

Clause 5.2.1. updated on 28.10.2022.

ATKLĀTA SARUNU PROCEDŪRAS

**“Inčukalna pazemes gāzes krātuves ekspluatācijas urbumu smilšošanas
izmēģinājumu pakalpojuma iegāde”**

NOLIKUMS

(Iepirkuma identifikācijas numurs PRO-2022/213)

OPEN NEGOTIATED PROCEDURE

**“Purchase of Incukalns underground gas storage production wells
hydrodynamic testing using sand and water detectors”**

REGULATIONS

(Procurement identification number PRO-2022/213)

Rīga, 2022

I. GENERAL TERMS

- 1.1. The organizer of the open negotiated procedure is Joint Stock Company "Conexus Baltic Grid", Unified Reg. No 40203041605, Address: Stigu street 14, Rīga, LV-1021, Latvia, (hereinafter Public Service Provider/Customer/Contracting Authority).
- 1.2. The procurement "Purchase of Incukalns underground gas storage production wells hydrodynamic testing using sand and water detectors", ID No. PRO-2022/213 (hereinafter referred to as "Procurement", "Procurement procedure", "Negotiated procedure"), is organised as an open negotiated procedure in accordance with the requirements of Interior procurement procedure of the Customer, and participation in the Procurement is open to any economic operator - a natural person or a legal person or an association of such persons in any combination thereof which offer to perform the testing of production wells, supply products or provide services accordingly – hereinafter referred to as "Supplier", "Economic operator".
- 1.3. The procurement is open to any Economic operator: legal entity established in a NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea (South Korea)), European Union or European Economic Area (hereinafter - EEA) member state and its real beneficiary is a citizen of NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea), a citizen of a European Union or EEA country or a natural person who is a citizen of NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea), European Union or EEA country.
- 1.4. The Procurement is organized by Procurement Committee (hereinafter - the Committee or the Commission) approved by the decision of the Board of JSC "Conexus Baltic Grid".
- 1.5. The Procurement is organized by publishing the Procurement regulations (hereinafter – the procurement documents, the procurement procedure documents, the Regulations, the Procurement Regulations), any amendments thereof, answers to the questions of suppliers on the Contracting Authority's website (<http://www.conexus.lv>).
- 1.6. Notice on the Procurement Regulations and any amendments are also published on the website of the Procurement Monitoring Bureau (<https://info.iub.gov.lv/lv/meklet/sps/1>).
- 1.7. The Tenderer – a supplier/economic operator, who has submitted a tender (hereinafter – the Tender).
- 1.8. The purpose of the Procurement is, ensuring competition, openness, and efficient use of the Customer's funds, to enter the Contract with Tenderer that has submitted the most economically advantageous Tender.
- 1.9. The exchange of information between the Customer and Economic operators/Tenderers shall take place electronically by e-mail, or by sending documents signed with a secure electronic signature, or by attaching a scanned document to electronic mail, or by sending documents by mail. Oral information is not binding within the framework of the negotiated procedure
- 1.10. The authorized representatives of the Contracting Authority who will provide information:
 - 1.10.1. regarding the technical requirements of the Procurement (Technical specification): Head of Geological Survey Kristaps Martinsons, mobile phone +371 28602449, e-mail: Kristaps.Martinsons@conexus.lv;
 - 1.10.2. regarding the procedure of the Procurement and the Procurement Regulations - Leading Procurement Specialist of the Procurement Division of the Legal Department Imants Vulāns, mobile phone (+371) 29358268, e-mail: Imants.Vulans@conexus.lv.
- 1.11. If the supplier has timely requested additional information on the requirements provided for in the Regulations, the Customer will answer within 5 (five) working days, but not later than 6 (six) calendar days prior to the deadline for application submission, and will post answers,

stating also the submitted questions, on the Contracting Authority's website (<http://www.conexus.lv/iepirkumi>).

- 1.12. The Tenderer shall carefully examine the Procurement Regulations and shall assume full responsibility for the Tender's compliance with the requirements of the Procurement Regulations and its Annexes.
- 1.13. Submission of the Tender implies clear and outright intention to participate in the Procurement and acceptance of terms and conditions of the Procurement Regulations, certifying understanding about the requirements included in the Procurement Regulations. The above-mentioned Tender is legally binding on the Tenderer who submitted it. Deficiencies or discrepancies of the Tender or misstatements in the Procurement Regulations discovered later do not give the Tenderer a reason to increase the price of the Tender or extend the term of performance of the Contract.
- 1.14. Each Tenderer may submit only one Tender. The Tender must be submitted for the entire amount of the procurement subject.
- 1.15. It is not allowed for the Tenderer to submit several variants of the Tender.
- 1.16. The Contracting Authority is not responsible for the incompletely prepared Tenders, if the Tenderer has not considered the amendments, changes, answers provided and clarifications on the Procurement Regulations, which have been posted on the Contracting Authority's website (<http://www.conexus.lv/iepirkumi>).
- 1.17. The Tenderer shall bear all costs associated with the preparation and submission of its Tender. Submission of the tender is an expression of the Tenderer's free will, thereof, the Contracting Authority will in no case be responsible or liable for those costs, regardless of the outcome of the tendering process.
- 1.18. Subcontracting is permitted providing that the whole contractual liability remains with the Tenderer. Intention by the Tenderer to sign subcontract about a certain part of the Tender shall be clearly stated in the Tender, as well as the documents confirming the Subcontractor(s) qualification, accordingly Clause 3 must be provided.

II. INFORMATION ON THE SUBJECT OF THE PROCUREMENT

- 2.1. The Subject of the Procurement is providing **Purchase of Incukalns underground gas storage production wells hydrodynamic testing using sand and water detectors** (hereinafter - the Works) in accordance with the Technical Specification (Annex No. 2), the Tender submitted by the Tenderer, terms of the Contract and the laws and regulations of the Republic of Latvia and the European Union.
- 2.2. Procurement subject nomenclature (further – CPV codes): Primary CPV code: 76472000-2 (Well site inspection and testing services).
- 2.3. Execution place of the contract: JSC “Conexus Baltic Grid”, Incukalns Underground Gas Storage, Krimulda parish, Sigulda district, LV-2144, Latvia.
- 2.4. Term of performance of the Contract: The Works shall be completed by December 20, 2023.
- 2.5. The Tender selection criterion is the most economically advantageous Tender, which is determined considering the criteria provided for in Paragraph. 6.5.
- 2.6. The Customer is not bound by the specified amounts, i.e., the Customer is not obliged to order and pay for the full amount of the specified goods / works / services.

III. TENDERER SELECTION REQUIREMENTS, DOCUMENTS TO BE SUBMITTED

3.1. Tenderer selection requirements:

3.1.1. The terms of exclusion and the documents to be submitted for their eligibility verification, the qualification requirements, and the documents to be submitted to certify their fulfilment:

NON-ELIGIBILITY OF EXCLUSION CONDITIONS			
No.	Exclusion condition, according to which the Tenderer shall be excluded from the participation in the Procurement	Documents proving non-eligibility of the exclusion conditions of a person registered or permanently residing in the Republic of Latvia	Documents proving non-eligibility of the exclusion conditions of a person registered or permanently residing in a foreign country
3.1.1.1.	It has been stated that the Tenderer has tax arrears (including state mandatory social security contribution arrears) in Latvia or the country, where it is registered or permanently resident, the total amount of which in any of the countries exceeds 150 euro, on the last day of the application and tender submission period or on the day of the decision awarding potential contract conclusion right.	Documents do not need to be submitted. The Contracting Authority will check non-eligibility of this exclusion condition considering the information posted in the information system stipulated by the Cabinet on the date of the last data update of the public tax debtors' database of the State Revenue Service and the Administration System of Immovable Property Tax.	A statement, explanation issued by the relevant foreign competent authority or extract / printout from the database of the relevant state institution or a public database.
3.1.1.2.	Insolvency proceedings have been declared for the tenderer, the economic activity of the tenderer has been suspended, or the tenderer is being liquidated.	Documents do not need to be submitted. The Contracting Authority will check non-eligibility of this exclusion condition in the Register of Enterprises.	A statement, explanation issued by the relevant foreign competent authority or extract / printout from the database of the relevant state institution or a public database.
3.1.1.3.	The Tenderer has provided false information to certify the conformity with the provisions referred to in this Section or the qualification requirements for the tenderers laid down in this Section or has failed to submit the requested information.	Documents do not need to be submitted. The Contracting Authority will check non-eligibility of this exclusion condition during evaluation of the Tender.	
3.1.1.4.	The Tenderer is subject to the restrictions set forth in Section 11 ¹ , Paragraph one of the Law on International Sanctions and National Sanctions of the Republic of Latvia.	1) Confirmation (included in the Letter of Application Form in Annex No. 1) that in relation to the Tenderer, a member of the Tenderer's Board or Council, the beneficial owner, the person entitled to represent or the procurator, or the person authorized to represent the Tenderer in activities	1) Confirmation (included in the Letter of Application Form in Annex No. 1) that in relation to the Tenderer, a member of the Tenderer's Board or Council, the beneficial owner, the person entitled to represent or the procurator, or the person authorized to represent the Tenderer in activities related

