design. Shall the modifications in the scope of the Works or supplies or in the Technical Design proposed by the Contracting Authority affect the completion time of the Contract or the Contract Amount, the Contractor shall, not later than within one week, inform the Contracting Authority thereof in writing.

## **7. Insurance**

The Contractor shall at his expense sign the following insurance contracts. The insurance company and insurance conditions previously approved by the Contracting Authority:

7.1. **insurance of renovation and installation works for the 100% of the Contract Amount**, including the equipment and materials provided by the Contracting Authority for their full value of Contract. The Contracting Authority shall be indicated as the receiver of insurance indemnity in accordance with the above policies. This insurance shall be maintained valid by the Contractor during the entire Work period. The Contractor shall furnish the Contracting Authority the above insurance policies before commencement of the Works in the Site;

7.2. **the Contractor's insurance of third party liability for the amount at least 10% of the Contract Amount**. This insurance shall be maintained valid by the Contractor during the entire Work period. The Contractor shall furnish the Contracting Authority with the copy of the said insurance policy before the commencement of the Works in the Site;

7.3. **insurance of the Works warranty period for the amount not less than 10% (ten per cent) of the Contract Amount** indicating the Contracting Authority as the receiver of insurance indemnity. This insurance shall be maintained valid by the Contractor from the commissioning date of the Works until the one month after the end of the warranty period. The Contractor shall furnish the Contracting Authority with the insurance policy of the Works warranty period before signing the Final Acceptance Certificate.

## **8. Modifications and Amendments**

8.1. Any additional works, which the Parties might agree upon during performance of the Contract, shall be paid by the Contracting Authority only in case the Parties have preliminary agreed in writing on the necessity and price thereof. Otherwise the expenses thereof are deemed to have been included in the Contract Amount.

8.2. In addition the unit prices specified in the Price Schedules of technical resources and personnel per time unit (Contract Appendix No. 3) shall be used for evaluation of the Works. If any costs are not included in Contract Appendix No. 3 to the Contract, they shall be specified in accordance with the agreement between the Parties and the documents substantiating these costs shall be provided to the Contractor.

8.3. Unforeseen works that arise during performance of the Works and are essentially necessary for continuing or completion of the Works shall be paid for by the Contracting Authority from the Contracting Authority reserve specified in the Price Schedules (Contract Appendix No. 3).

8.4. The acceptance procedure for unforeseen works is the following:

8.4.1. the Contractor shall deliver to the Contracting Authority accurate statements of unforeseen works which shall include the details of the resources used in executing the unforeseen work – the Contractor's personnel, quantities and types of equipment and materials used,

8.4.2. for evaluation of unforeseen works the unit prices specified in the Price Schedules of technical resources and personnel per time unit (Contract Appendix No.3) shall be used,

8.4.3. each statement, if correct, or when agreed, shall be signed by the Contracting Authority and returned to the Contractor.

8.5. In the event the Works are terminated or suspended on the initiative of the Contracting Authority or for the Contracting Authority's default, the Parties shall agree upon the adjustment of the completion dates for the Works, and the Contracting Authority shall indemnify the Contractor for the idle time in the amount agreed upon by the Parties. The amount of such indemnification shall not exceed the direct costs for the rent of cranes and other equipment incurred by the Contractor within the respective time period. Suspension of the Works by the Contracting Authority or the Construction Supervisor invited by the Contracting Authority due to non-compliance of the Works with the Contract, regulatory enactments, or due to any other Contractor's default, shall not be deemed Contracting Authority's initiative in the understanding of this Clause.

8.6. In the event the Works are terminated due to the Contractor's default, the Contracting Authority shall be entitled to claim indemnification of the losses incurred.

## **9. Procedure for Acceptance of the Works**

9.1. The Contractor and the Contracting Authority shall sign acceptance certificates after the completion of the Works in each well, namely, after installation of surface and underground equipment in the wells, their connection to piping loops, testing of the wells, completion of the construction of wellsites and commissioning of the wells. During the performance of the Works and before commissioning of the wells, the Contractor shall perform the necessary inspections and tests of the equipment and wells in accordance with the Work performance plan agreed upon with the Contracting Authority.

9.2. After completion of all Works The Contractor shall give a notice to the Contracting Authority stating completion of the Works and a final acceptance certificate signed by the Contractor. The Contracting Authority shall within 5 (five) working days sign the final acceptance certificate or submit a reasoned refusal in writing to the Contractor to sign the final acceptance certificate and accept the Works stated in the certificate.

