**CONDITIONS**

**FOR HOLDING A TENDER FOR THE SUPPLY OF LIQUEFIED NATURAL GAS (LNG)**

**FOR THE NEEDS OF BULGARGAZ EAD FOR THE PERIOD 2024-2034**

1. **SUBJECT OF THE TENDER:** supply of liquefied natural gas (LNG) for the needs of Bulgargaz EAD for the period 2024-2034.
2. **TERMS OF DELIVERY:**
3. **Annual quantity required:** 10,600,000 MWh/y. ≈ 36 168 705 MMBtu/y.

*Note: Bulgargaz will allocate the quantity to more than one supplier at its own discretion if the company deems this appropriate for the purpose of diversifying price risk.*

1. **Delivery Profile:**
* **Total quantity for the summer months** (May-September) - 2, 500,000 MWh for TTF index-based deliveries or ≈8,530,355 in MMBtu for Henry Hub index-based deliveries;
* **Total quantity for the winter months** (October - April) - 8, 100,000 MWh for TTF index-based deliveries or ≈27,638,350 in MMBtu for Henry Hub index-based deliveries;
1. **Flexibility in terms of the requested size of cargo**:
* **Minimum Cargo Size** - 500,000 MWh for TTF index-based supply or ≈ 1,706,070 MMBtu for Henry Hub index-based supply;
* **Maximum Cargo Size** - 1,500,000 MWh for TTF index-based supply or ≈ 5,118,213 MMBtu for Henry Hub index-based supply;
* **Minimum/maximum deviation of the delivered quantity from the requested quantity** - to be announced, but not more than +/- 5%;
* **Deadline for Delivery Schedule Request** - to be announced but no more than 60 days prior to the relevant period;
* **Proportion of the fixed annual quantity that may be taken in the following year(s) - to be** announced, but not less than **10%.**
1. **LNG quality:** in full compliance with DESFA's and Alexandroupolis INGS's entry general gas specifications;
2. **Delivery period**: 1 January 2024\* - 1 January 2034.

\* *Note*: *no later than the date of commercial operation of INGS Alexandroupolis.*

1. **Delivery Point (unloading)**;
2. **Delivery Terms** - DES (Delivery Ex-Ship).
3. **Demurrage** - the demurrage rate on a daily and pro rata basis is the rate published under the heading Atlantic "Shipping Rate" in Platts LNG Daily on the relevant scheduled delivery date. If the Platts Rate is not published on the applicable Scheduled Delivery Date, then the Demurrage Rate shall be the last published Platts Atlantic Rate immediately prior to the applicable Scheduled Delivery Date.
4. **REQUIREMENTS FOR PARTICIPANTS:**
5. Sources of LNG supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
6. Ownership of the company - ownership (BO – Beneficial Owner) must be clear, reputable and free of ties to countries subject to sanctions, embargoes or any trade restrictions;
7. Credibility with banks and reputation - the supplier company must be acceptable to banks and credible for financing the agreed supplies;
8. Have experience in LNG supply: total LNG deliveries of at least the equivalent of 5,000,000 MWh ≈17,060,708 MMBtu in each of the last three (3) years.
9. - Not be in liquidation or bankruptcy proceedings and not be declared bankrupt under the national law of registration;
10. **STAGES OF THE PROCEDURE**

**Stage I Online Event**

**Register for an online event on 20 October 2022**

Interested parties wishing to participate in the event should send the following information to the following email address: tenders@bulgargaz.bg by 14 October 2022:

1. Name of the person who will participate;
2. Name of the company they represent;
3. Position they hold in the company they represent;
4. Email address to which the conference call invitation will be sent.
5. Contact phone number.

**Online event and presentation**

An online event will be hosted by Bulgargaz EAD via Microsoft Teams on 20 October 2022where a summary of the company's needs will be presented to all stakeholders who have registered to participate.

**Stage II Pre-selection of candidates**

By 22:00, Central European Time (CET), on 27 October 2022, all interested persons who wish to participate in the present tender procedure shall submit to Bulgargaz EAD by e-mail to the following address: tenders@bulgargaz.bg ***a letter of intent***, indicating their interest in further participation in the procedure and ***attaching*** *a**completed* *Bulgargaz EAD Questionnaire for getting to know a potential partner company, in accordance with the template* - *Annex 1* to these Terms and Conditions;

A committee, appointed by order of the Executive Director of Bulgargaz EAD, will verify the compliance of the applicants with the requirements for participation in the procedure, based on the submitted documents and will notify the applicants admitted to the next stage of the tender procedure by 16:00, Central European Time (CET) on 03 November 2022 by e-mail to the e-mail addresses they have provided.

**No applicant will be admitted to Phase III of the tender procedure:**

* who submitted a letter of intent after the deadline;
* who has not submitted a completed survey to Bulgargaz EAD to get to know a potential partner company according to the template - *Annex 1*;
* in the questionnaire of which there is insufficient information or the information indicates that he does not meet the requirements for participation in the procedure.

Bulgargaz EAD will inform the candidates not admitted to participate in Stage III of the tender procedure by an individual motivated letter by e-mail to the e-mail addresses indicated by them by 16:00 CET on 03 November 2022.

**Stage III Presentation to candidates**

For the period from 04 November 2022 to 15 November 2022 Bulgargaz EAD will make a presentation via Microsoft Teams to the candidates who have successfully passed the pre-selection stage on the mandatory parameters of the supply - subject of this tender procedure, as well as any additional information required by the candidates for the preparation of the bids.

In the same period, Bulgargaz EAD will publish a draft Framework Agreement for the Purchase and Sale of LNG on the company's website <https://www.bulgargaz.bg>., and will set a deadline for the participants to render recommendations and proposal thereto.