		<p>related to the branch, no international or national sanctions or significant sanctions of a member state of the European Union or a North Atlantic Treaty organization affecting the interests of the financial and capital market have been imposed.</p> <p>2) The Contracting Authority will check non-eligibility of this exclusion condition in the Register of Enterprises and on the websites:</p> <ul style="list-style-type: none"> - https://sankcijas.fid.gov.lv/ - https://www.sanctionsmap.eu/#/main - https://sanctionssearch.ofac.treas.gov/ 	<p>to the branch, no international or national sanctions or significant sanctions of a member state of the European Union or a North Atlantic Treaty organization affecting the interests of the financial and capital market have been imposed.</p> <p>2) A statement issued by the respective state institution or extract / printout from the respective state institution database containing information about the Tenderer, members of the Tenderer's board or council, the beneficial owner, the person entitled to represent or the procurator, or the person authorized to represent the Tenderer in activities related to the branch.</p> <p>3) The Customer will check non-eligibility of this exclusion condition on the websites:</p> <ul style="list-style-type: none"> - https://sankcijas.fid.gov.lv/ - https://www.sanctionsmap.eu/#/main - https://sanctionssearch.ofac.treas.gov/
3.1.1.5.	The conditions referred to in Clause 3.1.1.1. – 3.1.1.9 herein apply to a member of the association of suppliers (if the Tenderer is an association of suppliers) or a member of the partnership (if the Tenderer is a partnership).	See Clause 3.1.1.1. – 3.1.1.9 herein.	See Clause 3.1.1.1. – 3.1.1.9 herein.
3.1.1.6.	The conditions referred to in Clause 3.1.1.1. – 3.1.1.8 herein apply to Tenderer's subcontractor, if the value of the works to be performed or services provided by this subcontractor is at least 10 percent of the total value of the Contract.	See Clause 3.1.1.1. – 3.1.1.8 herein.	See Clause 3.1.1.1. – 3.1.1.8 herein.
3.1.1.7.	The Customer is entitled to request opinions / conclusions / recommendations from the state security authorities regarding the Tenderer, its	Documents do not need to be submitted.	The Customer has the right to request additional information, documents that may be required.

	specialists, members of the partnership (if the Tenderer is a partnership), members of the suppliers' association (if the Tenderer is a suppliers' association).		
QUALIFICATION REQUIREMENTS			
No.	Qualification requirement	Documents to be submitted by a person registered or permanently residing in the Republic of Latvia	Documents to be submitted by a person registered or permanently residing in a foreign country
3.1.1.8.	The Tenderer, a member of a partnership (if the Tenderer is a partnership), a member of the association of suppliers (if the Tenderer is an association of suppliers) and/or a person (subcontractor) specified by the Tenderer has been registered in the procedure provided for in laws and regulations is: a legal entity that is registered in the cases specified in regulatory enactments in a NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea), European Union or European Economic Area (hereinafter - EEA) member state and its real beneficiary is NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea), a citizen of the European Union or an EEA country or a natural person who is a citizen of NATO country, NATO Contact Country (Australia, Japan, New Zealand, Republic of Korea), the European Union or an EEA country.	Documents do not need to be submitted. The Public Service Provider will check this condition in public database of the Register of Enterprises.	Copy of registration certificate, a statement issued by the respective state institution or extract / printout from the respective state institution database.
3.1.1.9.	The Tenderer's official who has signed the Tender documents has signatory (representation) rights.	The Customer will check this condition in public database of the Register of Enterprises. A power of attorney issued to another person to sign the Tender and the Contract if other person has been appointed to sign the documents.	1) A statement issued by the respective state institution or extract / printout from the respective state institution database containing information on the Tenderer's officials with representation rights. 2) A power of attorney issued to another person to sign the Tender if other

		<p>Where the tender is submitted by an association of persons and the application is signed by an authorised person of all the members of the association of persons, the offer shall include a document signed by the signatory persons of all the members of the association of persons, specifying the authorised representative of the members of the association of persons and the extent of their powers.</p>	<p>person has been appointed to sign the documents.</p> <p>3) Where the tender is submitted by an association of persons and the application is signed by an authorised person of all the members of the association of persons, the offer shall include a document signed by the signatory persons of all the members of the association of persons, specifying the authorised representative of the members of the association of persons and the extent of their powers.</p>
<p>3.1.1.10.</p>	<p>The Tenderer over the last 3 (three) years (2019, 2020, 2021 or later to the date of submission of the Tender) has successful experience in providing similar works – at least 2 contracts, which are equal to the procurement subject, completed.</p> <p><i>If the Tenderer is an association of suppliers, the members of the association of suppliers shall meet all the requirements set out in this Clause either together or separately.</i></p>	<p>1) Information completed in accordance with Annex No. 4 “Tenderer’s statement of experience”, which contains all the information for last 3-year period, so that the Customer can clearly verify the Tenderer’s compliance with the requirements referred to in this Clause.</p> <p>2) For each contract/project certifying the experience shall be submitted:</p> <ul style="list-style-type: none"> a. positive client feedback or confirmation/declaration provided by the Tenderer, from which the Customer can clearly verify the Tenderer's compliance with the requirements referred to in this Clause, including but not limited to such information: <ul style="list-style-type: none"> - business name of the client and subject of the contract; - a brief description of the subject of the contract, including all the information needed to verify compliance with the qualification requirements; - contact details (name, position, telephone, email) of the client’s person in charge. b. other documents certifying the compliance of the objects concerned with the requirements of this Clause. <p>The Tenderer is entitled to certify the fulfilment of qualification requirements with any additional documents certifying the compliance of the objects concerned with the requirements of this Clause, inter alia, by submitting copies of transfer-acceptance certificates and / or client feedback.</p> <p>To verify the compliance of the experience concerned, the Customer has the right to request additional information</p> <p><i>* - Except if the Tenderer refers to the experience in the cooperation with AS "Conexus Baltic Grid", in that case the information referred to in subsection 2) is not needed.</i></p>	

