



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

Updated 24.02.2020.

The deadline for submission of tenders has been extended

Updated 25.03.2020.

The deadline for submission of tenders has been extended

OPEN CONTEST REGULATIONS

**Development of Construction Design for the Installation of Gas
Compression Unit at Incukalns Underground Gas Storage and Author's
Supervision**

ID NR. "CONEXUS BALTIC GRID" 2020/1 CEF

Main CPV code

71320000-7 (Engineering design services)

Additional CPV code

71248000-8 (Supervision of project and documentation)

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 Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision of JSC "Conexus Baltic Grid" (hereinafter – the 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 Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision of JSC "Conexus Baltic Grid" in accordance with the Technical Specification (Appendix No. 1).
- 1.1.3. The 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, Action entitled "Enhancement of Incukalns Underground gas storage".

1.2. Organiser of the Contest

- 1.2.1. The Organiser of the Contest is:
Joint Stock Company "Conexus Baltic Grid"
Unified Registration No. 40203041605,
Stigu street 14, Riga, LV-1021, Latvia
Incukalns Underground Gas Storage,
Ragana, Krimulda parish, Krimulda district, LV-2144, Latvia.
"Swedbank" AS, Account: LV08HABA0551042978827, HABALV22.
- 1.2.2. The authorized representatives of the Contracting Authority who will provide information:
 - 1.2.2.1. with regard the technical requirements of the Contest: Head of Project Management Office of JSC "Conexus Baltic Grid" Māris Krastiņš phone +371 67087962, mobile phone +371 26384172, e-mail: maris.krastins@conexus.lv;
 - 1.2.2.2. with the regard procedure and Contest Regulations: Head of the Procurement Division of the Legal Department of JSC "Conexus Baltic Grid" – Sandris Strazdiņš, phone: +371 67087972, mobile phone: +371 29511577, email: sandris.strazdins@conexus.lv.
- 1.2.3. In order to get acquainted with the object where the Works are to be performed, the **Contracting Authority shall organize a survey of the object, which will be held on 7 February, 2020 at 10:00** at Incukalns Underground Gas Storage, Ragana, Krimulda parish, Krimulda district, LV-2144, Latvia. Contact person: Māris Krastiņš, Head of Project Management Office, phone +371 67087962, mobile phone +371 26384172, e-mail: maris.krastins@conexus.lv.
- 1.2.4. The potential Tenderer must inform the Contracting Authority's authorized representatives about the participation of the representatives not later than 3 (three) working days prior to the survey of the object by sending the list of persons (name, surname) to Emails according the Contest Regulation Clauses 1.2.2.1 and 1.2.2.2. All expenses related to site visit (survey) shall be borne by the Tenderer. Tenderers who have

not sent notices of participation in the site visit will not be admitted to the Contracting Authority's site.

1.3. Type of the Contest

- 1.3.1. The Contest is organised as an open contest 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 Works. The Tenderers who submit more than one Tender or the Tender is submitted not in a whole scope of Works will be disqualified.
- 1.4.2. The Tenderer may submit the Tender in compliance with Clause 5 of the Contest Regulations (hereinafter – Contest Regulations) and the requirements of Technical Specification (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. 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.
- 1.4.9. The Contracting Authority shall reject the Tenderer from subsequent participation in the procurement procedure in any of the following cases (referred to the first paragraph of Article 48 of the Law On the Procurement of Public Service Providers):
 - 1.4.9.1. the tenderer or person being member of the Board or Council of the tenderer, the person entitled for representation or the proctor, or the person entitled for representation of 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;

- 1.4.9.2. 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;
- 1.4.9.3. 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;
- 1.4.9.4. 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 On the Procurement of Public Service Providers 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;
- 1.4.9.5. 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 Law on the Procurement of Public Service Providers 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;

- 1.4.9.6. 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;
 - 1.4.9.7. 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;
 - 1.4.9.8. 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;
 - 1.4.9.9. partnership member (if the tenderer is represented by partnership) shall be subject to the conditions referred to in Sub-clauses 1.4.9.1.- 1.4.9.8. of the Contest Regulations.
 - 1.4.9.10. 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 percent of the total contractual value of the Works, service or supply shall be subject to the conditions referred to in Sub-clauses 1.4.9.1.- 1.4.9.8. of the Contest Regulations.
 - 1.4.9.11. 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 Sub-clauses 1.4.9.1.- 1.4.9.8. of the Contest Regulations.
- 1.4.10. Tenders shall be submitted for the full scope of Works specified in Clause 2.1 of the Contest Regulations in accordance with the requirements of Technical Specification (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 Tender – (Template in Appendix No. 3).
- 1.4.11. The Tenderer may rely upon:
- 1.4.11.1. economic and financial opportunities of other persons, if it is necessary for fulfilment of a specific agreement, notwithstanding the legal nature of mutual relationship. In such case the Tenderer shall prove to the Contracting authority that necessary resources will be at its disposal;

1.4.11.2. technical and professional opportunities of other persons, if it is necessary for fulfilment of a specific procurement agreement, notwithstanding the legal nature of mutual relations. In such case the Tenderer shall prove to the Contracting authority that necessary resources will be at its disposal.

1.4.12. The Contest Regulations and Technical Specification 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 Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision in compliance with the requirements of the Contest Regulation and according to the requirements included in Technical Specification (Appendix No.1).

2.1.2. The scope of the Contest (Construction Design) comprises the following:

- a) documentation preparation for Construction idea and receiving of technical conditional requirements for Construction Designing from Authorities according the Construction Authority issued list;
- b) Surveys. Existing Site, topographical, geotechnical, impact to environment, ground and underground water pollution and possible industrial risk etc;
- c) Gas Compression Unit and necessary equipment plot down and engineering counts;
- d) Preliminary design (design in the minimum composition) for the Installation of Gas Compression Unit and equipment. Receiving of Construction permit from Construction Authority on the base of Preliminary design;
- e) Creation of Technical requirements for the tender for suppling of main technological equipment and Gas Compression Unit necessary for the Installation of Gas Compression Unit;
- f) Technical assistance to the Contracting Authority during the tenders for the suppling of Gas Compression unit and main technological equipment for the Installation of Gas Compression Unit;
- g) Construction Design for the Installation of Gas Compression Unit;
- h) Author's Supervision of the Installation of Gas Compression Unit;
- i) Receiving of approving of Construction Design works in building permission from Construction Authority.

2.1.3. The Construction Design shall be developed in compliance with the laws of the Republic of Latvia and the EU standards.

2.1.4. All communication shall be in English or Latvian languages. Preliminary and Detail Designing must be prepared in Latvian, but Technical requirements for the tenders for the suppling of Gas Compression Unit and main technological equipment for the installation of Gas Compression Unit must be in English.

2.2. Contract Place and Time of Completion

2.2.1. The place of the Works: JSC "Conexus Baltic Grid", Incukalns Underground Gas Storage, Ragana, Krimulda parish, Krimulda district, Latvia.

- 2.2.2. Technical requirements for the tender for supplying of main technological equipment and Gas Compression Unit necessary for the Installation of Gas Compression Unit and preliminary design (design in the minimum composition) shall be completed **not later than 24 weeks after the conclusion of the contract**.
- 2.2.3. The Construction Design shall be completed and submitted to the Contracting Authority (without a remark made by the Construction Board in the construction permit about the fulfilment of all design conditions included therein) **by 1 March 2022** for the performance of the construction design expertise.
- 2.2.4. The Construction Design for the Installation of Gas Compression Unit shall be completed **till July 1, year 2022**.
- 2.2.5. Planned time for author supervision around **18 months** from the start of construction work.

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 Tender (the Form of Financial Tender – Template in Appendix No. 3) completing the forms enclosed herewith. The Tenderer shall propose a full scope of the 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 Procurement Commission shall evaluate the Tender price without VAT of Republic of Latvia except for the case referred to in Sub-clause 2.3.2.b of the Contest Regulations).
- 2.3.6. When specifying the payment terms, the tenderer must comply with the following conditions:
 - 2.3.6.1. advance payment for the development of the Construction design should not exceed 10 (ten) % of the value of the design work excluding VAT;
 - 2.3.6.2. payment for development of the construction intent documentation and Construction design in the minimum content, handing of this documentation over to the Contracting Authority, and development of the technical specifications of the basic

technological equipment required for the installation of GPA should not exceed 30 (thirty) % of the value of the design work excluding VAT;

2.3.6.3. payment for submitting of the Construction design to the Contracting Authority for expertise purposes in total with previous payment made by the Contracting Authority (sub-clause 2.3.6.2. of the Contest Regulations) should not exceed 90 (ninty) % of the value of the design work excluding VAT;

2.3.6.4. the remaining amount of the payment for the Construction design development of the design work should not be less than 10 (ten) % and shall be paid by the Contracting Authority after approval of the construction project with a remark in the construction permit about the fulfilment of construction provisions.

3. REQUIREMENTS FOR QUALIFICATION AND SELECTION OF TENDERERS

3.1. Eligibility for performance of professional activity

The Contracting Authority's requirement to the Tenderer	The Tender shall submit the following documents:
3.1.1. 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. In relation to the Tenderer registered and constantly residing in Latvia, the Contracting Authority shall take into account the information posted in the information system established by the Cabinet of Ministers.
3.1.2. 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. In relation to the Tenderer registered and constantly residing in Latvia, the Contracting Authority shall take into account the information posted in the information system established by the Cabinet of Ministers.
3.1.3. The Tenderer has no taxes or social security contributions' debts in the total amount exceeding 150 euro (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 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.

	<p>In relation to the Tenderer registered and constantly residing in Latvia, the Contracting Authority shall take into account the information on the date of the last update of the public database of tax debtors of the State Revenue Service and the Real Estate tax administration system.</p>
<p>3.1.4. The Tenderer has not been declared insolvent or wound up and its business activities have not been suspended or ceased</p>	<p>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.</p> <p>In relation to the Tenderer registered and constantly residing in Latvia, the Contracting Authority shall take into account the information posted in the information system established by the Cabinet of Ministers.</p>
<p>3.1.5. 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.</p>	<p>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.</p>
<p>3.1.6. The Tenderer has not been found 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 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.</p>	<p>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 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.</p>
<p>3.1.7. The Tenderer or the person upon whom the Tenderer relies: - over the last 5 (five) years (in 2015, 2016, 2017, 2018, 2019, and 2020 until the tender submission), has successfully completed at least 1 (one) contract regarding the development of construction design (new construction or reconstruction) for technological equipment of gas supply with gas pressure over 16 bar and the value of each contract</p>	<p>Acknowledgement of the Tenderer’s experience according to Appendix No.4 to the Contest Regulations. For each object certifying the experience, a copy of the recommendation letter, a copy of the construction permit or a copy of the deed on acceptance of the object into operation, or any other document certifying the compliance of the objects concerned with the requirements of Sub-clause 3.1.7. of the Contest Regulations shall be attached.</p> <p>Information indicated in the copies of the documents referred to in this Clause with</p>

<p>is not less than 500 000 EUR without VAT.</p>	<p>respect to the experience of the Tenderer abroad may also be certified with alternative documents. Acceptance into operation shall mean the moment when an opinion from a competent authority is received that enables to use the building for the intended purpose.</p> <p>In order to verify the compliance of the object concerned, the Contracting Authority has the right to request additional information, including documents demonstrating that the object indicated by the Tenderer meets the requirements of Sub-clause 3.1.7 of the Contest Regulations and that the Tenderer has performed the works indicated.</p>
<p>3.1.8. The Tenderer or the person upon whom the Tenderer relies is able to attract the necessary construction specialists for the performance of the contract in accordance with Sub-clause 3.2.1. - 3.2.6. of the Contest Regulations</p>	<p>Acknowledgement of Tenderer's experience according to Appendix No. 4 to the Contest Regulations. For each object certifying the experience, a copy of recommendation letter shall be attached. For the object certifying the experience pursuant to Clause 3.1.8. of the Contest Regulations, a copy of the construction permit with a note about the fulfilment of design conditions, or other document certifying that the object concerned meets the requirements of Clause 3.1.8. of the Contest Regulations shall be attached.</p> <p>For the object certifying the experience pursuant to Sub-clause 3.1.8. of the Contest Regulations, a copy of the deed on putting the building into operation shall be attached.</p> <p>Information indicated in the copies of documents referred to in this Clause with respect to the experience of the Tenderer abroad may also be certified with alternative documents.</p> <p>In order to verify the compliance of the object concerned, the Contracting authority has the right to request additional information, including documents, certifying the compliance of the object indicated by the Tenderer with the requirements of the Contest Regulations and that the Tenderer has performed the work concerned.</p> <p>The Tenderer may also certify the compliance with the requirement of this Clause with alternative documents if it is not objectively possible to provide the requested documents.</p>

