**CONDITIONS**

**FOR HOLDING A TENDER FOR THE SUPPLY OF NATURAL GAS**

**FOR THE NEEDS OF BULGARGAZ EAD**

**FOR THE PERIOD NOVEMBER 2022 - DECEMBER 2023.**

1. **Subject of the procedure:** supply of natural gas for the needs of Bulgargaz EAD for the period November 2022 - December 2023.
2. **Quantity of supply:** not less than 3 000 000 MWh for the entire supply period of 14 months.
3. **Terms of delivery:** VTP, DAP.
4. **Delivery Point**: Virtual Trading Point (VTP) on the Bulgarian National Gas Transmission Network (NNGTN) or an entry point on the Bulgarian NNGTN.
5. **Requirements for participants:**
6. Sources of natural gas supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
7. Ownership of the company - ownership (BO – Beneficiary Owner) must be clear, reputable and free of ties to countries subject to sanctions, embargoes or any trade restrictions;
8. Credibility with banks and reputation - the supplier company must be acceptable to banks and credible for financing the agreed supplies;
9. Have experience in supplying natural gas - aggregate quantity supplied of at least the equivalent of 3 000 000 MWh in the 12 months prior to the tender.

**Stage I Submission of initial binding offers**

1. **Deadline for submission of tenders: 22:00 hours** Sofia time **on 04 October 2022.**

Candidates should submit an electronically signed *bid form - Annex No. 2* to these Terms and Conditions, together with its annexes, by e-mail to the following address[:](mailto:tenders@bulgargaz.bg) tenders@bulgargaz.bg, in an archived format with a password by 22:00 hours, Sofia time, on 04October 2022.

The password should be sent by a separate email to the same email address no earlier than 9:00 am and no later than 11:00 am. 05 October 2022.

1. **Mandatory bid contents requirements**:
2. **Attached is a completed questionnaire of Bulgargaz EAD for getting to know a potential partner company** (if the applicant has not concluded any contracts for natural gas supply with Bulgargaz EAD in the last 6 months), according to the template - *Annex 1* to these conditions;
3. **Quantity:**

* the quantity tendered shall not be less than 3 000 000 MWh, allocated over the entire tendered delivery period of 14 months;
* minimum/maximum deviation of the delivered quantity from the requested quantity - not more than +/- 5%;

1. **Flexibility of delivery:**

* time limit for requesting a delivery schedule - not more than 30 days before the relevant period;
* acceptance of the fixed daily amount - not less than +/-10 %.

1. **Natural gas quality:** according to the minimum requirements of the gas transmission operator Bulgartransgaz EAD;
2. **Terms of delivery:** VTP; DAP;
3. **Delivery Point**: Virtual Trading Point (VTP) on the Bulgarian National Gas Transmission Network (NNGTN) or an entry point on the Bulgarian NNGTN;
4. **Price:** bid price should reference TTFfm\* with a proposed discount in Euros per MWh of not less than 40 Euros.

*\*TTFfm = the TTF Front Month index value published in Argus European Natural Gas - Daily Natural Gas Market Prices, in the column headed "Price", for the TTF (Title Transfer Facility) for the last business day of the month preceding the month of delivery. The TTF fm is the arithmetic average between the 'Buy' and 'Sell' values for each day of the month for which the month is the following month.*

1. **Method and terms of payment upon conclusion of a contract:**

* the amount of the advance payment as a percentage of the price - not more than 50%;
* a period for payment of the price after a monthly delivery protocol, specified in days - not less than 10 days.

1. **Power of Attorney** - to be attached if the bid is signed by a proxy;

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

* in the questionnaire of which there is insufficient information or the information indicates that it does not meet the requirements for participation in the procedure.
  + submitted a bid and/or password after the deadline set out in Section VI of these Terms and Conditions;
  + has submitted a tender the content of which does not comply with the above mandatory requirements.

**Stage II Evaluation and ranking of initial binding offers**

The bids received will be opened by the committee appointed by order of the Executive Director of Bulgargaz EAD at 12:00, Bulgarian time, on 05 October 2022.

By 17:00. Bulgarian time, on 05 October 2022, Bulgargaz EAD will inform the participants not admitted to Stage III of the tender procedure by individual letter via e-mail to the e-mail addresses indicated by them.

The tenders will be evaluated and ranked by the Commission according to the *Methodology for Determining the Complex Evaluation of Tenders* - *Annex 3* to these Terms and Conditions.

By 17:00 hours Bulgarian time, on 05 October 2022, the first 5 (five) ranked bidders will be invited to negotiate a *draft Natural Gas Supply Contract* - *Annex No. 4* attached to this documentation, by individual letters to their e-mail addresses. The negotiations will take place in the period 06 October 2022 - 07 October 2022.

**Stage III Submission of final bids**

After the conclusion of the negotiations, bidders may submit final offers in which they may propose parameters different from those proposed in the initial binding offer or confirm the parameters initially proposed. If no final offer is submitted, the initial binding offer submitted will be considered final.

The Bidders shall submit an electronically signed final *Bid in the format - Attachment No. 2* to these Terms and Conditions, by e-mail to: tenders@bulgargaz.bg, in a password-protected archived format, by 10:00 p.m., Bulgarian time on 10 October 2022.

The password should be sent by a separate e-mail to the same e-mail address no earlier than 9:00 a.m. and no later than 11:00 a.m., Bulgarian time, on 11 October 2022.

**Stage IV Evaluation and final ranking of bids**

The final bids of the participants will be opened by the committee appointed by the order of the Executive Director of Bulgargaz EAD at 12:00, Bulgarian time, on 11 October 2022.

A tenderer who submits a tender whose content does not comply with the above mandatory requirements or a password that does not open the submitted tender will not be admitted to evaluation and ranking.

If a tenderer's bid and/or password is submitted after the deadline, the original binding tender submitted by the tenderer shall be taken into account in the evaluation and ranking of tenders.

By 17:00 hours, Bulgarian time, on 11 October 2022 Bulgargaz EAD will inform the participants not admitted to evaluation and ranking by individual e-mail to the e-mail addresses they have indicated.

The final bids will be evaluated and ranked by the Committee according to the *Methodology for Determining the Complex Evaluation of Tenders* - *Annex 3* to these Terms and Conditions.

By 17:00 hours Bulgarian time, on 11 October 2022 Bulgargaz EAD will notify by e-mail, to the e-mail addresses they have specified, the qualified participants with whom they will conclude contracts, after receiving approval from the national regulatory authority - the Energy and Water Regulatory Commission (EWRC)\*.

Prior to the conclusion of a supply contract, the selected supplier shall provide Bulgargaz EAD with evidence that it has reserved capacity to deliver to the delivery point specified in its final offer.

\* *In accordance with Art. 21, par. 23 of the Energy Act and Art. 1, item 2, sentence 3 of Regulation No. 3 of 21 March 2013 on licensing of activities in the energy sector, issued by the Chairman of the State Energy and Water Regulatory Commission (promulgated in State Gazette* [*No. 33*](about:blank) *of 5 April 2013, as amended and supplemented in State Gazette No. 25 of 29 March 2022). ), the long-term contracts for the purchase of energy, as well as their amendments, shall be subject to approval by the EWRC within 30 days prior to their conclusion by the energy undertakings licensed under the Energy Act. This statutory power is essential as it ensures security of supply. The final version of the Master Purchase Agreement is submitted to the regulatory authority for approval prior to signature.*