3.1.1.11.	The Tenderer is not directly or indirectly related to PJSC "Gazprom" and its related companies (due to certification requirements).	Information inserted in Tender letter.
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- 3.1.2. In case the Tenderer is a merchant registered abroad, then the Tender must additionally indicate whether:
- 3.1.2.1. the Tenderer is *considered* / *not considered* as a related company with the Contracting Authority according of the Law "On Corporate Income Tax";
 - 3.1.2.2. The Tenderer *is* / *is not* registered in the country with which the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (hereinafter - the Tax Convention) has been concluded for the Republic of Latvia.
- 3.1.3. In case the winner of the Procurement is recognized:
- 3.1.3.1. in low-tax or tax-free countries or territories registered merchant or foreign operators, which is a related company with the Contracting Authority according of the Law "On Corporate Income Tax", before the Contract is concluded successful the 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);
 - 3.1.3.2. 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 Contract will include a Clause, that the subcontractor draws up the invoice for the subcontractor provided Services to the Contracting Authority.
- 3.1.4. Statements and other documents for the verification of the exclusion conditions, which in the cases provided for in the Procurement Regulations are issued by the competent institutions of the Republic of Latvia, will be accepted and recognized by the Contracting Authority on the condition that they **are issued not earlier than one month** before the date of submission; statements and other documents issued by foreign competent authorities will be accepted and recognized by the Contracting Authority on the condition that they **are issued not earlier than six months** before the date of submission, where the authority issuing the statement or document has not specified a shorter period of its validity.
- 3.1.5. In case, if requested statement from the relevant foreign competent authority (containing the information on the Tenderer's board and council members, beneficial owner (-s), person (-s) having the right of representation or proctor (-s), or a person (-s) who is authorised to represent the Tenderer in activities related to a branch or information that the beneficial owner cannot be identified) is not issued, these documents may be replaced by an oath or, if oath is not provided by the laws and regulations of the respective state, by a statement drawn up by the Tenderer itself or the subcontractor to a competent executive or judicial authority, a sworn notary or a competent authority of the respective sector in the country of registration of the Tenderer. The Contracting Authority may also individually obtain the information necessary for the verification of the Tenderer or subcontractor registered abroad provided for Section 11¹ Paragraph one of the Law on International Sanctions and National Sanctions of the Republic of Latvia.
- 3.1.6. The subcontractor specified by the Tenderer, the value of provided services of which is at least 10 percent from the total value of the supply contract, is subject to the terms and conditions referred to in Clauses 3.1.1.1. - 3.1.1.7. of the Regulations (if a subcontractor is involved).
- 3.1.7. The Public Service Provider may request the replacement of a subcontractor or a person on whose capabilities the Tenderer relies, if the exclusion criteria specified in Clause 3.1.1. of

the Regulations are applicable to the said persons. If the Tenderer does not submit documents regarding a new, compliant subcontractor or a person on whose capabilities the Tenderer relies within 10 working days after sending such a request, the Public Service Provider shall exclude the Tenderer from participation in the procurement procedure.

3.2. Documents to be submitted:

When submitting the Tender, the Tenderer must attach the following documents confirming its right to participate in the Procurement, as well as provide general information about the Tenderer:

3.2.1. Letter of application for participation in the Procurement, completed and executed in accordance with the model attached in Annex 1 to the Procurement Regulations.

3.2.2. Tenderer's selection documents, in accordance with the provisions of Clause 3.1. of the Procurement Regulations, and:

3.2.2.1. Contract or an agreement, a protocol regarding cooperation - if the Tender is submitted by a supplier association or a partnership;

3.2.2.2. In the case of sub-contracting:

3.2.2.2.1. In the event of engagement of subcontractors, the Tenderer shall indicate all such subcontractors and the parts of the Contract, types of work entrusted to them in percent (Annex 6 to the Procurement Regulations).

3.2.2.2.2. In addition to the proposal documents, the Tenderer shall also attach statements signed by the engaged subcontractors containing their agreement and commitment to fulfil their share of the Contract in accordance with the form in Annex 7.

3.2.3. Technical Tender:

3.2.3.1. The Technical tender shall be drawn up in accordance with the Technical Specification, using the Technical tender form (Annex No. 2).

3.2.3.2. The Tenderer must prepare and submit the Tender in such a way that it contains all the information necessary for the evaluation process in accordance with the provisions of the Terms of References.

3.2.3.3. The Tenderer is entitled to include in the technical Tender any other documents and information that the Tenderer deems necessary to indicate.

3.2.4. The Financial Tender:

3.2.4.1. The financial Tender shall be drawn up by the Tenderer and submitted in accordance with the form in Annex No. 3 to the Regulations.

3.2.4.2. The Tenderer shall include in the Tender all costs related to the performance of the Contract, including all fees, taxes (except for value added tax (VAT)) that the Tenderer may incur in connection with the timely and high-quality performance of the Contract. 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 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.

- 3.2.4.3. In the financial offer, prices / amounts must be indicated in EUR without VAT. The total amount of positions and the total amount of the contract must be calculated and indicated to the nearest 2 (two) decimal places.
- 3.2.4.4. The prices quoted by the Tenderer shall be fixed for the entire Contract execution term and they may not be subject to any subsequent recalculations, except as provided for in the Regulations and/or Contract.
- 3.2.4.5. Items (rows) and their number may be added to the financial offer form, but the already indicated / defined columns may not be deleted.
- 3.2.4.6. The Customer may request the Tenderer to submit a more detailed mechanism for the formation of the price / total amount of the Contract.

IV. SUBCONTRACTORS, STAFF, ENGAGEMENT AND REPLACEMENT OF SUBCONTRACTORS AND STAFF MEMBERS

- 4.1. The subcontractors, staff members shall be engaged by the Tenderer in the performance of the Contract in accordance with the distribution of the parts of the Contract or roles specified in the Tender.
- 4.2. The Tenderer who is awarded the Contract shall not be entitled without the consent of the Contracting Authority to replace the specified staff or subcontractors or engage additional subcontractors for the performance of the Contract. The Contracting Authority may request the staff's and subcontractors' views on the reasons for their replacement.
- 4.3. Replacement of the personnel and subcontractors indicated in the tender is allowed only in accordance with the procedures and in the cases specified in the Regulations and the Contract. The Contracting Authority will not agree to the replacement of the personnel indicated in the Tender in the cases provided for in the Contract and the Regulations, as well as in cases when the proposed personnel do not meet the requirements set for the personnel in the Procurement Regulations or do not have at least the same qualifications and experience as the personnel evaluated when determining the most economically advantageous tender.
- 4.4. Within the framework of the performance of the Contract, the replacement of the subcontractor specified in the Tender (involvement of another subcontractor) shall not be permitted if any of the following conditions exists:
 - 4.4.1. the proposed subcontractor does not comply with the requirements set for subcontractors specified in the Regulations;
 - 4.4.2. the proposed subcontractor, the value of the works or services to be provided is at least ten percent of the total value of the Contract, complies with the conditions for exclusion of tenderers referred to in subparagraph 3.1.1.2 - 3.1.1.8. of the Regulations;
 - 4.4.3. because of the change / involvement of the subcontractor, such amendments would be made to the Tenderer's Tender, which, if initially included in it, would affect the selection of the Tender in accordance with the Tender evaluation criteria specified in the Regulations.
- 4.5. The Customer will agree to the replacement of the subcontractor indicated in the Tender, if the new subcontractor is not subject to the provisions of Article 4.4. in the following cases:
 - 4.5.1. The subcontractor indicated in the tender has notified in writing of the refusal to participate in the performance of the Contract;
 - 4.5.2. The subcontractor indicated in the tender complies with the conditions for exclusion of tenderers referred to in subparagraphs 3.1.1.1 (if applicable) and 3.1.1.2. - 3.1.1.8. of the Regulations.
- 4.6. The Contracting Authority will decide to agree to or refuse replacement of staff or subcontractors of the Tenderer who has been awarded the Contract or engagement of new

subcontractors in the performance of the procurement contract as soon as possible, but no later than within 5 (five) working days after all the information and documents required for making the decision are received.

- 4.7. The Tenderer selected in the Procurement is responsible for ensuring that the rules on the replacement of personnel or subcontractors involved in the performance of the Contract or the involvement of new subcontractors in the performance of the Contract are also observed by the subcontractors involved.
- 4.8. If the Contracting Authority in the course of performance of the Contract finds that the successful Tenderer (its subcontractor) has violated the conditions of the Procurement Regulations and/or Contract regarding replacement of the engaged staff or subcontractors or engagement of new subcontractors in the performance of the Contract, the Contracting Authority is entitled to apply a contractual penalty for each such case in accordance with the procedure set out in the Contract (if such penalties is specified).