<p>3.1.9. The Tenderer (including each member of the suppliers' association or partnership) and legal persons who will carry out the designing and author's supervision within the framework of the procurement agreement (persons who the Tenderer relies upon, and subcontractors) are registered in the Register of Construction Merchants of the Republic of Latvia or equivalent professional register abroad, or a respective person holds a license, certificate or other equivalent document issued by a competent authority certifying that the person concerned is registered, licenced or certified in accordance with the requirements of relevant national laws and Contest Regulations, if such registration is required by legal acts of the respective country of registration.</p>	<p>a) A person who is not registered in the Register of Construction Merchants of the Republic of Latvia shall submit an acknowledgement that in case it is recognized as a winner it will register itself in the Register of Construction Merchants of the Republic of Latvia prior to the conclusion of the agreement. As of the moment of commencement of construction, according to Section 22 of the Construction Law, a merchant, including a member of the suppliers' association or partnership, persons who the Tenderer relies upon, a subcontractor and a foreign merchant shall be registered in the Register of Construction Merchants, by indicating at least one construction specialist registered with the register of construction specialists.</p> <p>b) The Tenderer registered abroad and not registered in the Register of Construction Merchants of the Republic of Latvia shall submit any documents certifying the registration/licensing/certification facts of a respective country of origin (registration) or permanent residence, if respective laws and Contest Regulations of the country where the Tenderer is registered specify so.</p> <p>c) As regards the Tenderer registered in Latvia, the Commission shall inspect the publicly available Construction information system.</p>
<p>3.2. Requirements to Tenderer's personnel</p>	
<p>The Tenderer shall have appropriate resources for the service provision. The Tenderer shall ensure that qualified and experienced staff is engaged in the fulfilment of agreement.</p> <p>Tenderer shall have staff for the service provision as minimum :</p> <p>3.2.1.project manager:</p> <p>a) has a construction practice certificate in designing transmission (over 16 bar) gas and oil supply systems (or a qualification equivalent to a foreign construction</p>	<p>List of responsible construction specialists of the Tenderer in accordance with <u>Appendix No. 4 to the Contest Regulations</u>.</p> <p>The Procurement Commission shall inspect qualification of a certified construction specialist by making inquiry to the Construction Information System at https://bis.gov.lv/bisp/lv/specialist_certificates</p> <p>If the Tenderer proposes any foreign construction specialist for any positions listed below, his/her qualification shall be certified by the following:</p> <ul style="list-style-type: none"> - <u>Documents or their copies</u> certifying the construction specialist's qualification in the country of domicile, and certified translations of such documents in the

specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).

b) over the last 5 (five) years (in 2015, 2016, 2017, 2018, 2019, and 2020 until the tender submission), has successfully completed at least 1 (one) contract regarding the development of construction design (new construction or reconstruction) for technological equipment of gas supply with gas pressure over 16 bar and the value of each contract is not less than 500 000 EUR without VAT.

3.2.2. Building structures part manager:

a) has a construction practice certificate in designing building structures (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).

3.2.3. Water supply and sewer systems part manager:

a) has a construction practice certificate in designing water supply and sewer systems, including the fire-extinguishing system (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).

3.2.4. Electrical installation systems part manager:

a) has a construction practice certificate in designing electrical installation systems up to 20 kV (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does

Latvian language (if documents are in other language than English).

– Construction specialist's acknowledgement that in case when the procurement agreement is signed with the Tenderer, the construction specialist will submit a declaration, not later than within five business days of the conclusion of procurement agreement, to the recognition authority regarding the short-term provision of professional services in the profession regulated in the Republic of Latvia under the procedures specified in laws and Contest Regulations, as well as will submit evidence to the Contracting authority about the fact of submission of declaration.

– Tenderer's acknowledgement (in case when foreign construction specialists are engaged) that its engaged construction specialists are entitled to provide specific services and in case when the procurement agreement is signed with the Tenderer, it, not later than within five business days of the conclusion of procurement agreement, will submit a declaration to a recognition authority regarding the short-term provision of professional services in the profession regulated in the Republic of Latvia under the procedures specified in laws and Contest Regulations.

– Tenderer's acknowledgement (with respect to the construction engineer in case when foreign specialists are engaged) that in case when the procurement agreement is signed with the Tenderer, it will submit a declaration, not later than within five business days of the conclusion of procurement agreement, to the recognition authority regarding the short-term provision of professional services in the profession regulated in the Republic of Latvia under the procedures specified in laws and Contest Regulations, as well as a permit issued by a recognition authority to the Contracting authority regarding the short-term provision of services (or refusal to issue such permit) as soon as the construction specialist receives it.

<p>not have a corresponding certificate issued in Latvia).</p> <p>3.2.5. Electronical communications systems part manager:</p> <p>a) has a construction practice certificate in designing electronical communications systems (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).</p> <p>3.2.6. Heating, ventilation, conditioning part manager:</p> <p>a) has a construction practice certificate in designing heating supply, ventilation and air conditioning systems (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).</p> <p>3.2.7. Gas consumption systems part manager:</p> <p>a) has a construction practice certificate in designing gas consumption systems under 16 bar (or a qualification equivalent to a foreign construction specialist giving the opportunity to obtain such a certificate if the foreign construction specialist does not have a corresponding certificate issued in Latvia).</p>	<p>In case of a foreign construction specialist coming from a country which is not a EU Member State or a Member State of the European Free Trade Association, the acknowledgement of the Tenderer and the construction specialist that in case of awarding the procurement agreement within two months (with a possibility to extend the term due to objective reasons) of the day when the decision of the Procurement Commission on awarding the agreement enters into force, i.e., after expiry of the waiting period referred to in Article 65 (6) of the Law On the Procurement of Public Service Providers, such an construction specialist will perform the entire recognition of qualification by applying general professional qualification recognition system.</p>
<p>3.3. The Tenderer may rely upon:</p> <p>a) economic and financial opportunities of other persons, if it is necessary for fulfilment of a specific agreement, notwithstanding the legal nature of mutual relationship. In such case the Tenderer shall prove to the Contracting authority that necessary resources will be at its disposal;</p> <p>b) technical and professional opportunities of other persons, if it is necessary for fulfilment of a specific procurement agreement, notwithstanding the legal nature of mutual relations. In</p>	<p>Information shall be indicated in Appendix No. 2 to the Contest Regulations.</p> <p>A written acknowledgement of the person that the Tenderer relies upon regarding the participation in the contest, as well as an acknowledgement to transfer to the Tenderer the resources necessary for fulfilment of agreement in case when the procurement agreement is concluded with the Tenderer.</p> <p>If upon the submission of application the Tenderer relies upon <i>economic or financial opportunities</i> of other persons, it shall demonstrate to the Contracting Authority that it will have necessary resources at its disposal, by</p>

<p>such case the Tenderer shall prove to the Contracting Authority that necessary resources will be at its disposal.</p>	<p>submitting a document certifying the cooperation of such person in the fulfilment of specific agreement specifying that the Tenderer and respective person will be jointly and severally liable for the fulfilment of procurement agreement.</p> <p>In order to acknowledge the professional experience or availability of staff that meets the requirements of the Contracting authority, the Tenderer may rely upon other persons only when such persons will provide Works for which the respective skills are required.</p>
<p>3.4. If the tender proposal is submitted by the suppliers' association, the application shall be signed by the principal member of the suppliers' association, who is authorised to sign the tender proposal and other documents, to act on behalf of members of the suppliers' association, to sign the procurement agreement. The agreement document shall specify the work proportion expressed in percentage of each member of the suppliers' association and the extent of liability of each member.</p> <p>The supplier's association within 10 business days as of the day when the Contracting authority is entitled to conclude the procurement agreement, shall establish a partnership or conclude the company agreement by agreeing on distribution of responsibilities of members of the association.</p>	<p>Members of the suppliers' association shall enter into agreement signed in the manner binding upon all members of association. The agreement shall include the following information:</p> <ul style="list-style-type: none"> a) purpose of establishment of suppliers' association and valid term of the agreement; b) part of potential procurement agreement, rights and responsibilities of each member of the association; c) acknowledgement that all members of association upon whose economic and financial opportunities the Tenderer relies and who will be responsible for the fulfilment of the procurement agreement will be jointly and severally liable for the fulfilment of procurement agreement in case when the procurement agreement will be awarded, by indicating the part of procurement agreement of each member; d) information about and details of the leading member of the suppliers' association; e) authorisation to a member or a person who is entitled to act on behalf of all members of the association within the Procurement.

3.5. 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 Contest Regulations may send the questions to the Contracting Authority's contact person specified in Sub-Clause 1.2.2 of the Contest Regulations Sandris Strazdins, cc: Maris Krastins by e-mail or post or via www.eis.gov.lv 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. 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 Tender 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 or English. The documents with the original language other than Latvian 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. Content of Tender

A Tender shall contain the following documents and information:

- 5.2.1. **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.
- 5.2.2. **Original Tender Security** in accordance with Sub-clause 5.3. of the Contest Regulations (Appendix No. 5).
- 5.2.3. **Qualification documents** listed under Clause 3 of the Contest Regulations establishing the Tenderer's and subcontractor's qualification and eligibility.
- 5.2.4. **Financial Tender** – Financial tender in accordance with requirements stated in Clause 2.3. of the Contest Regulations and Appendix No. 4 (Form of Financial Tender).

All prices in the Financial Tender shall be expressed in Euro (excluding VAT). The prices in the Financial Tender shall include all costs associated with design (including author supervision) work and construction works, all taxes (excluding VAT) and fees specified in laws and Contest Regulations, all indirectly related costs (traffic organization during construction works, maintenance of detour roads, etc.), costs for materials, labour costs, supplies, assemblies, installation costs, costs of necessary ancillary tasks, costs of using equipment and accessories, costs of removing construction

waste, and other costs that are binding on the Tenderer to ensure the qualitative fulfilment of the procurement agreement, and all risks, including all possible cost increases and expenses for requesting and obtaining the cadastral survey file of the building.

5.2.5. Technical bid – according Technical specification (Appendix No. 1), Rules for preparation of technical bid, including at least:

- 5.2.5.1. Time schedule for the performance of the Works;
 - 5.2.5.2. List of subcontractors and suppliers (naming the persons who will supervise the Works);
 - 5.2.5.3. Technical Tender information handed by the Tenderer in accordance with Technical Specification (Appendix No. 1).
- 5.2.6. 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 (in accordance with Tender letter).
- 5.3. The Tender shall start with the list of contents listing all the included documents. The documents shall follow the sequence specified under Clause 5.2. of the Contest Regulations.

5.4. Tender Security

- 5.4.1. The Tenderer shall submit, together with the Tender, the original Tender Security in the amount of 20,000 (twenty thousand) EUR.
- 5.4.2. The Tender Security shall be valid for up to 90 days after the deadline for submission of Tenders.
- 5.4.3. Tender security shall be submitted in one of the forms:
 - 5.4.3.1. as an original of the unconditional bank guarantee for the Tenderer, issued by a bank operating in the Republic of Latvia or abroad, in accordance with the template indicated in (Appendix No. 5 Template I). The bank guarantee must be issued and registered in accordance with the legislation of the State where the respective bank is registered;
 - 5.4.3.2. 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 Sub-clause 1.2.1. of the Contest Regulations. The payment order shall bear in inscription that it is tender security for open contest.
 - 5.4.3.3. 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. 5 Template II). In addition, the Applicant shall submit a bank payment order bearing the original seal of the relevant bank, which certifies that the Applicant has made an

insurance premium payment in the amount and time limit specified in the insurance policy.

- 5.4.3.4. the types of the tender security referred to in Sub-clause 5.4.3.1. and 5.4.3.3. of the Contest Regulations shall include an irrevocable commitment to pay the full amount of security to the Public Service Provider upon its first request if conditions for payment of the tender security laid down in Sub-clause 5.4.1. of the Contest Regulations have come into effect. Any Tender not accompanied by an acceptable original Tender Security or Payment Order for each Lot will be rejected and will not be considered for the evaluation.
- 5.5. The original of the Tender Security will be returned to Tenderers within 10 days in the following cases:
 - 5.5.1. to the Tenderers who's Tenders are rejected – after the notice of rejection;
 - 5.5.2. to unsuccessful Tenderers – after signing the Contract with the successful Tenderer;
 - 5.5.3. to all Tenderers – after sending a notice in case the Tender is cancelled without awarding the Contract;
 - 5.5.4. if the Tenderer has withdrawn his Tender before the deadline for submission of Tenders, after the submission of notice of withdrawn of Tender.
- 5.6. The Tender security shall be withheld if:
 - 5.6.1. Tenderer withdraws its tender during the validity term of the tender security;
 - 5.6.2. Tenderer whose tender is selected according to the award criteria has not signed the contract within the time period, stipulated in Contest Regulations;
 - 5.6.3. 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 Contest Regulations within the term, which is set in Contest Regulations.
 - 5.6.4. The requirements laid down in Sub-clause 5.6.2. of the Contest 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.
 - 5.6.5. If a bank guarantee is submitted as the Tender Security (in compliance with Sub-clause 5.4.3.1 of the Contest Regulations), the original bank guarantee shall be submitted to the Contracting authority or sent by post by the term defined by Sub-clause 6.1.1. of the Contest Regulations.