9.3. In the event of a reasoned refusal, the Parties shall agree upon the remedy of defects and prepare a statement of defects by specifying the defects to be remedied and the time for remedying thereof. The Contractor shall remedy the defects specified in the statement at his expense. The period for the remedy of defects specified in the statement shall not be deemed the grounds for the extension of the period for the performance of the Works under the Contract.

9.4. After the defects have been remedied the Works are subject to repeated acceptance in accordance with the acceptance procedure prescribed in this Clause.

9.5. Signing of the interim acceptance certificate or final acceptance certificate shall not release the Contractor from the responsibility regarding hidden defects, which have not been found during signing of the certificate.

9.6. Interim acceptance certificates and the final acceptance certificate after their signing by both Parties shall become integral parts of the Contract.

9.7. The Parties shall sign the final acceptance certificate after the completion of all contractual obligations including landscaping of the site, handing over of the as-built documentation to the Contracting Authority in accordance with the List of as-built documentation, as well as other obligations under this Contract.

9.8. The Parties may invite independent experts to examine the quality of the Works performed at their own expense.

9.9. Before signing the final acceptance certificate The Contracting Authority shall take over the well construction site from the Contractor with signing the Take-over Certificate.

## **10. Liability of the Parties**

10.1. In the event the Contractor fails to comply with the final date for the completion and commissioning of the Works stated in the Contract, or the Contractor fails to comply with any of the intermediate dates specified in the Time Schedule (Contract Appendix No. 4), the Contracting Authority has a right to count, and in such case the Contractor has a duty to pay to the Contracting Authority a penalty equivalent to 0.1% (point one per cent) of the total Contract Amount for each day of delay, not exceeding 10% (ten per cent) of the total Contract Amount.

10.2. In the event the Contracting Authority delays any of the payments to be made under the Contract, the Contractor, has a right to count, and in such case the Contracting Authority shall pay to the Contractor a penalty equivalent to 0.1% (point one per cent) of the delayed payment amount for each day of delay, not exceeding 10% (ten per cent) of the delayed payment amount.

10.3. Either Party shall indemnify the other Party for the losses incurred as a result of its failure to perform any contractual obligations or comply with the provisions of the Contract, in accordance with the procedure established by legislative acts of the Republic of Latvia.

## **11. Warranty**

11.1. The Contractor shall warrant the quality of the Works, their compliance with the Contract and Technical Requirements, as well as functional operation of the Works. The Contractor shall assume full liability for the damages and defects found in the Works performed, including defects in the materials and equipment supplied, as well as faults and defects arisen during the warranty period. The warranty period specified under this Clause is \_\_\_\_\_ months after signing of the final acceptance certificate by both Parties.

11.2. The Contractor shall upon the receipt of a written notice from the Contracting Authority on the defects found during the warranty period remedy any defects, damages or non-compliance with the requirements of the Contract, Project Requirements or laws and regulations at his expense. In the notice to the Contractor, the Contracting Authority shall specify the place and time where and when the Contractor shall arrive for drawing up the statement of defects. The time period specified by the Contracting Authority shall not be shorter than 24 (twenty-four) hours, but the Parties may agree upon other time for drawing up the statement of defects.

11.3. The Parties shall within the specified time period draw up the statement of defects by indicating the defects or non-compliance found in the Works or equipment and the time for remedying thereof. In the event that the Contractor fails to arrive for drawing up of the statement of defects, the Contracting Authority shall be entitled to prepare the statement unilaterally, and it shall be binding on the Contractor. The Contractor shall be notified of the preparation of such statement specifying the place and time of the preparation thereof.

11.4. If during the drawing up of the statement of defects the Contracting Authority and the Contractor fail to reach agreement regarding the identified defects, their subjection to the warranty or the necessary time for remedying the defects, the Contracting Authority may invite an expert whose opinion is conclusive. Expert costs shall be covered by the Parties in equal parts.

11.5. In the event that the Contractor fails to remedy the defects or non-compliance attributable to the warranty within the time limits specified in the statement of defects, the Contractor shall pay to the Contracting Authority a penalty equivalent to 0.1% (point one per cent) of the cost of the Work for each day of delay until the respective defect or non-compliance has been remedied.

11.6. In the event that the Contractor fails to remedy the defects or non-compliance attributable to the warranty within the time limits specified in the statement of defects and its delay lasts for a period of at least 10 (ten) days, the Contracting Authority may remedy the defects attributable to the warranty by himself or invite any third party. In such event, the Contractor shall indemnify the Contracting Authority for all losses incurred in connection with remedying the defects, and pay demurrages.