V. TENDER

5.1. Preparation and execution of the Tender

- 5.1.1. The Tenderer prepares and submits the Tender in electronic format (.doc, .docx, .xls, .xlsx, .odf, .pdf - with accessible text search, copying and printing functionality), in compliance with regulations on the preparation of electronic documents, including signed with a secure electronic a signature containing a timestamp.
- 5.1.2. The Tenderer can use additional encryption to protect the Tender data so that the information included in the Tender is not available until the tenders are opened. The Tenderer must submit a valid electronic key and password for opening the encrypted document no earlier than 15 minutes before and no later than 5 minutes after the end of the deadline for submission of Tenders.
- 5.1.3. The Customer is not responsible for the premature opening of a Tender that has not been completed in accordance with the above requirements. The Customer has the right, but not the obligation, to reject such a Tender.
- 5.1.4. The letter of application, Technical and Financial Tender shall be completed electronically, in a separate electronic document that is readable with Microsoft Office.
- 5.1.5. **The Tender shall be signed by the representative of the Tenderer with representation rights or its authorised person. If the application is signed by an authorized person, it shall be accompanied by a power of attorney with the right of representation, clearly indicating in the mandate the scope of rights and obligations assigned to the authorized person (scanned original document in PDF format). If the Tenderer is an association of suppliers and the company's agreement does not provide for representation rights, the application shall be signed by each person included in the association of suppliers, representative with representation rights.**
- 5.1.6. Other documents may be submitted by the Tenderer (at its own discretion) in electronic form, by signing them with a secure electronic signature.
- 5.1.7. Copies, if the Tenderer has submitted a copy of a document, must be certified. If a copy of a document is not certified the Contracting Authority, if he has doubts about the authenticity of the submitted document, may request that the Tenderer present the original document or submit a certified copy.
- 5.1.8. The Tender must be prepared in Latvian or English. Documents submitted in other languages must be accompanied by a translation into Latvian or English, translation must be certified. The Tenderer is responsible for the compliance of the translation of the documents with the original.

- 5.1.9. The Tender documents must be clearly legible, without corrections, to avoid any doubt or misunderstanding as to the words and figures and without insertions, erasures or mathematical errors. In the event of any inconsistency between the numerical value designations in words and numbers, the word designation shall prevail.
- 5.1.10. If, in the opinion of the Tenderer, any information included or any of the components of the Tender is considered to be a commercial secret, the Tenderer shall indicate it in the Tender. Information, which is generally available in accordance with regulatory enactments, including information included in the Procurement Regulations, may not be recognized as a commercial secret.
- 5.1.11. The Tenderer may modify or withdraw his Tender prior to the deadline for the submission of Tenders. Withdrawal is of an unconditional nature, and it excludes the Tenderer from further participation in the Procurement.

5.2. Place, time, and procedure for submission of tenders

- 5.2.1. The Tenderer must submit the Tender and the documents attached to it **by 4th of November 2022, at 14.00 (Latvian time)**, by sending it to the following e-mails: Imants.Vulans@conexus.lv and jepirkumi@conexus.lv.
- 5.2.2. The name and identification number of the procurement and the tag "Tender" must be indicated in the subject of the shipment (Subject). The name, registration number and legal address of the Tenderer must be specified in the shipment.
- 5.2.3. The Tenderer must submit a valid electronic key and password for opening the encrypted document no earlier than 15 minutes before and no later than 5 minutes after the end of the deadline for submission of Tenders.
- 5.2.4. The risk of non-delivery or non-delivery of the Tender on time is assumed by the Tenderer.

5.3. Opening of Tenders

- 5.3.1. Tender documents, including tender corrections, additions and/or withdrawals, are opened by the Procurement Commission after the deadline for submission of tenders specified in the Regulations.
- 5.3.2. The Commission will open the Tenders in a closed meeting.
- 5.3.3. Tenderers' representatives do not participate in further evaluation process of the Tenders. The Public Service Provider will evaluate the initial and further tenders in closed meetings.

5.4. Tender Validity

- 5.4.1. The Tender shall be valid for the shortest of the following time limits:
- 5.4.1.1. three months after the closing date for the submission of tenders (Regulations 5.2.1.);
- 5.4.1.2. if the Commission grants the Tenderer the right to conclude the Contract - until the day when the Contract is concluded.
- 5.4.2. The Customer may request the Tenderer to extend the validity period of the Tender for a certain period. The Tenderer, who has been requested to extend the validity of the Tender, is not allowed to change its Tender, the price, or the content of the Tender.

5.5. Negotiations with Tenderers

- 5.5.1. If necessary, negotiations may be held with each Tenderer separately after the Tender examination or during the Tender examination, if:
- a) The Commission needs clarifications of the Tenders;

- b) it is necessary to discuss/agree on possible changes in the Procurement subject, technical specification, essential conditions of the contract, for example: terms of performance, scope of the Procurement subject, technical regulations and requirements, etc.;
 - c) Tender improvements are required.
- 5.5.2. The Commission may negotiate with each Tenderer on the initial and all subsequent Tenders, except for the final Tenders.
- 5.5.3. The negotiations can take place in person, online (using MS Teams platform) or in writing. If the Customer deems it necessary, then face-to-face, online conversations may be recorded and / or an audio-visual recording may be made (at the Customer's option).
- 5.5.4. As a result of the negotiations, the Tenderer (s) may be given the opportunity to specify / improve their Tender.
- 5.5.5. The corrected Tender may not contain the corrections which are not directly asked. The disregard of this condition is the reason for the rejection of the Tender.
- 5.5.6. The Commission shall inform in writing all Tenderers whose Tenders have not been excluded in accordance with the selection requirements of any changes in the technical specifications or other documents of the procurement procedure. The Procurement Commission shall ensure that the Tenderers have sufficient time to change and resubmit the amended / improved Tenders.
- 5.5.7. The Commission may decide not to negotiate and award the contract based on the initial Tenders.
- 5.5.8. The Customer is entitled to reject the Tenderer if the Tenderer during the procedure will modify the tender without a Customer's invitation.
- 5.5.9. The compliance of the technical and financial tenders will be assessed, considering, inter alia:
- a) explanations, clarifications, amendments, improvements to tenders;
 - b) changes made to the technical specification and/or other procurement documents during the negotiated procedure.

VI. EXAMINATION OF TENDERS, DETERMINATION OF THE MOST ECONOMICALLY ADVANTAGEOUS TENDER AND MAKING A DECISION

6.1. Examination of the drawing up and validity period of the submitted Tenders and Tender security

- 6.1.1. The Committee will inspect the arrangement of the Tenders and Tender security submitted by the Tenderers and their validity term. In the event of drawbacks found in the arrangement of the Tender, the Committee will assess their relevance and impact on the evaluation process and decide on further consideration of the Tender. The Committee is entitled to reject a Tender if it finds that:
- 6.1.1.1. The Tender is not signed;
 - 6.1.1.2. The Tender has such arrangement non-compliances that have a significant effect on the assessment of the Tender;
 - 6.1.1.3. Not all documents referred to in Section 3 have been submitted;
 - 6.1.1.4. The validity period of the Tender is shorter than specified in the Regulations 5.4.;
 - 6.1.1.5. The Tenderer has submitted several variants of the Tender in breach of Regulation 1.15.

6.2. Verification of Tenderer selection requirements

- 6.2.1. The Committee will assess the compliance of the Tenderer's with Clause 3.1 herein.
- 6.2.2. The Tenderer will be excluded from the participation in the Procurement, if it complies with any of the exclusion conditions referred to in Clause 3.1 herein.
- 6.2.3. The Committee will perform the examination of the exclusion conditions only for the Tenderer who, in accordance with the Procurement Regulations, should be awarded the contract.
- 6.2.4. The Tenderer's Tender can be rejected if the Tenderer does not comply with any of the qualification requirements provided for in Clause 3.1 herein.

6.3. Evaluation of the Technical Tenders

- 6.3.1. The Committee will assess the compliance of the Tenderer's technical Tender with the requirements set out in Sub-clause 3.2.3. of the Terms of Reference and the Technical Specification.
- 6.3.2. The Tenderer's Tender can be rejected if the Committee finds that the documents of the technical Tender have not been submitted or such documents or their content do not comply with the requirements of the Terms of Reference and/or the Technical Specification.
- 6.3.3. The commission is entitled to negotiate on the technical tender in accordance with Clause 5.4. specified in paragraph.