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

5.7. Form of Tender

- 5.7.1. The Tender must be submitted electronically to the Electronic Procurement System (www.eis.gov.lv, hereafter referred to as the EIS) in the e-Competition Subsystem, subject to the following Tenderer's choices:
 - 5.7.1.1. using the tools provided by the EIS e-Tendering Subsystem by completing the EIS subsystems in the format of this procurement section;
 - 5.7.1.2. 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).

- 5.7.2. 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.
- 5.7.3. When preparing the Tender, the Applicant shall observe that:
 - 5.7.3.1. Tender letter, technical bid and financial tender must be completed, using the electronically available templates (forms) EIS e-Tender subsystem;
 - 5.7.3.2. 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;
 - 5.7.3.3. 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.
- 5.8. 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 Contest Regulations (form available at website <http://espd.eis.gov.lv>).
- 5.9. 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 Contest 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.
- 5.10. 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 **16th April year 2020 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 **16th April year 2020 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. of the Contest Regulations. 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 Procurement Commission, as well as experts invited, are permitted to take part in the Tenders' evaluation.
- 7.1.2. The Procurement Commission 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. of the Contest Regulations;
 - b) technical evaluation of the Tenders in accordance with Clause 8.1. of the Contest Regulations;
 - c) financial evaluation of the Tenders in accordance with Clause 8.2. of the Contest Regulations;
 - d) final evaluation of the Tenders in accordance with Clause 8.3. of the Contest Regulations.
- 7.1.3. During the Tender evaluation, the Procurement Commission 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 Procurement Commission shall assess the Tenderers' qualification and the Tenderers' compliance by examining the documents submitted in accordance with Clause 3. of the Contest Regulations. The Procurement Commission 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 Procurement Commission 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 Procurement Commission 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 Procurement Commission will evaluate each Tender, except for those rejected under Sub-Clauses 7.2.1. and 7.2.2. of the Contest Regulations 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:

Evaluation criteria	Weight, %
Financial criteria	70
Tender price (without VAT of Republic of Latvia) according to the Clause 2.3. of Contest Regulations	70
Technical criteria	30
Tender compliance with the Technical Specification (Appendix No.1) and conformity of the Technical bid to the Clause 5.2.5. of Contest Regulations	15
Project manager's experience in similar projects	10
Quality management system	5
Total weight of technical and financial criteria	100

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 Sub-clause 5.2.5. of Contest Regulations will be evaluated by awarding grades:
- 8-10 - The scope of Works fully corresponds to Technical Specification (Appendix No. 1). The Technical bid is prepared in accordance with Sub-clause 5.2.5. of the Contest Regulations and Clause 8 and 9 of Technical specification. The list of activities are described in details. Project execution organigram best described and all key person CV present.
- 5-7 - The scope of Works fully corresponds to Technical Specification (Appendix No. 1). The Technical bid is prepared in accordance with Sub-

clause 5.2.5. of the Contest Regulations and Clause 8 and 9 of Technical specification. The list of activities is good described. Project execution organigram well described and all key person CV present.

- 1-4 - The scope of Works fully corresponds to Technical Specification (Appendix No. 1). The Technical bid is prepared in accordance with Sub-clause 5.2.5. of the Contest Regulations and Clause 8 of Technical specification. The list of activities is average described. Project execution organigram average described and miss some key person CV present.
- 0 - The scope of Works do not fully corresponds to Technical Specification (Appendix No. 1). The Technical bid is prepared with derogations from Sub-clause 5.2.5. of the Contest Regulations and Clause 8 of Technical specification.

8.1.2. The above-mentioned score of Tender compliance with the Technical Requirements and conformity of the Technical bid to Sub-clause 5.2.5. 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. $9 * 15 / 10 = 13,5$ (of the maximum score 15).

8.1.3. Experience of responsible personnel in similar projects will be evaluated as following:

The Technical criteria "Project Manager Experience" is evaluated according to an algorithm where the Tenderer with the most experience in project management of similar gas infrastructure projects will receive the maximum score of 10. For other tenderers, points are awarded proportionally:

$X / Z * 10 = \text{score to be obtained}$ where:

X- Project manager's experience proposed by the tenderer in similar projects;

Z- Project manager's most experience in similar projects offered by applicants.

8.1.4. Quality management system will be evaluated by awarding grades:

5 points Tenderer has quality management system is comply ISO 9001.

2,5 points Quality management system present but not comply ISO 9001.

0 points Quality management system is not presented.

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 24 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. 24, the Contracting Authority reserves the rights to reject all Tenders.

8.1.3. **Evaluation of Tender Price and decision -making**

8.1.4. The Procurement Commission 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.

- 8.1.5. The Procurement Commission 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.
- 8.1.6. The Tenderer shall confirm in writing the corrections of arithmetic errors made by the Procurement Commission 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.
- 8.1.7. 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 70

- 8.2.5. The advance payment may not exceed 10% of the contract price offered. Tenders with an advance of more than 10% will be rejected as non-compliant with the Terms of Reference.

By the time of payment of the advance, the Contractor shall submit the corresponding advance security to the Contracting Authority in the amount of the advance (including VAT) – guarantee of a bank acceptable to the Contracting Authority. The advance security must be in *euro*. The advance security must be valid from the date of issue to the date at least 30 (thirty) days after the deadline for the performance of the Works specified in the contract.

8.3. Final Evaluation

- 8.3.1. Total score will be calculated as follows:

Total score = Total score of technical criteria + Total score of financial criteria

- 8.3.2. The Procurement Commission 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 Procurement Commission 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

Procurement Commission 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 Tenderer 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 Sub-clause 8.3.5. of the Contest Regulation also applies to a subcontractor registered foreign states.
- 8.3.7. The check referred to in Sub-clause 8.3.4. of the Contest 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 Procurement Commission 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 Procurement Commission 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 Contract Project of Construction Design is provided in Appendix No. 6 and The Contract Project of Authors Supervision is provided in Appendix No. 7.
- 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 of Construction Design with the Contracting Authority. Contract of Authors supervision will be signed 1 month before starting construction works.

- 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. 8) 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 Procurement Commission 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 The Procurement Commission,
Head of Procurement Division
of JSC"Conexus Baltic Grid"

S. Strazdins

TECHNICAL SPECIFICATION

on

Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision

1) INTRODUCTION

1.1. General Outline

The present document is established as part of tender documentation for the execution of the Installation of Gas Compression Unit (GCU) at Incukalns UGS. Installation of GCU is a part of enhancement of INCUKALNS underground gas storage project in Latvia for JSC CONEXUS BALTIC GRID. The aim of this project is to enhance the operations of the storage surface facilities to allow the INCUKALNS underground gas storage to maintain its functionality after pressure upgrade in Baltic transmission system and establish the compression withdrawn mode. Additional GCU will be installed and integrated as a part of existing gas compression station at Incukalns UGS and support also injection mode.

The Installation of GCU at Incukalns UGS project consists of the design, fabrication, testing and installation of a new injection & withdrawal gas turbine driven centrifugal compressor and all necessary equipment, constructions and automatization systems. Type of the compressor shall be confirmed during engineering by the CONTRACTOR.

The scope of this Technical specification is to provide technical requirements for designing of all necessary equipment, systems and construction works for installation GCU and establishing the compression withdrawn mode with this GCU. Designing have to be done according the Construction law requirements of Republic of Latvia. Technical specifications for delivery of main equipment and scope of construction works need to be prepared and delivered to COMPANY by CONTRACTOR during the designing process. Additionally the CONTRACTOR obligation is nominate the expert in the Procurement Commission for choosing the equipment.

1.2. Definition of terms

BIDDER	:	Engineering company that reply to the tendering
COMPANY	:	CONEXUS BALTIC GRID
CONTRACTOR	:	Engineering company that get awarded the contract
TECHNICAL ADVISOR	:	STORENGY
SUPPLIER	:	Potential equipment (GCU, filter, pipes etc.) manufacturer

1.3. Abbreviations

ASV	:	Anti-Surge Valve
ATEX	:	ATmosphere EXplosive
DLE	:	Dry Low Emissions

Ed	:	Edition.
EPC	:	ENGINEERING, PROCUREMENT & CONSTRUCTION
F&G	:	Fire & Gas
GCU	:	Gas Compression Unit
HGBP	:	Hot Gas By-Pass Valve
HMI	:	Human-Machine Interface
MCC	:	Motor Control Center
PED	:	PRESSURE EQUIPMENT DIRECTIVE
PFD	:	PROCESS FLOW DIAGRAM
PID	:	PROCESS INSTRUMENTATION DIAGRAM
PLC	:	Programmable Logic Controller
SCADA	:	Supervisory Control And Data Acquisition
UFD	:	UTILITY FLOW DIAGRAM
UGS	:	Underground Gas Storage
UPS	:	Uninterruptible Power Supply

LOCATION OF AN OBJECT

The site	:	The territory of the Incukalns Underground Gas Storage main
Object	:	Compression station No 1
The site address	:	Incukalns Gas Storage, Krimulda parish, Krimulda district, LV-2144, Latvia
Cadastral number of a land parcel	:	8068 007 0168
Area of land	:	12,9 hectares
Owner of a land parcel	:	Join Stock Company "Conexus Baltic Grid", Unified registration No 40203041605, 14 Stigu street, Riga, LV-1021, Latvia

2) APPLICABLE CODES, STANDARDS & DOCUMENTS

2.1. Local laws, Rules and Contest Regulations

The compressor will be installed and operated in Latvia. As a consequence, the equipment shall meet all Latvian statutory Contest Regulations, including European directives as implemented by Latvian Executive orders.

The CONTRACTOR shall be fully acquainted and conversant with the local laws, rules and Contest Regulations and will provide Design documentation fully compliant with these local laws, rules and Contest Regulations.

It is reminded the main European Directives below:

- 2015/2193/EU : Limitation of emissions of certain pollutants into the air from medium combustion plants
- 2010/75/EU : Industrial emissions (integrated pollution prevention and control)
- 2014/34/EU : Directive relating to equipment and protective systems intended for use in potentially explosive atmospheres (replaces ATEX Directive 94/9/EC)
- 2006/42/EU : Machinery Directive

- 2014/68/EU : Pressure Equipment Directive (PED)
- 1999/92/EC : Minimum Requirements for Improving the Safety & Health Protection of workers Potentially at Risk from Explosive Atmospheres
- EN 10204 : Metallic products - Types of inspection documents

2.2. International standards

The international codes, standards and Contest Regulations listed below are the minimum ones which shall govern the design, manufacturing and supply of the equipment:

- API 617 8th Ed : Centrifugal Compressors for Petroleum, Chemical, and Gas Service Industries
- API 616 5th Ed : Gas Turbines for the Petroleum, Chemical, and Gas Industry Services

2.3. Site documents

CONTRACTOR shall consider the following documents regarding the existing gas storage site of INCUKALNS:

- Compressor Station General Plan / 6727.080.001-00-GP
- PP building layout / 6727.080.001-00-VAS.1
- ASU / 6727.080.001-00-VAS.1
- ESD / 6727.080.001-00-VAS.1
- Electrical network / 6727.080.001-11-ELSA

CONTRACTOR shall request to COMPANY all additional documents/dad needed for the design of the new compressor.

3) SPECIFICATION DEVIATION/CONCESSION CONTROL

All deviation/concession to applicable codes & standards shall be reviewed by COMPANY and/or TECHNICAL ADVISOR.

4) APPLICABLE LANGUAGE

All documents issued by CONTRACTOR and all communications shall be in English excluding the final version of Designing documentation. Only the final version of Designing documentation (both Basic and Detail parts of Designing documentation) have to be prepared and provided to COMPANY in Latvian language.

5) FUNCTIONAL REQUIREMENTS

5.1. Compression

Design life: 25 years

Operating hours per year: 4 000 to 6 000

Type of operation: injection & withdrawal

Transmission network pressure: 30 barg to 55 barg

Aquifer storage capacity pressure: 30 barg to 105 barg

5.2. Operating points

Operating points are indicated at the compressor flanges :

	P inlet (barg)	P discharge (barg)	Q (Nm ³ /h)	Q (MNm ³ /day)
Injection – I1	25	105	Min-Max TBA (*)	Min-Max TBA (*)
Injection – I2	40	80	Min-Max TBA (*)	Min-Max TBA (*)
Withdrawal – W1	25	55	500 000	12
Withdrawal – W2	30	55	625 000	15

(*) CONTRACTOR shall indicate the minimum/maximum flowrate possible. For minimum flowrate (without recycling), it shall be considered the minimum acceptable load of the turbine to respect emissions levels as per European directives

Withdrawal – W1 point shall be the guaranteed point.