## **12. Termination of the Contract**

12.1. The Contract may be terminated by written agreement between the Parties or in accordance with the procedure prescribed under this Clause.

12.2. The Contracting Authority may by sending a written notice to the Contractor at least 15 (fifteen) days in advance unilaterally terminate the Contract without paying any indemnification to the Contractor in any case if:

12.2.1. the Contractor fails to furnish the Performance Security within the time specified in the Contract or if the furnished Performance Security has become invalid,

12.2.2. the Contractor fails to comply with the dates, including the intermediate dates, for the completion of the Works specified in the Time Schedule, and if the Contractor's delay has reached at least 30 (thirty) days,

12.2.3. the Contractor fails to comply with lawful instructions of the representatives of author supervision, construction supervision and against-well-springing safety or fails to fulfil any obligations in accordance with the provisions of the Contract, and if the Contractor has failed to make good or remedy the identified default within 30 (thirty) days after the written notice about such default by the Contracting Authority or his representatives for work supervision.

12.3. The Contracting Authority may at any time terminate the Contract by giving written notice to the Contractor, without any compensation the Contractor, if the Contractor becomes bankrupt or insolvent, provided that such termination will not prejudice or affect any right of action or remedy, which is due or will be due thereafter to the Contracting Authority.

## **13. Sanctions**

13.1. Sanctions - a legal act on any economic sanctions, decrees, trade embargoes or similar measures or restrictions established, administered or applied from time to time by the legislative and / or executive authorities or organizations of the United States of America (including, but not limited to Bureau of Industry and Security of the United States Department of Commerce (BIS), Office of Foreign Assets Control (OFAC) of the United States Treasury Department, United Nations Security Council, the European Union or a group of countries to which the Republic of Latvia, the government of the country with jurisdiction over the parties (each individually - the sanctioning body).

13.2. Taking into account the sanctions valid on the date of the conclusion of the Contract, the Contracting Authority confirms that they do not affect the execution of the Contract. In the case of the introduction of sanctions affecting the execution of the Contract, the Contracting Authority undertakes to notify the Contractor no later than 3 (three) working days from the date of their introduction. In this case the parties undertake within 5 (five) working days from the moment the Contractor is notified of the imposition of Sanctions affecting the execution of the Contract, to conduct joint negotiations on the possibility of the Contract's further execution by the Parties, as a result of which the authorized representatives of the Parties may sign an agreement on the further execution of the Contract or on its termination. In the event of termination of the Contract, the Contracting Authority must pay the Contractor the cost of the works rendered (performed) before its termination.

13.3. Non-fulfillment and/or improper fulfillment of obligations related to fulfillment of obligations under the Contract caused by the Sanctions is not considered for the Contracting Authority caused by *Force Majeure*, and the Contractor shall not be liable for non-fulfillment or improper performance of any of its obligations under the Contract due to Sanctions.

#### **14. Force Majeure**

14.1. The Parties shall be released from the liability for the failure to perform in part or in whole any obligations under the Contract, if such failure is the result of exceptional circumstances or events (*Force Majeure*), which have become effective after signing of the Contract and which could not reasonably be provided against and avoided by the Parties.

14.2. A *Force Majeure* situation may include such exceptional circumstances and events as fires, wars, technogenic accidents, natural disasters, as well as newly adopted legislative acts and other circumstances of similar nature, which limit or significantly affect the performance of the obligations under the Contract and which are beyond possible control and influence of the Parties.

14.3. The Party affected by a *Force Majeure* situation shall notify the other Party of such conditions within 3 (three) days by specifying the possible date for the performance of obligations.

14.4. If the performance of the Contract is prevented by *Force Majeure* situation for more than 60 (sixty) days, either Party may unilaterally terminate the Contract. If the Contract is terminated under such circumstances, no Party is entitled to claim from the other Party indemnification of losses incurred. In such event the Parties shall prepare the statement on the scope and value of the Works actually performed, and the Contracting Authority shall pay to the Contractor the amount payable for the Works actually performed in compliance with the statement. If the actual value of the Works is smaller than the amount paid by the Contracting Authority to the Contractor, the latter shall return the surplus amount.

#### **15. Settlement of Disputes**

15.1. The Parties shall attempt to settle any dispute or disagreement having arisen between the Parties in connection with this Contract or the performance thereof by informal amicable negotiations.

15.2. In the event that Parties cannot settle the dispute or disagreement amicably on 30 (thirty) days period either Party may apply to the court for settlement thereof in accordance with the procedure set by the legal acts of the Republic of Latvia.