6.4. Evaluation of the Financial Tenders

- 6.4.1. The Tenderer's Tender can be rejected if the Committee finds that the documents of the Financial Tender have not been submitted or such documents or their content do not comply with the requirements of the Procurement Regulations.
- 6.4.2. The Committee will check for arithmetic errors in the Tenderers' Tenders. If any arithmetic errors are found, the Committee will correct them. In case of error correction, the Committee will notify the Tenderer whose errors have been corrected, also informing the Tenderer about the corrected amount.
- 6.4.3. The reasonably corrected Tender price is considered binding for the Tenderer. If the Tenderer does not agree with the correction of errors reasonably made by the Commission, its Tender can be rejected.
- 6.4.4. If an arithmetical error in the calculation of taxes has been founded in the financial Tender, the Committee shall correct it in accordance with the tax calculation procedure specified in regulatory enactments.
- 6.4.5. The Committee will correct arithmetical errors as follows:
 - 6.4.5.1. 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;
 - 6.4.5.2. if the total price will differ from the sum of cost items, the total price will be corrected.
- 6.4.6. In case of any inconsistency between the numerical value designations in words and numbers, the word designation shall prevail, except where the numerical estimate is calculable and correct and there is an obvious print error in the word designation.
- 6.4.7. In assessment of the financial Tender with arithmetical errors, the Committee will consider the corrections.
- 6.4.8. An unreasonably cheap Tender:
 - 6.4.8.1. The Committee will check if the Tenderer has not quoted an unreasonably low price. If the Committee finds a Tender to be unreasonably cheap, it will request the Tenderer in writing to explain in detail the relevant conditions for the implementation of the Tender.
 - 6.4.8.2. The Committee, in consultation with the Tenderer will evaluate the explanations provided. The Committee has the right to require that the Tenderer provides a printout from the State Revenue Service's electronic declaration system on the average hourly rates of occupational groups of the Tenderer and the subcontractors specified in its Tender, if the State Revenue Service collects such data.
 - 6.4.8.3. The Committee would reject a Tender as unreasonably cheap, if the explanations provided do not justify the Tenderer's proposed low price or costs, or where the price or costs do not include costs related to the compliance with the requirements of the environmental, social and labour law and occupational safety laws and regulations and collective agreements.
- 6.4.9. The commission is entitled to negotiate on the financial tender in accordance with 5.4. specified in paragraph.

6.5. Determination of the most economically advantageous Tender

6.5.1. The Tender selection criterion is the most economically advantageous Tender, which is determined considering the criteria provided for in this Paragraph.

6.5.2. The maximum score of the assessment of the Tender is **100 points**. The total score of the Tender (S) will be calculated according to the following formula: $S = A + B + C$. The Tender with the largest score according to the following criteria will be chosen as the most economically advantageous Tender.

Evaluation criterion	Evaluation methodology	Maximum points
FINANCIAL CRITERION		
<p>A - Tenderer's total offered price for the Works (EUR without VAT of Republic of Latvia)</p>	<p>The Tender with the lowest total offered price in EUR excluding VAT will be granted a maximum of 80 points.</p> <p>The points to be awarded to other Tenders shall be calculated according to the following formula:</p> $A = \frac{A_{lowest}}{A_{current}} \times 80,$ <p>where:</p> <p><i>A_{lowest}</i> – lowest offered total price (EUR excluding VAT); <i>A_{current}</i> - the total offered price of the current Tenderer (EUR excluding VAT).</p>	80
TECHNICAL CRITERION		
<p>B – Tenderer's experience (Companies)</p>	<p>Tenderer's experience in cooperation with companies which are operating in any of the national liberalised gas markets within the European Union as foreseen in Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (hereinafter – Open gas market).</p> <p>Tenderer's experience in cooperation with companies in Open gas market in European Union is evaluated by awarding the scores:</p> <p>5 points - Tenderer has considerable (over 3 years) experience (list of examples); 3 points - Tenderer has a medium (1-3 years) experience (list of examples); 1 point - Tenderer has a minimal (till 1 year) experience (list of examples).</p>	10
<p>C – Tenderer's personnel experience</p>	<p>Tenderer's personnel, responsible for the performance of contract, experience of similar Works.</p> <p>Tenderer's personnel experience in cooperation with companies in Open gas market in European Union is evaluated by awarding the scores:</p> <p>5 points - Tenderer personnel have considerable (over 3 years) experience (list of examples); 3 points - Tenderer personnel have a medium (1-3 years) experience (list of examples); 1 point - Tenderer personnel have a minimal (till 1 years) experience (list of examples).</p>	10

- 6.5.3. The score obtained at each stage of the assessment will be rounded up to two decimal places (for example, if the score is “5.765”, the points awarded to the Tenderer will be rounded to “5.77”).
- 6.5.4. If several Tenders have acquired the same highest score, the Committee will select the Tender that has won the highest score for the A criterion.
- 6.5.5. If only one Tender complies with the requirements of the Procurement Regulations, the Committee shall not calculate the most economically advantageous tender and shall recognize this Tender as the most economically advantageous.
- 6.5.6. The Committee awards the Contract to the Tenderer whose Tender is considered to comply with all the requirements of the Procurement Regulations and is the most economically advantageous.

6.6. Decision

- 6.6.1. After the assessment of the Tenders, the Committee will pass one of the following decisions:
 - 6.6.1.1. To award the contract to the Tenderer who has submitted the most economically advantageous Tender compliant with the requirements of the Procurement Regulations, and with which the Contract will be concluded in accordance with the draft Contract and the Tenderer's Tender submitted;
 - 6.6.1.2. To terminate the Procurement, if:
 - 6.6.1.2.1. No Tenders have been submitted;
 - 6.6.1.2.2. Tenderers do not comply with the selection requirements;
 - 6.6.1.2.3. Tenders non-compliant with the Procurement Regulations have been submitted;
 - 6.6.1.2.4. Tenders are recognised as unreasonably cheap.
 - 6.6.1.3. To interrupt the Procurement, if:
 - 6.6.1.3.1. Only one Tenderer has submitted a Tender and the Committee finds that the qualification requirements are not objective and proportionate. If the qualification requirements set out in the Procurement Regulations are objective and proportionate, the Committee shall decide whether the only Tender is appropriate to the needs of the Contracting Authority and economically advantageous, and whether it is possible to enter into a Contract with the sole Tenderer;
 - 6.6.1.3.2. The next Tenderer who has offered the most economically advantageous Tender, is to be regarded as one market participant together with the initially selected Tenderer who has been awarded the procurement contract;
 - 6.6.1.3.3. There is an objective justification.
- 6.6.2. In case of termination or interruption of the Procurement, the Contracting Authority does not assume any obligations towards the Tenderers.
- 6.6.3. The decision taken by the Commission is approved in accordance with the procedures specified in the internal documents regulating the activity of the Customer.

VII. NOTIFICATION OF THE DECISION, CONTRACT NEGOTIATIONS AND SIGNING OF CONTRACT

- 7.1. The Committee will inform the Tenderers of the results of the Procurement by e-mail.
- 7.2. The customer will invite the Tenderer, who will be recognized as the winner of the procurement, to the negotiations of the contract. In case of unsuccessful contract negotiations, the Customer has the right to invite to contract negotiations the Tenderer who has submitted the next most economically advantageous offer.
- 7.3. The Tender submitted by the winner of the Procurement is the basis for concluding the Contract.
- 7.4. When concluding the Contract with the winner of the Procurement (hereinafter referred to as the Contractor), it will necessarily include the following provisions:

- 7.4.1. The Contractor is obliged to carry out the Works in compliance with the laws and regulations of the Republic of Latvia and in accordance with the existing working regimes of the Customer's transmission gas pipelines.
- 7.4.2. For non-observance of the deadlines for execution and handover of the Works specified in the Contract, the Customer is entitled to apply to the Contractor a contractual penalty in the amount of 0.2% of the total amount of the Works in the relevant year (excluding VAT) for each calendar day of delay. Payment of the contractual penalty does not release the Contractor from the performance of the contractual obligations. The customer will be entitled to deduct the sums payable from the contractor for the high-quality works performed and accepted by the customer..
- 7.4.3. The contractor is obliged to assign the responsible manager of the works, who will ensure the execution of the works, their management and supervision, as well as communication with the customer.
- 7.4.4. The settlement for the execution of the Works provided for in this Agreement is made within 30 (thirty) days after the date of receipt of the Work acceptance - transfer act signed by the parties and the corresponding payment request (invoice).
- 7.4.5. The Contractor is responsible for any damage to the Customer or third parties caused by the execution of the Works or as a result of poor execution of the Work.
- 7.4.6. Before starting the execution of the Works, the Contractor shall conclude a civil liability insurance contract at his own expense (insurance against harm to the Customer, as well as to the life or health of third parties and damage caused to the Customer's property, as well as to the property of third parties) in accordance with the regulatory enactments of the relevant field for an amount that is not less than the amount of the Agreement, the original of which and a document certifying the payment of the insurance premium and the validity and applicability of the policies to the subject of the agreement shall be submitted by the Contractor to the Customer.
- 7.4.7. The Customer has the right to unilaterally terminate the Agreement by notifying the Contractor in writing at least 10 (ten) working days in advance, in following cases:
 - 7.4.7.1. the contractor delays the execution and handover of the Works specified in the Agreement by more than 10 (ten) working days;
 - 7.4.7.2. The Contractor performs the Works contrary to the provisions of the Agreement, or otherwise violates the provisions of the Agreement, for which the Contractor was warned, but did not remedy the violation in accordance with the Customer's instructions within the deadline set by the Customer;
 - 7.4.7.3. The Contractor has been declared insolvent, its economic activity has been suspended or the Contractor is being liquidated;
 - 7.4.7.4. It is impossible to execute the Agreement due to the fact that during the execution of the Agreement, international or national sanctions or sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organization affecting significant financial and capital market interests have been applied;
 - 7.4.7.5. The Contractor has been found guilty of a violation of competition law by a decision of a competent institution or a court judgment that has entered into force and has become indisputable and non-appealable, which is manifested as a horizontal cartel agreement, except for the case when the relevant institution, having established a violation of competition law, for cooperation