In regards of the above operating points, compressor power has been estimated to be around 16 MW. CONTRACTOR shall confirm the power during engineering.

6) SPECIFIC REQUIREMENTS

6.1. Gas characteristics

Average gas compositions to be considered are provided in attachment. Refer to attachment 1 & 2.

6.2. Site conditions

Site conditions to be considered are the following:

	Ambient temperature	Relative humidity (%)
Min	-38,2°C	68
Avg	+5,3°C	80
Max	+33,5°C	89

For air coolers, Contractor shall consider site max temperature.

For turbine sizing, CONTRACTOR shall consider 20°C for combustion air.

Altitude of the site is 70 m (1,005 atm)

Maximum ground freezing depth – 120 cm.

Snow load value to be considered for the compressor package design as applicable LVS EN 1991-1-3 «Eurocode 1 – Actions on structures – Part 1-3 : General actions – Snow loads”.

Wind action value to be considered for the compressor package design as applicable LVS EN 1991-1-4 “Eurocode 1: Actions on structures – Part 1-4: General actions – Wind actions”

6.3. Compressor package

ONE turbine driven with CONTRACTOR confirmed compressor unit shall be designed.

Compressor package and auxiliaries shall be standard and include at the minimum:

- Suction air filter for turbine
- Gas turbine
- Coupling
- Compressor
- Process gas filter
- Lubricating oil system common to turbine and compressor (if possible)
- Refrigerant cooler
- Dry Gas Seal system for compressor sealing
- Anti-Surge Control valve
- Common frame for oil system, turbine and compressor
- Fuel Gas system
- Package control system
- Turbine MCC
- UPS for compressor package auxiliaries
- Package fire & gas detection (+ firefighting : watermist or CO2)
- Nitrogen production package (option)

6.4. Compressor

Type of compressor shall be confirmed by CONTRACTOR during engineering.

However, if centrifugal compressor type is confirmed, compressor shall be designed, manufactured and tested as per API 617 8th Ed or any later edition. Compressor shall be barrel type (vertical split) and complete with dry gas seal system and pressurized lube oil system.

CONTRACTOR shall consider the possibility of having a two sections arrangement (back to back) to allow operation in serial/parallel mode for satisfying operating conditions defined in §5.2

6.5. Gas turbine

Gas turbine shall be designed, manufactured & tested as per API 616 5th Ed.

Gas turbine shall be two shaft (a gas generator and a power turbine), dry low emissions (DLE) and single fuel (gas). Heavy duty turbines are preferred by COMPANY/TECHNICAL ADVISOR but aero derivative turbines can be proposed by CONTRACTOR subject to COMPANY and/or TECHNICAL ADVISOR approval.

6.6. Gas cooler

CONTRACTOR shall design gas cooler at each compression stage (i.e. Intercooler(s) & aftercooler)

Coolers shall be designed to cool the gas down to 40°C maximum at the maximum ambient temperature (refer to §6.2)

6.7. Refrigerant cooler

CONTRACTOR shall design cooler to cool the compressor package lube oil. Design temperature to be considered shall be the maximum ambient temperature (refer to §6.2) and gas turbine requirements. Cooler shall be designed for maximum operating load.

6.8. Anti-surge system

CONTRACTOR shall design the anti-surge system. System shall include:

- Anti-surge valve (sizing criteria shall be provided by CONTRACTOR to COMPANY and TECHNICAL ADVISOR for review)
- Surge control PLC

Anti-surge valve & actuator shall be designed for control. CONTRACTOR shall clearly indicate minimum flowrate achievable with recycling for the different inlet conditions as indicated in §5.2

CONTRACTOR shall provide necessary information for Dynamic studies to GCU supplier. Producer of GCU provide the gas Dynamic studies and provide to CONTRACTOR ASV sizing, necessary of a Hot Gas Bypass valve and another information for Construction Design.

6.9. Package control

CONTRACTOR shall provide a PLC to ensure:

- Compressor package control (performance control, monitoring, startup/shutdown sequences...)
- Compressor package safety (vibration and temperature monitoring system, anti-surge system, ...)
- Unit integration in Incukalns UGS SCADA system
- Emergency shutdown system

Control & safety shall be totally independent and managed from the separate PLC. In case the compressor package is too complex and/or the number of signals is too important, two different PLC can be provided.

All PLC and operational technology parts shall be designed and supplied in accordance with operational technology rules in force. There shall be none single point-of-failure element in Package control system.

PLC shall include HMI workstation (computer & monitor) on the front panel.

All control and management functions of GCU, valves and other equipment used for GCU management shall be accessible either from local HMI workstation or remotely available control center located in Incukalns UGS premises

6.10. Process control valve (throttling valve)

CONTRACTOR shall indicate the need of process control valve at the compressor package suction (or discharge) to satisfy operating conditions defined in §5.2

CONTRACTOR will be responsible of valve sizing, control & integration in the PLC.

6.11. GCU package enclosure

GCU package will be installed outdoor. CONTRACTOR shall design a single enclosure for compressor & turbine to achieve noise requirement and also limit ingress of water/snow/dust/... Enclosures shall also be designed to fit with the hazardous area (ATEX Zone 2)

Enclosure shall be designed with proper fire & gas detection and firefighting system (either water mist or CO2)

6.12. Piping

CONTRACTOR shall design all piping requested to connect the new GCU to existing INCUKALNS site manifolds.

CONTRACTOR shall only use the following piping diameter: DN 15, DN 25, DN 50, DN 80, DN 100, DN 150, DN 200, DN 300, DN 400, DN 500, DN 600, DN 750, DN 900, and DN 1050. All other diameters are forbidden.

CONTRACTOR shall design piping as per ASME and/or ANSI standards. Flanges shall be designed as per ASME/ANSI B16.5

6.13. Civil works

All civil works activities designing required for the new GCU installation (earthwork, foundation,) are part of the scope of work of the CONTRACTOR (or eventually SUBCONTRACTOR)

6.14. Utilities

Following utilities are available on site:

- ✓ Instrument air

Pressure (barg)			Temperature (°C)			
Min	Normal	Design	Min	Normal	Max	Design
10	13,5	16	3	35	50	110

Dew point at operating pressure is -20 °C.
Instrument air is oil free.

- ✓ Nitrogen

No nitrogen network is currently available on site. CONTRACTOR shall therefore include in the offer as an option a nitrogen production package with back up volumes and define clearly the users (secondary seal gas for example)

- ✓ Fuel gas

Site fuel gas conditioning unit (capacity = 24 000 Nm³/h) is providing the following fuel gas conditions:

Pressure (barg)		
Min	Normal	Design
23,6	24,8	34,5

Dewpoint of the fuel gas is the same than the process gas (not treated). Maximum value for dew point to be considered is -10°C. Fuel gas is heated at 20°C at the conditioning skid outlet. Set point can be modified up to 30°C maximum.

6.15. Noise limits

CONTRACTOR shall respect noise level of 80 dBA noise at 1m of the compressor package.

6.16. Process filter

CONTRACTOR shall design a process filter to be added in the treatment site filtering area. Existing site has already two filters sized each for 7 MNm³/day (≈ 300 000 Nm³/h). Necessity of additional treatment process filter have to be explained to COMPANY.

6.17. Electrical power

The following voltage levels and neutral system shall be applicable. System frequency shall be 50 Hz.

Voltage	Phase	Neutral System	Use / Remarks
440 V	3ph / 4 W + PE	TN-S	Motor, heaters
230 V AC	2ph / 2 W + PE	TN-S	Motor heater, lighting circuits

In case of blackout, UPS or other backup power sources provided by the CONTRACTOR shall have adequate capacity and power to provide uninterruptible operation of all requested auxiliaries to perform machine safe shut down CONTRACTOR shall prepare and confirm with COMPANY automated procedure(-s) for machine shut-down and start-up in case of blackout, taking into account at least time necessary for safe shut-down and startup sequences.

7) OPERATION AND MAINTENANCE

All major equipment (compressor & turbine) will be bought with a maintenance contract. Maintainability will be studied by CONTRACTOR during engineering. A maintenance report will be issued by CONTRACTOR for COMPANY and/or TECHNICAL ADVISOR review.

8) DOCUMENTS TO BE PROVIDED WITH THE BID

BIDDERS are requested to provide a complete technical & commercial offer that includes at least the following:

- ❖ BIDDER scope of work

BIDDER shall provide an exhaustive list of activities to be done during execution. It is especially requested to the BIDDER to provide a preliminary list of deliverables to be issued during execution.

BIDDER shall also clearly indicate all activities that are not included in their offer.

❖ BIDDER planning

BIDDER shall include a preliminary planning for engineering, procurement & construction in their offer.

❖ BIDDER qualification

In order to demonstrate BIDDER capability to reply to the tendering, following documents shall be provided:

- BIDDER references on similar projects considering project type (compression for storage injection/withdrawal) and project size (large compression unit)
- BIDDER organigram for project execution (with CV of key people)
- BIDDER experience with European directives and Latvian regulation
- BIDDER quality system management

❖ BIDDER price

BIDDER shall provide a comprehensive price for the associated scope of work. A dedicated price breakdown is especially required with at least the following activities:

- General Engineering
- Compressor package procurement activities and purchase order follow up (option)
- Civil Works.
- Piping & process valves procurement activities (option)
- Piping & process valves installation

Any options or alternate shall be clearly indicated.

9) DELIVERABLES TO BE SUPPLIED BY THE CONTRACTOR DURING EXECUTION

The CONTRACTOR shall provide at minimum the following documents:

❖ PROJECT

- General schedule (including engineering, procurement & construction)
- List of deliverables to be issued by CONTRACTOR
- Building design in the minimum composition (permitting document)

❖ ROTATING

- Technical Specification for the Compressor package
- Mechanical datasheet of the Centrifugal Compressor (API 617 8th Ed template)
- Mechanical datasheet of the Gas Turbine (API 616 5th Ed template)
- Inspection and Test Plan for the Compressor package
- Material Requisition (including scope of supply and list of documents to be issued during execution by the equipment SUPPLIERS)
- Technical Bid Evaluation for the Compressor package

❖ PROCESS

- PFD / UFD of the new gas compression unit
- PID of the new gas compression unit
- Manual of operation of the new gas compression unit

- Technical specification for process filter

❖ CIVIL

- General compression unit layout
- Foundation plan (with elevation)

❖ PIPING

- Piping layout drawing
- Material Requisition for purchasing of pipes
- Main process lines piping isometrics
- Piping classes summary
- Piping classes detailed
- List of main materials
- Flexibility study

❖ ELECTRICAL

- Electrical consumers list
- Electrical architecture diagram
- Electrical cabinets layout (MCC, ...)

❖ INSTRUMENTATION & CONTROL

- Instrumentation specification
- Instrument & control topology (architecture & description)
- Control cabinets layout
- Fire & gas system description

❖ COST

- Commercial Bid Evaluation for the GCU package, process filters, piping and etc
- Cost estimate for the compressor package purchase, fabrication, testing and installation with price breakdown. Any options or alternate shall be clearly indicated.