15.3. The Contract is made, shall be performed and interpreted in accordance with laws of the Republic of Latvia.

#### **16. Confidentiality**

16.1. The Parties shall preserve the confidentiality of any information and documents, in any form, which are disclosed in writing or orally in relation to the implementation of the Contract. It shall not include information that is publicly available.

16.2. The Parties shall not use confidential information and documents for any reason other than fulfilling their obligations under the Contract, unless otherwise agreed with the other Party in writing.

16.3. The Parties shall be bound by the obligations referred to in Clause 16.1. and Clause 16.2. during the implementation of the Contract and for a period of five years starting from the total payment of the Contract Amount, unless:

16.3.1. the Party agrees to release the other Party from the confidentiality obligations earlier;



16.3.2. the confidential information or documents become public through other means than a breach of the confidentiality obligations;

16.3.3. the disclosure of the confidential information or documents is required by law.

## **17. Other Provisions**

17.1. The Contactor, including sub-contractor, shall have no rights vis-à-vis INEA under the Contract. The conditions applicable to the Supplier under Clause 17 shall be also applicable to its sub-contractor.

17.2. The Contactor shall ensure that INEA and the European Commission, or any other outside body authorised by these institutions, may carry out the technical and financial inspections and audits in relation to the Contract. Such inspections or audits may be initiated during performance of the Contract and for the period of five years starting from the date when the total Contract Amount has been paid to the Purchaser.

17.3. The check or audit procedure shall be deemed to be initiated on the date of receipt of the letter of the European Commission or the INEA announcing it.

17.4. The Contactor shall keep all the original documents, in particular accounting and tax records, which are stored on any appropriate medium, including digitalised originals, if they are authorised in accordance with the applicable legislation to the Contract and in accordance with the conditions laid down therein, for a period of five years starting from the total Contract Amount payment date under the Contract. Document storage obligation as described in Clause 17 is longer, where ongoing audits, appeals, litigation or claims relating to execution of the payment, including irregularities, fraud or breach of obligations are present. In such cases the Contactor shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

17.5. In the framework of a check or audit, the Contactor shall provide any information, including information in electronic format requested by the Contracting Authority, the European Commission or the INEA, or any other body designated by it. Where appropriate, the Contracting Authority, the European Commission or the INEA may require the Contactor to provide this information directly.

17.6. The Contactor shall allow for the European Commission or the INEA staff and outside personnel, authorised by the European Commission or the INEA, to access the sites and premises where the action in relation to this Contract is or was carried out, all the necessary information, including information in electronic format. The Contactor shall ensure that the information is readily available at the time of the on-the-spot visit, and the required information shall be transferred in the appropriate form.

17.7. Based on the final audit findings, the European Commission or the INEA may take the measures it deems necessary, including recovery at the time of payment of the Fee or after exerting payment of the Fee for all or part of the payments made under the Contract.

17.8. The European Anti-Fraud Office (OLAF) and the European Court of Auditors shall have the same rights, according to their competences, as the European Commission or the INEA, in particular for the purpose of checks, audits and investigations concerning the Contracting Authority.

17.9. The Contactor shall take all necessary measures to prevent any situation where objective and impartial implementation of the Contract is compromised for reasons connected with the economic interest, political or national affinity, family or emotional life, or any other shared interest with the Contracting Authority or any other third party relating to the Contract ("conflict of interests").

17.10. Any situation that causes or may cause a conflict of interest during the implementation of the Contract, shall be notified to the Contracting Authority, in writing, without delay. The

Contractor shall immediately take all measures necessary in order to remedy this situation. The Contracting Authority shall reserve the right to examine whether the measures taken by the Contractor are appropriate, and may require additional measures within a specified time limit.

17.11. The Parties may make the following substantial amendments to the Contract:

17.11.1. the deadline for the performance of contractual obligations may be extended if the obligation cannot be fulfilled within the time limit due to circumstances beyond the Contracting Authority's (third party delays, delays in the development of related information systems). In such case, the due date for the fulfillment of obligations shall be extended by the time of delay, but not more than by the end of the Project implementation period;

17.11.2. the Parties may make changes to the Technical requirements, including the inclusion of new functionality, waiver of functionality, or modification of the functionality specified in the Technical requirements if the legal provisions governing the functionality of the System change. In such a case, the impact of the changes in the regulatory enactments on the Contract Amount shall be determined by applying the procedure for requests for changes;

17.11.3. if the law and regulations that affect the validity of any provisions of the Contract change. In such a case, the provisions of the Contract shall be changed, while retaining their original meaning as far as possible, but if this is not possible they shall be excluded from the Contract.