in the leniency program has exempted the Executor from the fine or reduced the fine;

- 7.4.7.6. The customer has the right to unilaterally terminate the contract before the deadline without explaining the reasons, by notifying the Contractor in writing one month in advance. In this case, the Customer is obliged to pay the Executor for the actually performed works based on the act of acceptance – handover;
- 7.5. Disputes and disagreements that arise during the execution of the Agreement shall be resolved by the Parties through mutual negotiations. If the Parties cannot agree, then any dispute, disagreement or claim related to the Agreement, its termination, amendment or validity shall be resolved in the court of the Republic of Latvia, in accordance with the current laws and regulations of the Republic of Latvia; The Tenderer who has been awarded the Contract shall sign the Contract within 20 working days counting from the date of dispatch of the invitation. If the successful Tenderer does not sign the Contract within the specified term, it shall be considered as a refusal to conclude the Contract.
- 7.6. If the Tenderer who has been awarded the Contract does not sign the Contract with the Customer within the specified term, the Customer is entitled to decide to award the Contract to the next tenderer who has offered the most economically advantageous tender or to terminate the Procurement without selecting any Tender. If a decision is made to award the right to conclude the Contract to the next tenderer who has offered the most economically advantageous Tender, but he refuses to conclude the Contract, the Contracting Authority shall decide to terminate the Procurement without selecting any Tender.
- 7.7. If the Tender is submitted by only one Tenderer, who has also been recognized as the winner of the Procurement and is a recognized low-tax or tax-free countries or territories registered merchant or foreign operators, which is a related company with the Contracting 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).
- 7.8. If a Tenderer (a merchant or foreign operator) has been recognized as the winner of the Procurement, 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.
- 7.9. If a merchant or foreign operators recognized as the winner of the Procurement 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 Contract will include a Clause, that the subcontractor draws up the invoice for the subcontractor dispatched Goods to the Contracting Authority.
- 7.10. If the Tender is submitted by an association of suppliers that is not registered at the Commercial Register or an equivalent foreign register, in case it is awarded the Contract it shall before signing the Contract at its own choice either register a partnership at the Commercial Register of the Register of Enterprises or an equivalent foreign register or to conclude a partnership agreement agreeing on the scope of responsibility of the members of the association of suppliers, as well as on the fact that the members of the association of suppliers are jointly and severally liable towards the Contracting Authority (hereinafter - the partnership agreement).
- 7.11. If the association of suppliers that has submitted the Tender and has been awarded the Contract chooses to establish a general partnership, it shall within 20 calendar days following the day of the adoption of the decision on awarding the Contract submit to the Contracting Authority references issued by the Commercial Register of the Register of Enterprises or a certified copy issued by the respective foreign institution or another document certifying the Tenderer’s legal

capacity and capability, as well as a document certifying the VAT payer's status of the Tenderer.

- 7.12. If the association of suppliers that has submitted the Tender and has been awarded the Contract chooses to enter into a partnership agreement, it shall within 20 (twenty) calendar days following the day of the adoption of the decision on awarding the Contract agree on the distribution of responsibility of the members of the association of suppliers, in line with the distribution of responsibility specified in the Tender, as well as on joint and several liability towards the Contracting Authority, and submit to the Contracting Authority a certified copy of the partnership agreement, and if necessary, the power of attorney of the representative of the partnership.
- 7.13. If the documents referred to in Clause 7.10. or 7.11. herein are not submitted to the Contracting Authority by the deadline specified therein, it will be considered that the Tenderer (the association of suppliers) has refused to sign the Contract, and The Customer is entitled, while retaining the tender security, to decide on the award of the Contract to the next Tenderer who has offered the most economically advantageous Tender.
- 7.14. In a separate case, the Customer may extend terms specified in Article 7.10. or 7.11. if the Tenderer can prove that has performed all the activities dependent on it for registration in the Commercial Register of the Register of Enterprises, did not allow any delay, or it has not been possible to fulfill the obligations set out in paragraph 7.10. or 7.11. within the time limit for reasons beyond Tenderers control.
- 7.15. After the award of the contract, but not later than at the time of the commencement of the contract, the Tenderer shall submit a list of subcontractors (if such is intended to be involved) indicating the name, contact details of the sub-contractor and the person who has been the subject of the contract, in so far as that information is known. The list shall also indicate sub-contractors.

VIII. RIGHTS AND OBLIGATIONS OF THE PROCUREMENT COMMITTEE, RIGHTS AND OBLIGATIONS OF THE TENDERER

8.1. Rights of the Committee:

- 8.1.1. to make a written request to the Tenderer to specify the Tender / submitted information and to provide detailed explanations;
- 8.1.2. to invite the Tenderer to an explanatory meeting (online; in person - if possible) to clarify / explain the details of the Tender;
- 8.1.3. to carry out qualification requirement verification and Tender evaluation only for the Tenderer, who should be awarded the procurement contract;
- 8.1.4. to reject the Tenderer's Tender if the Tenderer has provided false or misleading information in its Tender, including for the assessment of its qualification, or has not provided the requested information at all;
- 8.1.5. to reject the Tenderer's Tender if the Tenderer has not provided answers / explanations to the Committee's requests or has not participated in the explanatory meeting in accordance with Clause 8.1.1. and 8.1.2.;
- 8.1.6. To accept or decline any Tender, to discontinue the Tender procedure and to decline all the Tenders at any time prior to awarding of the procurement contract if it has a valid reason for that and it does not contradict laws and regulations of the Republic of Latvia, without reimbursing any costs related to the preparation of the Tender and participation in the Tender incurred by the Tenderers;
- 8.1.7. To invite experts to work in the Procurement Committee in advisory capacity;

- 8.1.8. To carry out qualification requirement verification only for the Tenderer, who should be awarded the Contract;
- 8.1.9. To carry out other activities in accordance with the laws and regulations and the Procurement Regulations.
- 8.2. Obligations of the Committee:
- 8.2.1. To consider Tenders submitted by the deadline for the submission of Tenders provided for herein;
- 8.2.2. To pass a decision on the Tender procedure or results.
- 8.3. The Tenderer is eligible to make a timely written request to the Committee for additional information regarding the Procurement Regulations.
- 8.4. The Tenderer has an obligation by the deadline as specified by the Committee to provide in writing answers and explanations regarding the Tender to the questions asked by the Committee.

IX. CONFIDENTIALITY

- 9.1. No communication between the Tenderers on the one hand and the Contracting Authority or the Committee on the other hand shall take place during the Tender assessment period, except in cases provided for in the Procurement Regulations.
- 9.2. During the time period from submission of the Tenders until the moment of opening thereof the Contracting Authority will not provide information on the existence of other Tenders. During the period of assessment of the Tenders until the announcement of the results, the Contracting Authority will not provide information on the assessment procedure.
- 9.3. The Contracting Authority shall not be responsible if the person submitting the Tender has not informed the data subjects of the processing of their data, has not received their consent or has not met any other data protection requirements concerning the data of the data subjects included in the Tender.