Attachment No. 1
to the Technical Specification on
Development of Construction Design for the
Installation of Gas Compression Unit at
Incukalns Underground Gas Storage and
Author's Supervision

GAS COMPOSITION FOR INJECTION

GAS ANALYSIS:				
● MOL %				
	MW	Min	Max	Avg
Nitrogen	28,01	0,544	0,856	0,71
Carbon Dioxide	44,01	0,056	0,187	0,13
Methane (C1)	16,04	94,631	97,181	96,38
Ethane (C2)	30,07	1,51	3,617	2,18
Propane (C3)	44,09	0,207	0,831	0,44
i-Butane (i-C4)	58,12	0,045	0,094	0,07
n-Butane (n-C4)	58,12	0,033	0,168	0,07
i-Pentane (i-C5)	72,15	0,006	0,016	0,01
n-Pentane (n-C5)	72,15	0,004	0,011	0,01
n-Hexane (n-C6)	86,17	0	0,001	0,00
Methylcyclopentane	84,16			
Methylcyclohexane	98,18			
n-Heptane (n-C7)	100,20	0	0,003	0,00
n-Octane (n-C8)	114,22	0	0	0,00
n-Nonane (n-C9)	128,20	0,001	0,004	0,00
Oxygen	16,00	0,005	0,006	0,01
TOTAL				100,00
AVG. MOL. WT.				16,66

Attachment No. 2
to the Technical Specification on
Development of Construction Design for the
Installation of Gas Compression Unit at
Incukalns Underground Gas Storage and
Author's Supervision

GAS COMPOSITION FOR EXTRACTION

GAS ANALYSIS:				
● MOL %		Min	Max	Avg
	MW			
Nitrogen	28,01	0,544	0,856	0,71
Carbon Dioxide	44,01	0,056	0,187	0,13
Methane (C1)	16,04	94,631	97,181	96,38
Ethane (C2)	30,07	1,51	3,617	2,18
Propane (C3)	44,09	0,207	0,831	0,44
i-Butane (i-C4)	58,12	0,045	0,094	0,07
n-Butane (n-C4)	58,12	0,033	0,168	0,07
i-Pentane (i-C5)	72,15	0,006	0,016	0,01
n-Pentane (n-C5)	72,15	0,004	0,011	0,01
n-Hexane (n-C6)	86,17	0	0,001	0,00
Methylcyclopentane	84,16			
Methylcyclohexane	98,18			
n-Heptane (n-C7)	100,20	0	0,003	0,00
n-Octane (n-C8)	114,22	0	0	0,00
n-Nonae (n-C9)	128,20	0,001	0,004	0,00
Oxygen	16,00	0,005	0,006	0,01
TOTAL				100,00
AVG. MOL. WT.				16,66

FORM OF TENDER LETTER

_____, 2020

(place)

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

Project : Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision

Having examined the Contest Regulations, we, the undersigned, undertake to perform the Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision for the Joint Stock Company "Conexus Baltic Grid" (hereinafter – the Contracting Authority) for the amount of :

Price of the Tender _____ EUR, including:
_____ EUR for Construction designing,
_____ EUR for Author's Supervision.

VAT (21%, *if applicable**) _____ EUR

Price of the Tender
with VAT (*if applicable)** _____ EUR (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 Contest 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 Specification, and our Tender includes all costs associated with full performance of the scope of works 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. Date of Works

If our Tender is accepted, we undertake to perform Development of Building Design for the Installation of new Gas Compression Unit at Incukalns Underground Gas Storage and to complete them by _____, and perform Author’s Supervision in accordance with the attached schedule and to complete them by _____.

4. The advance payment guarantee

The advance payment guarantee will be submitted for the amount of advance payment. 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 Contract Authority. The Tenderer submits cashflow plan.

5. 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:

Bank:

SWIFT code/BIC:

Account Nr.

6. The Tenderer meets the following entrepreneur status (mark as appropriate):

- Small enterprise (an enterprise which employs fewer than 50 persons and which have an annual turnover and/or annual balance in total not exceeding EUR 10 million).
- Medium enterprise (an enterprise which is not a small business, and which employs fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or annual balance in total not exceeding EUR 43 million).

➤ Large enterprise.

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

The Tender was submitted by a group of partners and/or subcontractors consisting of :

Name and registration number	Percents of total Contract value	Scope performed by the partner, amount of Work in EUR without VAT
	%	

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.

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 Works) :

Name and registration number of the subcontractor	Percents and part of the Contract to be performed, amount of work in EUR without VAT

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

The subcontractor involved by the Tenderer meets the following entrepreneur status (mark as appropriate for each subcontractor):

- Small enterprise (an enterprise which employs fewer than 50 persons and which have an annual turnover and/or annual balance in total not exceeding EUR 10 million);
- Medium enterprise (an enterprise which is not a small business, and which employs fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or annual balance in total not exceeding EUR 43 million).
- **Large enterprise.**

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

Name of the Tenderer :

Name and position of the authorized person :

Signature of the authorized person :

FORM OF FINANCIAL TENDER

_____, 2020

(place)

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

Project : Development of Construction Design for the Installation of Gas Compression Unit at Incukalna Underground Gas Storage and Author's Supervision

No.	Item	Sum, EUR
1	Construction designing	
1.1	Preliminary designing (the development of the construction intent documentation and Construction design in the minimum content and handing of this documentation over to the Contracting Authority)	
1.2	Technical specifications and assistance during tenders (the development of the technical specifications of the basic technological equipment required for the installation of GPA)	
1.3	Detail designing (approval of the construction project with a remark in the construction permit about the fulfilment of construction provisions)	
	TOTAL (Construction designing)	
2	Author's Supervision	
	TOTAL	
	VAT 21%	
	TOTAL with VAT 21%	

Note

The Tenderer shall indicate, if necessary, additional cost positions by deciphering them.

Terms of payment for the Construction design:

Advance payment ____ (in words) %;

____ (in words) % - after the development of the construction intent documentation and Construction design in the minimum content and handing of this documentation over to the Contracting Authority;

____ (in words) % - after the development of the technical specifications of the basic technological equipment required for the installation of GPA;

____ (in words) % - after the submitting of the Construction design to the Contracting Authority for expertise purposes;

____ (in words) % (remaining payment) – after approval of the construction project with a remark in the construction permit about the fulfilment of construction provisions.

Name of the Tenderer :

Name and position of the authorized person :

Signature of the authorized person :

***Tenderer's and Construction Specialists' Experience
 in accordance with the Clause 3.1. and 3.2. of the Contest Regulations***

<i>Information about the Tenderer</i>
1. Business name:
2. Reg. No.:
3. Place of registration:
4. Year of registration:
5. Registered office:
6. Office address, tel., e-mail:
7. Bank:
8. SWIFT code/BIC:
9. Account No.:
10. Candidate's liaison for procurements (name, tel., e-mail):

Tenderer's experience

No	Project Name/ Contractual partner Name	Name, type of Work	month/ year	Description, Contract amount (excl.VAT) EUR	Person for Contractual Partner (For references)

Tenderer's personnels' experience

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

Name of the Tenderer :

Name and position of the authorized person :

Signature of the authorized person :

I Template
TENDER SECURITY FORM

_____, 2020

(place)

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

Project : Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision

Whereas _____
(name, reg. No. and address of the company)

(hereinafter called "the Tenderer") has submitted his Tender dated _____ 2020 (hereinafter called "the Tender") for the Contest on the Development of Building Design for the Installation of new Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision,

hereby we _____
(name, reg. place, reg. No. and legal address of the credit institution)

(hereinafter called "the Bank") certify that we are bound unto JSC "Conexus Baltic Grid", 14 Stigu street, Riga, LV-1021, Latvia (hereinafter called "the Contracting Authority") for the amount of 20 000,00 (twenty 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 20 000,00 (twenty 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 Procurement Commission;
3. If the successful Tenderer fails or refuses:
 - to sign the Contract during the period of Tender validity, or
 - to furnish the Advance payment guarantee (if applicable) 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.

This bid bond shall be subject to the Uniform Rules for Demand Guarantees (2010 edition, International Chamber of Commerce publication No. 758). This bid bond and the legal relationships stemming from it, insofar as the relevant matters are not regulated by the aforementioned Uniform Rules for Demand Guarantees, shall be subject to the applicable legislation of the Republic of Latvia. Any dispute between the Bank and the Contracting Authority with regard to this bid bond shall be resolved by a court in the Republic of Latvia.

_____ (Name and signature of the Bank's representative)

II Template
TENDER SECURITY FORM
(annex to insurance policy No. _____)

_____, 2020

(place)

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

Project : Development of Construction Design for the Installation of Gas Compression Unit at Incukalns Underground Gas Storage and Author's Supervision

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

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

The conditions of these obligations are the following:

The Tenderer loses the Tender Security if the Tenderer:

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

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

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

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

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



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

CONTRACT (DRAFT) No. CON-2020/____ on the development of the construction design

Riga _____ 2020

Joint Stock Company "Conexus Baltic Grid", unified registration number 40203041605 (hereinafter referred to as the Contracting Authority), represented by the Chairman of the Board _____ and the Member of the Board _____ according to the Articles of Association, on the one hand, and

_____, unified registration number _____ (hereinafter referred to as the Contractor), represented by _____, on the other hand, each separately or both together - Party or Parties,

whereas, the Contractor, on _____ 2020 has submitted tender No. _____ (hereinafter - Tender) in the public tender of the Contracting Authority "Development of Construction Design for the installation of a Gas Compression Unit and author's supervision" (tender identification number Conexus Baltic Grid 2020/1 CEF (PRO-2019/300)), co-financed by the Innovation and Networks Executive Agency (hereinafter INEA), within the framework of the concluded Contract No. INEA/CEF/ENER/M2018/175201, Project (Action) No. 8.2.4-0031-EN-WM-18, hereinafter - the Tender, and the Contracting Authority has declared the Contractor as the winner of the Tender in accordance with the Tender Contest Regulations;

enters into the following contract for the development of a construction design (hereinafter - Contract):

1. Subject of the Contract

1.1. The Contracting Authority shall commission and the Contractor undertakes to perform the following works (hereinafter referred to as - Works) by using own tools, equipment, manpower and other resources:

1.1.1. to develop the construction design (hereinafter - Construction design) for the installation of the Gas Compression Unit (hereinafter - GPA) at Incukalns Underground Gas Storage facility No. 1 for the joint stock company "Conexus Baltic Grid" in accordance with the requirements of the Tender Contest Regulations and the Tender, and to transfer the developed Construction design to the Contracting Authority;

1.1.2. to provide support to the Contracting Authority in the course of the tender of the necessary technological equipment organised by the Contracting Authority, including but not limited to providing an opinion on the compliance of the tenders received by the Contracting Authority with the requirements of the technical specification indicated in the tender documents;

1.1.3 Upon commissioning of the works by the Contracting Authority, in accordance with a separate agreement between the Parties, to perform the author's supervision of the works during the installation of the GPA, observing the provisions of the Tender Contest Regulations, the Tender and the Contract.

1.2. The Contractor shall carry out the Works in accordance with the Contract, Design Task (Annex 1 to the Contract), Estimation of the Design Works (Annex 2 to the Contract), regulatory enactments of the Republic of Latvia, construction codes, national standards of Latvia and other existing laws and Contest Regulations of the Republic of Latvia that can be applicable to the Construction design and its implementation process, as well as in accordance with the technical documentation developed by the technological equipment manufacturers and Tender of the Contracting Authority.

1.3. The Contractor shall hand over the Work in good quality, and the Contracting Authority shall accept such and pay the Contractor for such in accordance with the procedure, within the time limits and to the extent specified in the Contract.

2. Amount of the Contract and Payment Procedure

2.1. The Contract amount paid by the Contracting Authority to the Contractor for duly and properly executed Author's supervision works indicated in Paragraphs 1.1.1 and 1.1.2 of the Agreement is EUR _____ (*amount in words*), value added tax (VAT) of 21% is EUR _____ (*amount in words*), the **total Contract amount is EUR _____** (*amount in words*).

2.2. The Contracting Authority shall make the payment in accordance with the following payment terms:

2.2.1. advance payment for the development of the Construction design in the amount of _____% of the value of the design work or EUR _____ (*amount in words*), excluding VAT, shall be paid by the Contracting Authority to the Contractor within 30 (thirty) days after the mutual signing of the Contract, advance invoice, advance guarantee (Paragraph 4.4 of the Agreement) and day of receipt of the document stating the realization of commitments (Paragraph 4.5 of the Agreement);

2.2.2. ____ (_____) % of the value of the design work (proportionally cancelling the advance paid) or EUR _____ (*amount in words*) excluding VAT, the Contracting Authority shall pay the Contractor within 30 (thirty) days from the development of the construction intent documentation and Construction design in the minimum content and handing of this documentation over to the Contracting Authority (signing the acceptance-delivery certificate of these works) and the date of receipt of the Contractor's invoice;

2.2.3. ____ (_____) % of the value of the design work (in proportion to the advance paid) or EUR _____ (*amount in words*) excluding VAT of _____, the Contracting Authority shall pay the Contractor within 30 (thirty) days from the development of the technical specifications of the basic technological equipment required for the installation of GPA indicated in Sub-paragraph 1.1.2 of the Contract (by signing the acceptance-delivery certificate of these works) and receiving the invoice of the Contractor;

2.2.4. ____ (_____) % of the value of the design work (proportionally cancelling the advance paid) or EUR _____ (*amount in words*) excluding VAT, the Contracting Authority shall pay the Contractor within 30 (thirty) days from the submitting of the Construction design to the Contracting Authority for expertise purposes (signing the acceptance-delivery certificate of these works) and the date of receipt of the Contractor's invoice;

2.2.5. the remaining amount of the payments for the Construction design development _____% of the design work value or EUR _____ (*amount in words*), without VAT, the Contracting Authority shall pay the Contractor within 30 (thirty) days from approval of the construction project with a remark in the construction permit about the fulfilment of construction provisions, mutual signing of the acceptance-delivery certificate of the Construction design development works and receipt of the Contractor's invoice.