17.12. Data protection: the Contracting Authority data is subject to electronic data-processing. In its use of personal data the Contractor will observe all relevant data-protection laws (in particular the European General Data protection Regulation) as well as its own internal data-protection guidelines. In certain cases, the Contractor may provide personal data to Service Partners or other companies in the Supplier group which may be located outside of the European Economic Area, e.g. in the U.S.; in such cases suitable measures towards data-protection will be applied.

17.13. When performing the Works under the Contract, the Contractor shall at his own expense carry out works, which are not included in the Price Schedules, but which by objective considerations are necessary for a due performance of the Works, including provision and maintenance of the necessary technical resources (motor vehicles, cranes, etc.), obtaining of the necessary approvals, waste disposal, cleaning-up of the construction site, etc.

17.14. The authorized persons for the performance of the Contract are:  
For the Contracting Authority – .....;  
For the Contractor – .....

17.15. Acceptance certificates shall be signed by:  
For the Contracting Authority – .....;  
For the Contractor – .....

17.16. The Contract or appendices thereof may be modified or amended only by written agreement thereupon between the Parties, and the modifications and amendments shall become an integral part of the Contract.

17.17. The Contract shall come into force upon its signing and shall remain valid until full performance of the obligations by the Parties.

17.18. The Contractor shall have a right to sub-contract only by a prior written consent of the Contracting Authority. The Contractor takes full responsibility for the actions and/or failure to act of the sub-contractor even if the sub-contractor has been approved by the Contracting Authority.

17.19. The Contract shall be binding on the Parties' commitment and successors.

17.20. The Contract is prepared and signed in 2 (two) identical copies on \_\_\_ pages in English language. One copy is retained by the Contracting Authority and one copy is retained by the Contractor.

### **18. Appendixes**

The appendixes shall form an integral part of the Contract. The following appendixes are the part of the Contract:

- Appendix No. 1 – Project technical requirements;
- Appendix No. 2 – Detail Geological and Technological working plan;
- Contract Appendix No. 3 – Price Schedule;
- Contract Appendix No. 4 – Time Schedule;
- Contract Appendix No. 5 – Technical Support;
- Contract Appendix No. 6 – Performance Security Form.

### **19. Details of the Parties**

#### **The Contracting Authority:**

Joint Stock Company "Conexus Baltic Grid"  
Unified reg. No. 40203041605  
VAT No. LV40203041605  
Stigu street 14, Riga, LV-1021, Latvia  
"Swedbank" AS, HABALV22  
LV08 HABA 0551 0429 7882 7

#### **The Contractor:**

\_\_\_\_\_  
\_\_\_\_\_, Chairman of the Board

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

\_\_\_\_\_  
\_\_\_\_\_, Member of the Board

**BANK GUARANTEE FORM**

\_\_\_\_\_. \_\_\_\_\_ 20\_\_

\_\_\_\_\_ place

To: Joint Stock Company "Conexus Baltic Grid"  
Stigu street 14, Riga, LV-1021, Latvia

Project:

WHEREAS \_\_\_\_\_ (hereinafter "the Contractor")

(Name of the Contractor)

has undertaken, in pursuance of Contract No. \_\_\_\_\_ dated \_\_\_\_\_ 20\_\_, the obligations and liabilities of the Renovation of 4 gas production wells at Incukalns Underground Gas Storage of JSC "Conexus Baltic Grid" (hereinafter the "Contracting Authority"),

AND WHEREAS it has been stipulated in the said Contract that the Contractor shall furnish the Contracting Authority with a Bank Guarantee in the amount of \_\_\_\_% (*amount in words*) of the total Contract Amount as a security for complete performance of the Contractor's obligations under the Contract,

AND WHEREAS WE have agreed to give the guarantee to the Contractor,

THEREFORE WE, \_\_\_\_\_, hereby affirm

(*name and address of the Bank*)

that we guarantee you a timely and due performance of Contractor's obligations under the Contract, and in event of the Contractor's default, we are bound unto you, on behalf of the Contractor, in the sum not exceeding in total the amount of \_\_\_\_\_ We undertake to pay you,

(*amount of the Guarantee in words and figures*)

upon your first written demand declaring the Contractor to be in default under the Contract and without cavil or argument, any sum or sums within the limits of the amount as aforesaid, without your needing to prove the reasons for your demand or grounds for the amount of the sum specified therein.

Any such demand with regard to this guarantee shall be sent to the address below by the validity date of the guarantee stated below.

This Guarantee is valid until the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Signature and Seal of the Guarantor

\_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_