X. ANNEXES

The following annexes are attached to the Procurement Regulations forming integral parts thereof:

- Annex 1 – Letter of Application (Form);
- Annex 2 – Technical specification/Technical Tender (Form);
- Annex 3 – Financial Tender (Form);
- Annex 4 – Tenderer's statement of experience (Form);
- Annex 5 – List of specialists, statement of personnel experience (Form);
- Annex 6 – Information on subcontractors (Form);
- Annex 7 – Statement of the subcontractor (Form);

Chairman of the Procurement Committee

I. Vulāns

Riga, October 28, 2022

Application Letter for participation in the Open Negotiated Procedure

“Purchase of Incukalns underground gas storage production wells hydrodynamic testing using sand and water detectors”
(ID No. PRO-2022/213)

In accordance with the Procurement Regulations, we, the undersigned, hereby confirm our agreement to the provisions of the Procurement Regulations. We, the undersigned, certify that if our Tender is recognized as the most economically advantageous and a contract is concluded with us, we undertake to provide _____ in accordance with the Technical Specification, the Tender and the Procurement Regulations and the prices indicated in the financial Tender.

1. Information on the Tenderer:

- 1.1. Tenderer’s name: _____
- 1.2. Registered with No. _____
- 1.3. Tax payer’s registration No.: _____
- 1.4. Legal address: _____
- 1.5. Office address: _____
- 1.6. Contact person: _____
(given name, surname, position)
- 1.7. Telephone No.: _____
- 1.8. E-mail address: _____

2. If the Tenderer is an association of suppliers or a partnership of suppliers:

- 2.1. The person representing the association of suppliers or the partnership of suppliers in the Procurement:

- 2.2. The scope of responsibility of each member of the association of suppliers or partnership of suppliers:

3. Information about the participants/members/shareholders of the Tenderer's company, their list (only for Tenderers registered in a foreign country):

Participants/members/shareholders			The number of shares owned by the participant or proportion as a percentage
Name, Surname/ Company name	Personal code, other ID information / registration number	Country (resident)	
...			

4. Information on the true beneficiaries of the Tenderer's company, their list (only for Tenderers registered in a foreign country):

True beneficiaries		
Name, Surname	Personal code, date of birth, other ID information	Country (resident)
...		

5. We hereby certify that the documents attached hereto represent this Tender.

6. Information and documents included in our Tender are complete and true.

7. We have examined all documents of the Procurement Regulations, their clarifications, amendments and modifications and we fully understand the requirements and conditions of the Procurement and agree to them.
8. We have read all the documents of the Regulations of the Negotiated Procedure. We fully understand the conditions and requirements of the Negotiations.
9. We have the necessary professional, technical and organisational capabilities, personnel, financial resources, equipment and other physical infrastructure and resources necessary for execution of the potential contract.
10. We hereby confirm that our Tender is valid for 3 (three) months following the end of the Tender submission period.
11. We hereby certify that we are not interested in any other Tender submitted under this procurement procedure.
12. We confirm that this Tender was drawn up and submitted independently of competitors* and without any consultations, contracts or agreements or any other communication with competitors*.
13. We confirm that <Tenderer's name> had no communication with competitors* as to the prices, price calculation methods, factors (circumstances) or formulas, as well as competitors'* intention or decision to participate or not to participate in the procurement or submission of Tenders, which do not meet the requirements of the procurement or as to the quality, volume, specification, performance, delivery or other terms to be handled independently of competitors*, the products or services relating to this procurement.
14. We confirm that <Tenderer's name> has not disclosed and will not disclose intentionally, directly, or indirectly conditions of the Tender to any competitor* before the official Tender opening date and time, or before awarding the right to enter into the contract.
15. We shall not perform any fraudulent and corrupt activities in the procurement process, we shall observe the requirements of the laws and regulations governing competition, we shall not participate in transactions restricting competition, nor allow the situations of conflict of interest in cooperation.
16. We certify that the data of the data subjects included in our Tender comply with the requirements of the laws and regulations regulating personal data protection.
17. We certify that we have informed the data subjects included in our Tender about the data processing in accordance with Article 13 of the General Data Protection Regulation.
18. We certify that we have received the consent to data processing of the data subjects included in our Tender / we have processed the data on another legally valid basis.
19. We certify that, at the request of the Contracting Authority, we can demonstrate compliance with the data protection requirements concerning the processing of data of the data subjects included in our Tender.
20. We point out that page _____ of the Tender contains information that is to be considered as confidential/commercial secret in accordance with the Commercial Law.
21. We certify that if <Tenderer's name> employs European Union citizens and / or third-country nationals, it will comply with the laws and regulations governing the sector and the principles and obligations contained therein with a high level of responsibility.
22. We as a company have not been declared insolvent, our business operations have not been suspended or terminated and we are not undergoing liquidation
23. In the last day of the Tender submission deadline hawse as a Tenderer have no tax debts, including mandatory state social insurance contribution debts, in Latvia or the country of our registration or permanent residence, exceeding EUR 150 in total in each country;

24. We confirm 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 this Procurement have been imposed against us as the Tenderer, or member of our board or council, beneficial owner, a person having the right of representation or proctor, or a person who is authorized to represent the Tenderer in activities related to a branch, or member of a partnership, or member of the board or council, its beneficial owner, a person having the right of representation or proctor, if the Tenderer is a partnership.
25. We understand that the Public Service Provider will examine the information in available public databases on the absence of debts on the date of submission of the Tender and on the day when the decision on the possible award of the procurement contract is made and the debts established in such examination will cause the rejection of the Tender.
26. We don't have any advantages restricting competition in the procurement procedure and we or a legal person related to us has not been involved in preparation of the procurement procedure.
27. We have carefully examined the scope of procurement and the Technical Specification, and our Tender price contains all costs associated with the performance of the Contract, including the costs of materials and transport and the taxes and duties payable in accordance with the requirements of the Procurement Regulations.
28. We certify that we are familiar with 29.11.2021. procurement policy no. INA-POL-024 of joint stock company "Conexus Baltic Grid" and the ethical principles of suppliers contained therein (<https://www.conexus.lv/basic-principles-suppliers-ethics>).
29. Information on whether the Tenderer is/is not considered a company related to the joint stock company "Conexus Baltic Grid" in the sense of the Law "On Corporate Income Tax" (if necessary):_____.
30. Information on whether the Tenderer is/is not registered in the country with which the Republic of Latvia has concluded the Convention on the prevention of double taxation and tax evasion (if necessary):_____.
31. We certify that we have / do not have (the Tenderer underlines the relevant) a valid certificate issued in accordance with the standard ISO 45001: 2018 "Occupational health and safety management systems. Requirements with guidance for use. instructions for use" or equivalent.
32. We certify that we have / do not have (the Tenderer underlines the relevant) a valid certificate of compliance with environmental management standards or environmental management systems that comply with European or international environmental management system standards and have been approved by bodies accredited in accordance with regulatory enactments.
33. 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.

I hereby assume full liability for the content of the documentation submitted for the Procurement, information contained herein, arrangement of documents and compliance with the Procurement Regulations and Technical Specification of the Procurement. The data and information submitted are true and fair.

The proposal document package consists of _____ (_____) pages.

Signature: _____

Given name, surname: _____

Position: _____

The Tender has been drawn up and signed on ____ _____ 2022.

** Competitor - any natural or legal person who is not the Tenderer, and who submits a tender proposal for this procurement or who, taking into account his or her qualifications, abilities or experience, as well as goods or services offered, may submit a tender proposal.*

TECHNICAL SPECIFICATION / TECHNICAL TENDER FORM

Purchase of Incukalns underground gas storage production wells hydrodynamic testing using sand and water detectors

CUSTOMER REQUIREMENTS	TENDERER'S OFFER
<p>1. Short description of the object</p> <p>The Incukalns Underground Gas Storage Facility (Incukalns UGS) is located 40 km north-east of Riga, Latvia. The gas storage facility is a Cambrian aquifer reservoir, represented by medium- to weakly cemented, medium-fine-grained quartz sandstones with siltstone interlayers, with an average thickness of 60 m. The reservoir lies at a depth of 700-800 m and has good reservoir properties (permeability up to 4 Darcy, porosity up to 32%). The reservoir formation contains sodium chloride water with salinity of 106 g/l, reservoir temperature ~22°C.</p> <p>Reservoir pressure during storage operation varies from 35 bar (min) in March (after gas withdrawal) to 105 bar (max) in October (after injection), hydrostatic pressure 70 bar. The period of minimum reservoir pressures (below hydrostatic pressure) from February to June.</p> <p>There are 93 production wells at the Incukalns UGS. The flow rates of the wells vary from 630 to 200 thousand m³/day. Most of the production wells are equipped with packers. The average accepted depression on the reservoir is 3 bar. Reservoir particles (sand) were detected in ~30% of the wells. Water factor about 200 grams per 1000 m³.</p> <p>2. Target of the work</p> <p>The purpose of gas dynamic tests is to obtain actual values of filtration resistance (coefficients <i>a</i> and <i>b</i>) of Incukalns UGS wells, to determine maximum productivity of wells at depressions on reservoir, not causing</p>	

solid particles of rocks and formation fluid based on data obtained from sand and fluid detectors.