2.3. The Contracting Authority shall be entitled to withhold the payment due to the Contractor without the payment of interest for late payment, if the Works performed by the Contractor are of poor quality or have not been accepted in accordance with the procedure specified in the Contract. The payment thus withheld shall be paid in full, but without any interest thereon, as soon as the work has been accepted by the mutually signed certificate of acceptance-delivery.

2.4. The Contract amount shall include all taxes and fees, licence, insurance and licensing fees, as well as any other such fees applicable in the Republic of Latvia, the costs of any preparatory work of the construction intent (if any are required for the development of the Construction design) (including but not limited to topographic, engineering, technical survey costs), as well as any transportation costs for the Contractor to and from the Incukalna Underground Gas Storage Facility. The Contractor certifies that the Contract amount and the estimate of the Design Works (Annex 2 to the Contract) include all expenses incurred by the Contractor for the proper execution of the Works.

2.5. The amount of the Contract is final and cannot be changed during the entire term of the Contract.

2.6. The Contracting Authority performs all payments provided in the Contract by transfer to the Contractor's current account specified in the Contract.

2.7. If the VAT rate or the procedure for its application changes during the fulfilment of the Contract, the Parties shall observe the rate and application procedure specified in the applicable laws and Contest Regulations, without concluding a separate agreement on the change of the Contract amount.

2.8. According to the Tender, the fee for the author's supervision of GPA installation works (construction works) is set at EUR _____ (*amount in words*), VAT 21% is EUR _____ (*amount in words*), the total amount is **EUR _____ (*amount in words*)**. The Contract amount for the author's supervision is final and not subject to change. The commissioning fee shall be paid by the Contracting Authority in accordance with the procedure specified in the separately signed author's supervision contract between the Parties.

3. Agreement fulfilment period

3.1. The Contractor shall prepare the documentation of the Construction design in minimum composition and construction intent and shall submit it to the Contracting Authority within **24 (twenty-four) weeks from the day of signing the Contract, i.e. by _____ 202_**. The parties only sign the acceptance-delivery certificate of these works after the Construction Board has issued a construction permit to the Contracting Authority.

3.2. The Contractor shall prepare and coordinate the technical specification of the basic technological equipment necessary for the installation of the GPA with the Contracting Authority, and shall deliver it to the Contracting Authority **within 24 (twenty-four) weeks from the day of conclusion of the Contract, i.e. by _____ 202_**.

3.3. The Contractor shall develop the Construction design and submit it to the Contracting Authority (without a remark made by the Construction Board in the construction permit about the fulfilment of all design conditions included therein) by **1 March 2022** for the performance of the construction design expertise.

3.4. The Contractor shall develop the Construction design and submit it to the Contracting Authority with a remark made by the Construction Board in the construction permit about the fulfilment of all design conditions included therein **by 1 July 2022**.

3.5. Upon delivery of the Construction design, the Contractor shall at the same time, without additional compensation, transfer all economic rights to the copyright objects created under the

Contract to the Contracting Authority, including but not limited to the Construction design and other copyright objects related to the Construction design. The Contractor certifies that no third party owns the economic right of the author in the copyrighted objects created under the Contract, and the Contracting Authority may use the transferred economic rights of the author for an unlimited period worldwide.

3.6. The Contractor shall, within 10 (ten) business days after the Tender for the purchase of basic technological equipment for the installation of GPA indicated in the Paragraph 1.1.2 of the Contract, submit the Contracting Authority a written opinion on the compliance of the tenders received under this procurement to the technical specification indicated in the tender documents, and upon request of the Contracting Authority, participate in the tender evaluation as an expert.

3.7. If, for reasons beyond the Contractor's control, circumstances have occurred that require an extension of the Construction design development period, the Contractor shall inform the Contracting Authority thereof in writing within 2 (two) business days from the occurrence of the relevant circumstances, but not later than 10 (ten) business days before the end of the fulfilment period of Works indicated in Paragraphs 3.1, 3.2, 3.3 or 3.4 of the Contract. The term for development of the Construction design may be extended by mutual written agreement of the Parties. This paragraph shall not oblige the Contracting Authority to extend the fulfilment period if the Contracting Authority believes that the reasons given by the Contractor are not objectively justified or the Contractor could or should have foreseen the occurrence of such reasons.

3.8. If the Contractor delays the notification term regarding the extension of the fulfilment of the Construction design indicated in Paragraph 3.7 of this Agreement, it shall lose the right to extend the term of fulfilment of the Construction design.

3.9. In the event of interruption, suspension or termination of the works under the Contract for any reason, the Parties shall draw up and sign a notice of interruption, suspension or termination specifying the amount of work actually performed and its cost. The Contracting Authority shall pay the Contractor for these works within 10 (ten) working days from the date of signing the acceptance-delivery certificate and receipt of the relevant invoice.

3.10. In the case provided in Paragraph 3.9 of the Contract the Parties shall continue to be liable for the contractual and default interest, as well as penalty interest if the provisions of the Contract so provide.

4. Duties and rights of the Contractor

4.1. The Contractor shall develop the Construction design in accordance with the Contract and the Design Order (Annex 1 to the Contract), observing the requirements of the relevant Latvian State Standard, Construction Law, General Building Contest Regulations, Building Contest Regulations and other regulatory enactments. If the Contractor needs the Contracting Authority's support or documents to start designing, the Contractor shall promptly request them in writing.

4.2. The Contractor certifies that, in implementing the Construction design, the technological equipment to be designed will be compatible with the Contracting Authority's existing structures and technological equipment.

4.3. The Contractor shall, within 3 (three) business days after the conclusion of the Contract, submit the Contracting Authority a policy (copy) of the Contractor's professional civil liability insurance issued by an acceptable insurance company, issued in accordance with Cabinet Regulation No. 502 as of 19 August 2014 "Contest Regulations on Civil Liability Insurance for Construction Specialists and Contractors", which provide for compensation for damage caused by the Contractor (also including faults or deficiencies of the Construction design) to the lives or health, as well as property of the Contracting Authority and third parties and in which the insurance amount is not less than the amount of the Contract. The Contractor shall maintain the Insurance

Policy for the duration of the design work with a retroactive period equal to the GPA installation work performance and warranty period.

4.4. The Contractor shall, within 10 (ten) business days after the conclusion of the Contract, submit the Contracting Authority the advance guarantee (collateral) issued by an acceptable insurance company or credit institution according to Paragraph 2.2.1 of the Agreement (including VAT), subject to prior approval of the Contracting Authority's advance guarantee (collateral) project. The advance guarantee shall be valid for the entire duration stipulated in Paragraph 3.3 of the Agreement. and one month thereafter, i.e. **1 August 2022** (inclusive).

4.5. The Contractor shall, within 1 (one) month after the conclusion of the Contract, provide the Contracting Authority with an advance guarantee issued by an acceptable insurance company or credit institution in the amount of 2 (two) % of the Contract amount (including VAT). The advance guarantee shall be valid for the entire duration stipulated in the Paragraph 3.3 of the Agreement. and one month thereafter, i.e. **by 1 August 2022** (inclusive).

4.6. During the development of the Construction design, the Contractor shall co-ordinate all major technical and technological solutions with the Contracting Authority in writing.

4.7. The Contractor shall, at least once a month, organize meetings, during which the Contractor shall inform the Contracting Authority of the progress of the Project, as well as the Parties shall discuss other issues related to the Construction design. The venue of the meeting shall be determined at the Contracting Authority's premises, with the prior agreement of the Contracting Authority's responsible person regarding the venue and time of the meeting. The Contractor shall record the course of the meeting and submit it to the responsible person of the Contracting Authority for signing.

4.8. The Contractor shall co-ordinate the Construction design with the Project Management Office of the Contracting Authority's Technical Development and Investment Department before commencing the approval of the developed Construction design.

4.9. The Contractor shall co-ordinate the elaborated Construction design in accordance with the procedures specified in regulatory enactments with all institutions, which have issued the technical Contest Regulations, with the competent construction board, as well as with all land owners whose plots are intended for the implementation of the Construction design.

4.10. The Contracting Authority authorizes the Contractor to receive, on behalf of the Contracting Authority, all necessary opinions, comments and conclusions of state and municipal authorities, as well as other third party approvals required in connection with the development of the Construction design.

4.11. The Contractor shall, within 3 (three) days after receipt of the Contracting Authority's written request, submit the Contracting Authority a written report on the progress of the Construction design.

4.12. If the quality of the Construction design developed by the Contractor does not comply with the provisions of the Contract or a negative expert opinion is received, the Contractor shall remedy the deficiencies identified at its own expense and within a time period not exceeding 10 (ten) business days from the sending of the Contracting Authority's complaint. Carrying out of such works shall not be considered as an extension of the term for development of the Construction design specified in the Contract.

4.13. If the Contractor has not developed the technical specification for the GPA basic technological equipment in accordance with Paragraph 3.2 of the Contract, the Contracting Authority is entitled to request it, but in such case the Contractor shall pay the Contracting Authority a contractual penalty of 0.1 (zero point one) % of the Contract amount (excluding VAT) for each day of delay. The Contracting Authority shall be entitled to deduct the contractual penalty

by making an offset from the payment of the Contract amount to the Contractor. Payment of the penalty shall not exempt the Contractor from the duty to perform the Agreement.

4.14. If the Contractor has not submitted the Contracting Authority the Construction design in the minimum composition for the performance of expertise in accordance with Paragraph 3.3. of the Contract, the Contracting Authority is entitled to request it, but in such case the Contractor shall pay the Contracting Authority a contractual penalty of 0.1 (zero point one) % of the Contract amount (excluding VAT) for each day of delay. The Contracting Authority shall be entitled to deduct the contractual penalty by making an offset from the payment of the Contract amount to the Contractor. Payment of the penalty shall not exempt the Contractor from the duty to perform the Agreement.

4.15. If the Contractor has not developed the Construction design within the period indicated in Paragraph 3.4 of the Contract, the Contracting Authority is entitled to request it, but in such case the Contractor shall pay the Contracting Authority a contractual penalty of 0.2 (zero point one) % of the Contract amount (excluding VAT) for each day of delay. The Contracting Authority shall be entitled to deduct the contractual penalty by making an offset from the payment of the Contract amount to the Contractor. Payment of the penalty shall not exempt the Contractor from the duty to perform the Agreement.

4.16. In any case, the total amount of the calculated penalties shall not exceed 10 (ten) % of the total amount of the Contract.

4.17. If the Contractor has violated the requirements of regulatory enactments or caused losses to the Contracting Authority or third persons due to the developed Construction design, the Contractor shall indemnify the Contracting Authority or third parties for the direct losses caused in full.

4.18. The Contractor shall designate _____ (Certificate No. _____) as the Responsible works supervisor, who will supervise and perform the Construction design development within the Construction project. If the Responsible works supervisor, who will manage and carry out the development works of the Construction design within the framework of the Construction project, is a foreign resident, the Contractor shall ensure that this person is registered in the Building Information System (BIS) of the Republic of Latvia within 2 (two) weeks from the date of mutual signing of the Contract.

4.19. If during the execution of the Contract, the Contractor needs to invite subcontractors for the development of the Construction project, the Contractor shall coordinate the invitation of such subcontractors with the Contracting Authority in writing in advance.

5. Duties and rights of the Contracting Authority

5.1. Prior to commencement of the work, the Contracting Authority shall deliver all the documents requested by the Contractor, which are necessary for the commencement of the Contract, to the Contractor.

5.2. The Contracting Authority is obliged to pay the Contract amount to the Contractor in accordance with the procedure, term and amount specified in Paragraph 2 of the Contract.

5.3. If the Contracting Authority fails to comply with the payment term specified in the Contract, the Contractor shall be entitled to claim, but in such case the Contracting Authority shall pay the Contractor default interest in the amount of 0.2 (zero point two) % of the outstanding amount for each day of delay but not more than 10 (ten) % of the amount of the late payment. Payment of late payment interest shall not exempt the Contracting Authority from the fulfilment of obligations of the Contract.

5.4. The Contracting Authority has the right to carry out the evaluation of the Construction design in minimum composition and the documentation of the Construction design on its own or with the assistance of a specialist.

5.5. The Contracting Authority has the right not to accept the Construction design from the Contractor in the minimum composition in any of the following cases:

- 5.5.1. it does not comply with the terms of the Tender and/or the Contract;
- 5.5.2. it does not comply with the solution approved by the Contracting Authority and specified in the Tender;
- 5.5.3. it is not in accordance with the requirements of laws and Contest Regulations;
- 5.5.4. a negative expert opinion has been received and the Contractor has not corrected the deficiencies found in the conclusion;
- 5.5.5. in the course of its development, due to an error or omission by the Contractor, the Construction Board has refused to issue a construction permit.