**Stage IV Submission of initial binding bids**

**1. Deadline for submission: 22:00**, Central European Time (CET), **on 29 November2022.**

Candidates admitted to participate in Phase II of the Tender Procedure shall submit *an electronically signed tender form - Annex 2* to these Conditions, together with the annexes thereto, by e-mail to the following address: tenders@bulgargaz.bg, in password-protected format by 22:00, Central European Time (CET), on 29 November 2022.

The password must be sent by a separate e-mail to the same e-mail address no earlier than 9:00 a.m. and no later than 11:00 a.m., CET, to 30 November 2022.

**2. Mandatory content requirements**:

* 1. **Quantity:**
* the quantity tendered shall not be less than 5,100,000 MWh/y or ≈ 17,401,922 MMBtu/y;
* minimum/maximum deviation of the delivered quantity from the requested quantity not more than +/- 5%;
* share of the fixed annual quantity that may be taken in the following year(s) - not less than 10 %.
	1. **LNG quality:** in full compliance with the entry generalnatural gas specifications of DESFA and INGS Alexandroupoli;
	2. **Terms of delivery:** DES Delivery Ex-Ship;
	3. **Price:**
* Bid price should reference TTF front month with discount in EUR per MWh or Henry Hub (HH), and include all shipping costs to Alexandroupolis INGS, excluding storage and regasification.
* - a price for the winter months (October-April) and a price for the summer months (May-September).
	1. **Deadline for requesting a delivery schedule** - not more than 60 days prior to the respective period.
	2. **Method and terms of payment upon conclusion of a contract;** advance payment cannot be more than 50%, advance payment term: not earlier than 15 days before the delivery date, number of days for payment after the last day of delivery - not earlier than 10 days.
	3. **Additional costs that may** be incurred by Bulgargaz EAD on delivery. Assumed Boiloff - not to exceed 0.15% per day, others);
	4. **Delivery Period** – the proposed delivery period should be 3, 5 or 10 years.
	5. **Declaration of absence of circumstances, in the form -** *Annex № 3 to these conditions;*
	6. **Power of Attorney** - to be attached if the bid is signed by a proxy;

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

* submitted a bid and/or password after the deadline;
* submitting a bid whose content does not comply with the above-mentioned mandatory requirements or a password that does not open the tender submitted;

**Stage V Evaluation and ranking of the initial binding bids**

The bids received will be opened by the committee appointed by order of the Executive Director of Bulgargaz EAD at 12:00 CET on 30 November 2022.

The tenders will be evaluated and ranked by the Commission according to the *Methodology for determining the complex evaluation of the bids referring to the TTF index* - *Annex 4 and the Methodology for determining the complex evaluation of the bids referring to the HH index - Annex 5* to these Conditions.

By 4:00 p.m., Central European Time (CET) on 07 December 2022 Bulgargaz EAD will inform the candidates not admitted to participate in Stage VII of the tender procedure with an individual motivated letter by e-mail to the e-mail addresses they have indicated.

Within the same period Bulgargaz EAD will inform by e-mail, at the e-mail addresses indicated by them, the qualified participants who are admitted to participate in the next stage of the procedure.

**Stage VI Negotiations with the successful tenderers**

The successful tenderers will be invited to negotiate the draft Framework Agreement, which will take place between 08 December 2022 and 22 December 2022.

Upon completion of the negotiations, Bulgargaz EAD will prepare a reconciliation table indicating which of the recommendations, proposals and addenda the company has accepted and which it has not, as well as the reasons for this decision.

The Framework Sale Purchase Agreement will be made available in final form to all qualified bidders by 10 January 2023.

**Stage VII Submission of final offers**

Qualified Bidders may submit their final bids by 22:00 CET on 24 January 2023. In their final bid, tenderers may propose parameters different from those proposed in the initial binding bid or confirm the parameters initially proposed. If no final bid is submitted, the initial binding tender submitted will be considered final.

Tenderers shall submit an *electronically signed final bid in the format attached as Annex 2* to these Conditions, together with its annexes, by e-mail to the following address: tenders@bulgargaz.bg, in password-protected archived format by 22:00 CET on 24 January 2023.

The password must be sent by a separate e-mail to the same e-mail address no earlier than 9:00 a.m. and no later than 11:00 a.m. CET on 25 January 2023.

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

The final bids of the tenderers will be opened by the committee appointed by order of the Executive Director of Bulgargaz EAD at 12:00 CET on 25 January 2023.

**No bidder will be admitted to evaluation and ranking:**

- submitting a bid and/or password after the deadline;

- submitted a bid whose content does not comply with the above-mentioned mandatory requirements or a password that does not open the tender submitted.

The final bids will be evaluated and ranked by the committee according to the Methodology for determining the complex evaluation of the bids referring to the TTF index - Annex No 4 and the Methodology for determining the complex evaluation of the tenders referring to the HH index - Annex No 5 to these conditions.

By 17:00, Central European Time (CET), on 02 February 2022 Bulgargaz EAD will notify by e-mail, at the e-mail addresses they have indicated, the qualified participants with whom it will conclude contracts, up to the amount of the quantity announced for delivery for the period 2024-2034**, after the approval by the National Regulatory Authority - Energy and Water regulatory Commission .**

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

In accordance with Article 21, par. 23 of the Energy Act and Art. 92 par. 1, item 2, proposal 3 of Regulation No 3 of 21.03.2013 on licensing of activities in the energy sector, issued by the Chairman of the State Energy and Water Regulatory Commission (SG No 33 of 5.04.2013, as subsequently amended and supplemented), No 25 of 29.03.2022), long-term contracts for the purchase of energy, as well as amendments thereto, shall be subject to approval by the EWRC within 30 days prior to their conclusion by 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.