3. Main types and composition of work to be carried out by the CONTRACTOR

3.1. Well tests are carried out into the gas pipeline without venting the gas in the atmosphere. The use of a borehole pressure gauge during the survey is not accepted. The well is controlled from the Incukalns UGS control room during the test.

3.2. Well operation time with observed sand in gas flow should not exceed 15 minutes.

3.3. The CONTRACTOR provides a detailed description of the methodology and a standard programme for gas-dynamic test of production wells at the Incukalns UGS using sand and liquid sensors.

3.4. The test methodology should include a description of the equipment, mathematical and software tools used. The test methodology shall be agreed with the Technological Supervisor and the Incukalns UGS Geological Service. In case of comments, the CONTRACTOR shall make appropriate corrections to the survey methodology.

3.5. The test programme shall be agreed with the Geological Service, Gas Field Service, and the management of the Incukalns UGS.

3.6. CUSTOMER prepares the necessary work permits and prepares the boreholes for the surveys and testing.

3.7. Gas dynamic tests of Incukalns UGS production wells are carried out into the pipeline during the initial gas withdrawal period (at maximum reservoir pressures) using sand and fluid sensors. The works are carried out jointly with the Incukalns UGS Geological Service.

3.8. Interpretation of the results of the gas dynamic tests of the production wells of the Incukalns UGS shall be carried out by the CONTRACTOR on site. The CONTRACTOR delivers the preliminary conclusion on the test results to the CUSTOMER within 24 hours.

<p>4. Expected results and reporting form</p> <p>4.1. As a result of the work carried out, corresponding information on each well should be obtained and reported:</p> <ul style="list-style-type: none">4.1.1. the parameters that determine the well's performance are filtration resistance coefficients <i>a</i>, <i>b</i> and <i>skin</i> factor.4.1.2. the value of the depression (bar) at which the reservoir fluid and/or sand is observed at gas flow out.4.1.3. based on the above parameters, what is the maximum safe flow rate (without sanding) the well can operate at reservoir pressures in the range from 100 to 30 bara (in 10 bar increments). <p>4.2. The final report should contain a methodology and analysis of the results of all the wells tested, recommendations for establishing maximum allowable rates (flow rate and reservoir depression) and recommendations for technological monitoring of liquid and solid impurities content control in the Incukalns UGS well production.</p> <p>4.3. The contractor shall submit a final report to the client in one paper copy and electronically in *.doc and *.pdf format with an electronic signature.</p> <p>4.4. The final report shall be submitted to the representative of the technological supervision for reviewing. The observations of the technological supervision and the Geological Survey shall be corrected by the CONTRACTOR within a period of ten days.</p> <p>5. Scope of work and time frame</p> <p>5.1. Gas dynamic tests will be carried out in all the production wells which are participating in the withdrawal process in the current year (the amount may change from 50 – 60 wells). The Works shall be carried out until the end of year 2023.</p>	
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5.2. The scope of work may be reduced or increased depending on the production capacity of Incukalns UGS at the time of the work, at the same price per well.

5.3. Tests are carried out during the initial period of gas withdrawal period (at maximum reservoir pressures), in accordance with the work programme, but no later than December 20 of the current year.

5.4. The date of performance of the obligations under the Contract shall be the date of approval by the CUSTOMER of the final certificate of acceptance of the completed work, subject to the condition that all obligations under the Contract have been complied with.

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____

FINANCIAL TENDER (FORM)

<Tenderer's name> bids to perform within the Procurement “___”, ID no. ___, the works and services referred to in the technical specifications for the following costs:

I. TOTAL OFFERED PRICE FOR THE WORKS – Criterion “A”

No.	Works / description	Unit of measurement	Price per unit/well EUR excl. VAT	Number of units	Total price EUR excl. VAT
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6=4x5</i>
1.	Purchase of Incukalns underground gas storage production wells hydrodynamic testing using sand and water detectors				
1.1.	Well sanding and gasdynamic testing works at the site (Incukalns UGS) using ultrasonic detectors	Well		60	
1.2.	Interpretation of the results of the gas dynamic tests of the production wells of the Incukalns UGS according to the Technical specifications Clause 4.1. and its subclauses.	Well		60	
1.3.	Final reporting and preparation of the Works methodology according to the Clauses 4 subclause 4.2.-4.4.	Well		60	
Criterion “A”					TOTAL, EUR (excl. VAT)

Notes:

1) The Customer is not bound for the specified amounts/quantities, i.e., the Customer is not obliged to order and pay for the specified amount/quantity of Services. The Customer applies for the provision of the Services, considering actual circumstances and necessity.

2) During the evaluation of tenders, the Customer is entitled not to include specific items/positions in the total price (at its own discretion), observing the principle of equal treatment.

TOTAL OFFERED PRICE for the Works _____ with words _____ in EUR (excluding VAT).

The financial Tender covers all the costs required for the fulfilment of the procurement contract.

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____

Annex No. 4: Tenderer's statement of experience (Form)
ID No. PRO-2022/213

TENDERER'S STATEMENT OF EXPERIENCE (FORM)

No.	Name of the contract (reference number in the case of public procurement)*	Customer* (name)	Contract period (insert the beginning and ending: month/year)*	Scope and description of the subject matter of the contract (description of the supplied goods, work and used technologies, contract amount)*	Customer's contact person (name, position, telephone number, e-mail) *, **
1.		...			
...					
...					
...					

* - all fields are mandatory;

** - the Committee has the right to contact the designated contact person for feedback or additional information.

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____

**Annex No. 5: List of specialists, statement of personnel experience
ID No. PRO-2022/213**

LIST OF SPECIALISTS, STATEMENT OF PERSONNEL EXPERIENCE (FORM)

No	Specialist's name, surname	Position in which the specialist has been offered	Project experience: - name of the project/contract; - Contractual partner (name); - type of works, subject of project/contract; - position/role of the specialist in the performance of the contract/project; - description of works performed, used technologies.	Period of work, month/ year	Person for Contractual Partner: name, position, telephone number, e-mail (For references*)
1.					
...					

* - the Procurement Committee has the right to contact the designated contact person for feedback or additional information.

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____

Annex No. 6: Information on subcontractors (Form)
ID No. PRO-2022/213

INFORMATION ON SUBCONTRACTORS (FORM)

No.	Subcontractor <i>/Name/ Given name, surname / registration number/ personal identity number</i>	Description of the works to be entrusted to the subcontractor in accordance with the list of works specified in the Technical Specification	Value of the works to be entrusted to the Subcontractor, in % of the total value of the procurement contract
1.			
2.			
...			

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____

**STATEMENT OF THE SUBCONTRACTOR OR
THE PERSON ON WHOSE POTENTIAL THE TENDERER RELIES (FORM)**

Hereby [*the name, registration number and legal address of the subcontractor, person*] certifies that in case that the Tenderer [name, reg. no., legal address] is recognized as the winner of the Procurement “ _____ ”, ID Nr. _____, our company as a subcontractor /person, on whose potential the Tenderer relies, undertakes the following:

1. To perform the following works / provide services in accordance with the Technical Specification:

_____;

2. To hand over at the disposal of the Tenderer the following resources for performing the procurement contract:

_____.

We hereby certify that the data and information submitted are true and fair.

Signature: _____

Given name, surname: _____

Position: _____

Date: _____