5.6. The Contracting Authority is entitled to unilaterally terminate the Contract if:

- 5.6.1. The Contractor has not commenced development of the Construction design within 1 (one) month from the date of mutual signing of the Contract;
- 5.6.2. The Contractor has not submitted any of documents indicated in Paragraphs 4.3, 4.4 or 4.5 of the Agreement to the Contracting Authority (where the Contract provides for their submission);
- 5.6.3. Development of the Construction design does not take place in accordance with the Construction design development term specified in the Contract, delaying the Construction design development by more than one month;
- 5.6.4. Within 1 (one) month from the date of mutual signing of the Contract no Contractor's construction specialist is registered in the Register of Construction Merchants of the Republic of Latvia;
- 5.6.5. The Contractor has not eliminated the discrepancies in the quality of the Construction design pursuant to Paragraph 4.12 of this Contract.

5.7. If the Contract is terminated in accordance with Paragraph 5.6 of the Contract, the Contracting Authority shall use the advance guarantee provided by the Contractor. Also, the Contractor shall indemnify the Contracting Authority for expenses and direct losses, including costs related to the increase in the price of the design service of another Contractor as a result of a new tender. The Contractor's liability for the direct damages specified in this Paragraph may not exceed 10 (ten) % of the Contract amount (including VAT).

5.8. The Contracting Authority is obliged to provide written answers to the questions within 5 (five) working days from the day of receipt of the written questions of the Contractor.

6. Delivery of the Project to the Contracting Authority

6.1. The delivery of the Construction design to the Contracting Authority (two hard copies of the Construction design and one copy on a USB medium in digital format (AutoCAD dwg technical diagrams, plans, topography, other documents in PDF, etc.)) shall be executed by the Parties signing the Construction design acceptance-delivery certificate.

6.2. The Contracting Authority shall, within 10 (ten) business days from the date of receipt of the Construction design submitted by the Contractor, review and accept or reasonably reject the developed technical documentation of the Construction project in writing.

6.3. The Contracting Authority shall not accept the Contractor's Construction design in any of the following cases:

- 6.3.1. Construction design does not comply with the terms of the Tender and/or the Contract;

- 6.3.2. Construction design does not conform to the accepted Construction Design in its minimum composition and the changes have not been coordinated with the Contracting Authority and the Construction board;
- 6.3.3. Construction design is not in accordance with the requirements of laws and Contest Regulations;
- 6.3.4. a negative expert opinion has been received about the Construction design and the Contractor has not corrected the deficiencies found in the conclusion;
- 6.3.5. not all consents specified in Paragraph 4.9 of the Contract have been received.

6.4. If, upon examination of the submitted Construction design or performing the Construction design examination, deficiencies in the Construction design or its non-compliance with the provisions of the Contract are discovered, the Contractor shall be obliged to eliminate the indicated deficiencies at its own expense. In such a case, the approval of the Construction design shall only be made after the above deficiencies have been rectified. The period of time required to remedy the deficiencies shall not in this case be deemed to be an extension of the Contract. If the Contracting Authority has no objections to the Construction design developed, the Parties shall sign the Construction design acceptance-delivery certificate. The acceptance-delivery certificate of the Contracting Authority is not a confirmation of the absence of defects or deficiencies in the Construction design developed by the Contractor.

6.5. The Contracting Authority shall be authorised to sign the acceptance-delivery certificate of the Construction design jointly with any of the following two persons:

- 6.5.1. Head of the Technical Development and Investment Department _____;
- 6.5.2. Project Management Office Manager of the Technical Development and Investment Department _____;
- 6.5.3. Head of Inčukalns Underground Gas Storage _____.

7. Force Majeure

7.1. The Parties are not responsible if the Contract is not fulfilled or is not fulfilled properly due to force majeure circumstances such as natural disasters, war and any kind of military operation or other circumstances of an extraordinary nature that the Parties could not foresee in advance. The Party that is not able to perform its obligations due to such circumstances shall notify the other Party of the occurrence of such circumstance in writing within 3 (three) business days.

7.2. In the event if the impact of force majeure circumstances continues for more than 3 (three) months, either Party is entitled to unilaterally terminate the Contract by giving the other Party prior written notice.

8. Confidentiality

8.1. 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.

8.2. 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.

8.3. The Parties shall be bound by the obligations referred to in Clause 8.1. and Clause 8.2. during the implementation of the Contract and for a period of five years starting from the total payment of the Contract Amount, unless:

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

- 8.3.2. the confidential information or documents become public through other means than a breach of the confidentiality obligations;
- 8.3.3. the disclosure of the confidential information or documents is required by law.

9. Sanctions

9.1. 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 organisations 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.

9.2. Taking into account the sanctions valid on the date of 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 or sign an agreement on the further execution of the Contract or its termination. In the event of termination, the Parties shall prepare and sign the statement on termination or suspension of the contractual works, describing the actual amount of fulfilled works and its cost. The Contracting Authority shall pay the Contractor for these works within 10 (ten) working days from the date of signing the acceptance-delivery certificate and receipt of the relevant invoice.

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

10. Miscellaneous

10.1. The Parties shall designate the following persons responsible for the execution of the Contract:

- 10.1.1. from the Contracting Authority's side: _____, phone +371 _____, mobile phone +371 _____, e-mail: _____;
- 10.1.2. from the Contractor's side: _____, phone + _____, mobile Phone + _____, e-mail: _____.

10.2. The Contractor, including the sub-contractor, shall have no rights vis-à-vis the Innovation and Networks Executive Agency (hereinafter referred to as INEA). The conditions applicable to the Contractor shall also be applicable to its sub-contractors.

10.3. The Contractor 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 the performance of the Contract and for a period of 5 (five) years starting from the date when the total Contract Amount has been paid to the Contractor.

10.4. 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.

10.5. The Contractor 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, for a period of 5 (five) years starting from

the total Contract Amount payment date under the Contract. The document storage obligation is longer, where on-going audits, appeals, litigation or claims relating to the execution of the payment, including irregularities, fraud or breach of obligations are present. In such cases the Contractor shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

10.6. Within the framework of a check or audit, the Contractor 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 Contractor to provide this information directly.

10.7. The Contractor 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, and all the necessary information, including information in electronic format. The Contractor 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.

10.8. Based on the final audit findings, the European Commission or the INEA may take the measures it deems necessary, including recovery of the Fee and the Fee that is paid to the Contractor under the Contract.

10.9. 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.

10.10. The Contractor 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 interest").

10.11. 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.

10.12. Data protection: 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.

10.13. The Parties may make the following substantial amendments to the Agreement:

10.13.1. 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 fulfilment of obligations shall be extended by the time of delay, but not more than the end of the implementation period of project (Action) No. 8.2.4-0031-LV-W-M-18;

10.13.2. 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;

10.13.3. if the law and Contest 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.

10.14. The Parties shall, within 1 (one) month after handing over the Construction design to the Contracting Authority (Paragraph 3.3 of the Contract), conclude the Author's supervision contract indicated in Sub-paragraph 1.1.3 of the Contract, subject to the terms of the Offer and the Contract.

10.15. The Parties shall resolve all disputes and discrepancies arising between the Parties during the performance of this Contract by means of negotiations. If within 30 (thirty) business days of the date of the dispute or disagreement the Parties are unable to reach a mutually negotiated solution, either Party shall have the right to apply to the courts in accordance with the laws and Contest Regulations of the Republic of Latvia, applying the existing legislation of the Republic of Latvia to solve the disputes.

10.16. All previous correspondence and arrangements relating to the subject matter of the Contract shall cease to have effect upon signing of the Contract.

10.17. The Parties shall resolve the issues not discussed in the Contract in accordance with the laws and Contest Regulations in force in the Republic of Latvia.

10.18. This Contract may be amended or supplemented by written agreement between the Parties, which shall be attached to this Contract as an integral part thereof.

10.19. This Contract shall enter into force on the date when signed by both Parties and shall be valid until complete fulfilment of the obligations of the Parties.

10.20. The Contract is drawn up on __ (___) pages and signed in 2 (two) copies – one for each Party. Both counterparts of the Contract have equal legal force and it shall be binding upon the Parties from the date of its signing.

10.21. 2 (two) Annexes are attached to the Contract and form an integral part of the Contract:

Annex 1 "Design task" on ____ pages;

Annex 2 "Design works estimate" on ____ pages.

11. Details and Signatures of the Parties:

The Customer

Joint Stock Company Conexus Baltic Grid

14 Stigu Street, Riga, LV-1021, Latvia

Unified registration No. 40203041605

VAT payer No. LV40203041605

Swedbank JSC, HABALV22

LV08HABA0551042978827

Chairman of the Board _____

Board Member _____

Contractor

Registered address _____

Unified registration No. _____

VAT Code _____

Name of credit institution, code _____

Debit Account No. _____

Position, name and surname



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

CONTRACT (DRAFT) No. CON-2020/____ for providing author's supervision service

Riga _____ 2020

Joint Stock Company "Conexus Baltic Grid", unified registration number 40203041605 (hereinafter referred to as the Contracting Authority), represented by the Chairman of the Board _____ and the Member of the Board _____ according to the Articles of Association, on the one hand, and

_____, unified registration number _____ (hereinafter referred to as the Contractor), represented by _____, on the other hand, each separately or both together - Party or Parties,

whereas:

- a) The Contractor, on ____ 2020, has submitted tender No. ____ (hereinafter - Tender) in the public tender of the Contracting Authority "Development of Construction Design for the installation of a Gas Compression Unit and author's supervision" (tender identification number Conexus Baltic Grid 2020/1 CEF (PRO-2019/300)), co-financed by the Innovation and Networks Executive Agency (hereinafter INEA), within the framework of the concluded Contract No. INEA/CEF/ENER/M2018/175201, Project (Action) No. 8.2.4-0031-EN-WM-18, hereinafter - the Tender, and the Contracting Authority has declared the Contractor as the winner of the Tender in accordance with the Tender Contest Regulations;
- b) Agreement No. CON-2020/____ was concluded between the parties on ____ 2020 and Sub-paragraph 1.1.3 and Paragraph 2.8 of the Agreement anticipates an obligation for the Parties to conclude an author's monitoring contract,

enters into the following Contract on author's supervision (hereinafter - the Contract):

12. Subject of the Contract

12.1. The Contracting Authority orders and the Contractor undertakes to perform **author's supervision (hereinafter referred to as Author's supervision) of the installation works (hereinafter referred to as the Facility) of joint-stock company "Conexus Baltic Grid" Gas Compression Unit No. 1 (hereinafter referred to as the GPA) at Incukalns Underground Gas Storage (hereinafter referred to as IPGK)** for the Author's supervision fee using its tools, devices, manpower and other resources.

12.2. The Contractor, for its part, shall designate the responsible construction specialist _____, who has a valid construction practice certificate for the design of transmission gas and oil supply systems (No. _____), hereinafter referred to as the Author Supervisor, for the purpose of performing the Author's supervision work.

12.3. The Contractor shall carry out the Author's supervision throughout the construction of the Facility, up to the acceptance of the GPA, if necessary with the assistance of a certified construction specialist from another field.

12.4. The Contracting Authority accepts the Author's supervision works provided in good quality and pays for them in accordance with the procedure and in the amount specified in the Contract.

13. Amount of the Contract and Payment Procedure

13.1. The Contract amount paid by the Contracting Authority to the Contractor for duly and properly executed Author's supervision works is EUR _____ (*amount in words*), value added tax (VAT) 21% is EUR _____ (*amount in words*), the **total Contract amount is EUR _____ (*amount in words*)**.

13.2. The Contracting authority pays the Author's supervision fee in equal instalments each month (dividing the Contract amount according to the estimated GPA Improvement works deadline specified in Paragraph 3.1 of the Contract) within 30 (thirty) days from the date of mutual signing of the acceptance-delivery certificate and receipt of the Contractor's invoice. The Contracting Authority shall pay the final instalment payment within 30 (thirty) days from the date of acceptance of the GPA into operation, approving of the works in the Construction Board, mutual signing of the acceptance-delivery certificate of the Author's supervision works and receipt of the Contractor's invoice.

13.3. After completion of the Author's supervision, acceptance of the GPA into operation and approval in the Construction Board, the Contractor shall submit the Contracting Authority an acceptance-delivery certificate of the works and the Contracting Authority shall sign the acceptance-delivery certificate within 10 (ten) days or give a reasoned refusal.

13.4. The Contract amount includes all transportation costs for the arriving and departing of the Contractor to and from the Facility.

13.5. The amount of the Contract is final and cannot be changed during the entire term of the Contract. If the construction work in the Facility is completed in accordance with the deadline indicated in Paragraph 3.1 of the Contract, the Contract amount for the Author's supervision shall not be changed.

13.6. The Contracting Authority performs all payments provided in the Contract by transfer to the Contractor's current account specified in the Contract.

13.7. If the VAT rate or the procedure for its application changes during the fulfilment of the Contract, the Parties shall observe the rate and application procedure specified in the applicable laws and Contest Regulations, without concluding a separate agreement on the change of the Contract amount.

14. Author's supervision works deadline

14.1. The Contractor shall provide Author's supervision works throughout the entire period of installation of the GPA until the launching of GPA into operation and approval by the Construction Board. The planned deadline for GPA improvement work is ____ (_____) **weeks from the date of entry into the construction agreement.**

14.2. In the event of interruption, suspension or termination of the works under the Contract for any reason, the Parties shall draw up and sign a notice of interruption, suspension or termination specifying the amount of work actually performed and its cost. The Contracting Authority shall pay the Contractor for these works within 10 (ten) working days from the date of signing the acceptance-delivery certificate and receipt of the relevant invoice.

14.3. In the case provided in Paragraph 3.2 of the Contract the Parties shall continue to be liable for the contractual and default interest, as well as penalty interest if the provisions of the Contract so provide.

15. Duties and rights of the Contractor

15.1. The Contractor shall have the following obligations during the performance of the Author's supervision work:

15.1.1. to perform the Author's supervision in accordance with the construction design, in compliance with Cabinet of Ministers Regulation No. 500 as of 19 August, 2014 "General Building Contest Regulations" as well as the requirements of other regulatory enactments regulating the performance of such works;

15.1.2. to ensure that the person performing the Author's supervision (hereinafter - Author Supervisor) observes the Facility, participates in the launching of the Facility into operation and makes entries in the construction log, which after the Facility is launched into operation, is handed over to the Contracting Authority;

15.1.3. Within 5 (five) working days from the date of signing the construction Contract (from the registration of the construction specialist in the Construction Companies Register of the Republic of Latvia (BIS), if the construction specialist is registered abroad), the Contracting Authority informs the Contractor about this fact, submits the Contracting Authority the list where the responsible person is indicated and other persons who will carry out the Author's supervision work. The list shall include the person's name, personal identification number and certificate number (if any). The Contracting Authority reserves the right to refuse access to the Facility to certain Contractor's employees or sub-contractors;

15.1.4. to review and approve the Construction work project developed by the Contractor;

15.1.5. to prevent arbitrary deviations of the Contractor from the accepted intention and construction design, as well as violations of regulatory enactments and standards in the course of construction work, as well as, if necessary, to give instructions to the construction manager and construction supervisor for implementation of the solutions envisaged in the construction design;

15.1.6. to immediately inform the Contracting Authority in writing of any deviations from the construction design during the execution of the construction work, as well as of incorrect and poor quality construction work. The Contractor shall, within 10 (ten) days from the receipt of the Contracting Authority's request, submit the Contracting Authority its proposals regarding possible solutions to eliminate the established non-conformity;

15.1.7. to control, in accordance with its competence, the execution of instructions entered in the construction log;

15.1.8. to examine the solutions submitted by the performer of construction work and information regarding the structures, equipment and materials used, as well as to provide an opinion regarding their conformity with the construction design;

15.1.9. to evaluate all the changes made or planned during the construction of the Facility, their conformity with the requirements of the regulatory enactments of the Republic of Latvia, and, if permitted, to coordinate the changes in the documentation of the construction project with all interested organisations making a respective entry in the construction log;

15.1.10. to review and approve the Facility supervision plan;

15.1.11. to come to the Facility upon the invitation of the Contracting Authority, contractor, construction supervisor, construction inspector or other officials of the construction board;

15.1.12. to be responsible for the labour protection of the employees involved in the Author's supervision by organising labour protection measures and control of their

implementation in accordance with the Labour Protection Law and Regulation No. 92 of the Cabinet of Ministers of 25 February 2003 "Work Safety Requirements for Construction Work" and to be responsible for compliance with fire safety and equipment safety requirements throughout the duration of the Author's supervision;

15.1.13. to observe the instructions of the Contracting Authority and security guards while staying at the Facility;

15.1.14. to provide time records in accordance with regulatory enactments regarding the work in each object and to inform the construction initiator and the relevant construction board or institution, which performs construction work control, and upon the request of the construction inspector, to provide supporting documentation;

15.1.15. Within 10 (ten) working days from the day of signing the construction Contract, of which the Contracting Authority informs the Contractor, to submit the Contracting Authority the professional civil liability insurance policy (copy) in accordance with Regulation No. 502 of the Cabinet of Ministers as of 19 August 2014 "Contest Regulations on Civil Liability Insurance for Construction Specialists and Contractors". The Contractor is obliged to maintain this policy for the entire duration of the Contract.

15.2. If changes in the construction design are made due to the fault of the designer, the Author Supervisor shall develop and coordinate the relevant changes in the documentation of the construction design and construction intention with all interested parties in accordance with the procedures specified in regulatory enactments.

15.3. If the Contractor or its employees have experienced inactivity or fault, or if the Contractor has violated the requirements of regulatory enactments or caused losses to the Contracting Authority or third persons due to the developed construction design, the Contractor shall indemnify the Contracting Authority third parties for the direct losses caused in full.

15.4. The Contractor shall be responsible for compliance with the health, labour safety, fire protection and environmental protection requirements of its employees located at the Facility.

15.5. The Contractor shall have the right to terminate the Contract by notifying the Contracting Authority in writing at least 30 (thirty) days in advance if the Contracting Authority changes the Project Author's intent without the approval of the Contractor, resulting in a violation of the Contractor's copyright under rules and Contest Regulations of the Republic of Latvia and if the Contracting Authority has not remedied the infringement within these 30 (thirty) days.

15.6. The Contractor shall pay the Contracting Authority a penalty in the amount of 1 (one) % of the total amount of the Contract for poor quality Author's supervision for each established case. The total amount of contractual penalties imposed on the Contractor may not exceed 10 (ten) % of the total amount of the Contract. Payment of the penalty shall not exempt the Contractor from the duty to perform the Contract. The Contracting Authority shall be entitled to withhold the penalty calculated for the Contractor from the amount of the Contract payable to it for the delivery of works performed in good quality.

16. Duties and rights of the Contracting Authority

16.1. Prior to commencement of the work, the Contracting Authority shall deliver all the documents requested by the Contractor, which are necessary for the commencement of the Contract, to the Contractor.

16.2. The Contracting Authority is obliged to pay the Contract amount to the Contractor in accordance with the procedure, term and amount specified in Paragraph 2 of the Contract.

16.3. If the Contracting Authority fails to comply with the payment term specified in the Contract, the Contractor shall be entitled to claim, but in such case the Contracting Authority shall pay the Contractor default interest in the amount of 0.2 (zero point two) % of the outstanding

amount for each day of delay but not more than 10 (ten) % of the amount of the late payment. Payment of late payment interest shall not exempt the Contracting Authority from the fulfilment of obligations of the Contract.

16.4. The Contracting Authority has the right not to accept the completed Author's supervision works if the Contracting Authority establishes that they have not been completed or have been performed inadequately, or if the construction log has not been completed or is filled out improperly or inadequately for the actual situation. The Contracting party is entitled to invite an expert to perform the inspection at its own discretion. If the expert determines that the Contractor has performed the Author's supervision in poor quality, the Contractor shall cover the expenses incurred to the Contracting Authority in connection with inviting the expert.

16.5. The Contracting Authority is obliged to provide written answers to the questions within 5 (five) working days from the day of receipt of the written questions of the Contractor.

16.6. If the Contracting Authority wishes to terminate the Contract at its own initiative, it shall notify the Contractor thereof in writing 30 (thirty) days in advance. The Contractor shall, within one week after receipt of this notice, provide the Contracting Authority with an estimate of the Author's supervision performed in good quality until the termination of the Contract. The Contracting Authority shall pay for the performed works within 10 (ten) working days after the signing of the acceptance-delivery certificate, which is an integral part of the Agreement, as well as the receipt of the invoice submitted by the Contractor.

17. Force Majeure

17.1. The Parties are not responsible if the Contract is not fulfilled or is not fulfilled properly due to force majeure circumstances such as natural disasters, war and any kind of military operation or other circumstances of an extraordinary nature that the Parties could not foresee in advance. The Party that is not able to perform its obligations due to such circumstances shall notify the other Party of the occurrence of such circumstance in writing within 3 (three) business days.

17.2. In the event if the impact of force majeure circumstances continues for more than 3 (three) months, either Party is entitled to unilaterally terminate the Contract by giving the other Party prior written notice.

18. Confidentiality

18.1. 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.

18.2. 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.

18.3. The Parties shall be bound by the obligations referred to in Clause 8.1. and Clause 8.2. during the implementation of the Contract and for a period of five years starting from the total payment of the Contract Amount, unless:

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

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

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

19. Sanctions

19.1. 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 organisations 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.

19.2. Taking into account the sanctions valid on the date of 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 or sign an agreement on the further execution of the Contract or its termination. In the event of termination, the Parties shall prepare and sign the statement on termination or suspension of the contractual works, describing the actual amount of fulfilled works and its cost. The Contracting Authority shall pay the Contractor for these works within 10 (ten) working days from the date of signing the acceptance-delivery certificate and receipt of the relevant invoice.

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

20. Miscellaneous

20.1. The Parties shall designate the following persons responsible for the execution of the Contract:

20.1.1. from the Contracting Authority's side: _____,
phone +371 _____, mobile phone +371 _____, e-mail: _____;

20.1.2. from the Contractor's side: _____, phone +
_____, mobile Phone + _____, e-mail: _____.

20.2. The Contractor, including the sub-contractor, shall have no rights vis-à-vis the Innovation and Networks Executive Agency (hereinafter referred to as INEA). The conditions applicable to the Contractor shall also be applicable to its sub-contractors.

20.3. The Contractor 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 the performance of the Contract and for a period of 5 (five) years starting from the date when the total Contract Amount has been paid to the Contractor.

20.4. 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.

20.5. The Contractor 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, for a period of 5 (five) years starting from the total Contract Amount payment date under the Contract. The document storage obligation is longer, where on-going audits, appeals, litigation or claims relating to the execution of the payment, including irregularities, fraud or breach of obligations are present. In such cases the Contractor shall keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

20.6. Within the framework of a check or audit, the Contractor 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 Contractor to provide this information directly.

20.7. The Contractor 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, and all the necessary information, including information in electronic format. The Contractor 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.

20.8. Based on the final audit findings, the European Commission or the INEA may take the measures it deems necessary, including recovery of the Fee and the Fee that is paid to the Contractor under the Contract.

20.9. 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.

20.10. The Contractor 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 interest").

20.11. 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.

20.12. Data protection: 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.

20.13. The Parties may make the following substantial amendments to the Agreement:

20.13.1. 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 fulfilment of obligations shall be extended by the time of delay, but not more than by the end of the Project implementation period;

20.13.2. 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;

20.13.3. if the law and Contest 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.

20.14. The Parties shall resolve all disputes and discrepancies arising between the Parties during the performance of this Contract by means of negotiations. If within 30 (thirty) business days of the date of the dispute or disagreement the Parties are unable to reach a mutually negotiated solution, either Party shall have the right to apply to the courts in accordance with the laws and Contest Regulations of the Republic of Latvia, applying the existing legislation of the Republic of Latvia to solve the disputes.

20.15. All previous correspondence and arrangements relating to the subject matter of the Contract shall cease to have effect upon signing of the Contract.

20.16. The Parties shall resolve the issues not discussed in the Contract in accordance with the laws and Contest Regulations in force in the Republic of Latvia.

20.17. This Contract may be amended or supplemented by written agreement between the Parties, which shall be attached to this Contract as an integral part thereof.

20.18. This Contract shall enter into force on the date when signed by both Parties and shall be valid until complete fulfilment of the obligations of the Parties.

20.19. The Contract is drawn up on __ (___) pages and signed in 2 (two) copies – one for each Party. Both counterparts of the Contract have equal legal force and it shall be binding upon the Parties from the date of its signing.

21. Details and Signatures of the Parties:

The Customer

Joint Stock Company Conexus Baltic Grid

14 Stigu Street, Riga, LV-1021, Latvia
Unified registration No. 40203041605
VAT payer No. LV40203041605
Swedbank JSC, HABALV22
LV08HABA0551042978827

Contractor

Registered address _____
Unified registration No. _____
VAT Code _____
Name of credit institution, code _____
Debit Account No. _____

Chairman of the

Board *Position, name and surname*

Board Member _____

BANK GUARANTEE FORM

_____. _____ 2020

_____ place

To: Joint Stock Company "Conexus Baltic Grid"
Unified registration No. 40203041605
14 Stigu street, 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 Development of Construction Design for the Installation of Gas Compression Unit 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: _____