**CONDITIONS**

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

**FOR THE NEEDS OF BULGARGAZ EAD FOR 2023**

1. **Subject of the procedure:** supply of liquefied natural gas (LNG) for the needs of Bulgargaz EAD for 2023.
2. **Delivery quantity:** 54 594 266 MMBtu (16 000 000 MWh)
3. **Terms of delivery:** DES LNG terminal, Revithoussa Greece and/or LNG terminal in Turkey.
4. **Delivery Point** (unloading) Bulgargaz EAD will publish on the company's website https://www.bulgargaz.bg by **07 November 2022** official information to potential participants on the location and amount of the regasification slots provided by the company within the required quantities. Bulgargaz EAD reserves the right to reduce the quantities under point II taking into account the amount of slots provided.
5. **Requirements for participants:**
6. Sources of LNG supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
7. 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;
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 LNG supply:

- number of LNG cargoes delivered - at least 2 (two) cargoes for the previous year;

- aggregate LNG deliveries of at least the equivalent of 1 500 000 MWh in the preceding year.

**Stage I Pre-selection of candidates**

By 22:00. Sofia time on **09 November 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](mailto:tenders@bulgargaz.bg) ***a letter of intent indicating*** their interest in further participation in the procedure and ***attaching***:

* Completed survey of Bulgargas EAD to get to know a potential partner company, according to the template - *Annex 1* to these Terms and Conditions;
* Draft Framework Agreement.

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 tender procedure on the basis of the submitted documents and will notify the applicants admitted to participate in Stage II of the tender procedure by 16:00, Sofia time on **11 November 2022** by e-mail to the e-mail addresses they have provided.

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

* who submitted a letter of intent after the deadline;
* who has not submitted all the required documents;
* 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.

By 16:00, Sofia time on **11 November 2022** Bulgargaz EAD will inform the candidates not admitted to participate in Stage II of the tender procedure with an individual motivated letter by e-mail to the e-mail addresses they have indicated.

**Stage II Submission of tenders**

1. **Deadline for submission of tenders: 22:00** Sofia time **on 17** **November** **2022.**

Candidates admitted to participate in Stage II of the Tender Procedure shall submit an electronically signed *tender 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, Sofia time on **17 November 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 a.m., Sofia time on **18 November 2022**.

1. **Mandatory content requirements**:
2. **Quantity:** thequantity tendered shall not be less than 1,706,070 MMBtu (500 000 MWh);
3. **LNG quality: a** technical specification of the quality characteristics of the natural gas offered for supply shall be applied;
4. **Terms of delivery:** DES LNG terminal;
5. **Price:** bid price should reference TTF front month with discount in EUR per MWh or Henry Hub (HH) indicated.

*TTFfm = the value of the TTF Front Month Index 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 mean between the 'Buy' and 'Sell' values for each day of the month for which the corresponding month is the following month.*

*"HH" is the final settlement price (in U.S. dollars per MMBtu) of the Henry Hub natural gas futures contract on the New York Mercantile Exchange for the calendar month in which the scheduled delivery date falls.*

1. **Method and terms of payment upon conclusion of a contract;**
2. **Additional costs that may** arise for Bulgargaz EAD upon delivery (Boiloff, Port costs, Demurrage fees or others);
3. **Power of attorney** - to be attached if the tender is signed by an attorney;

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

* submitted a bid and/or password beyond 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;
* submitted a specification of the quality characteristics of the natural gas supplied which did not meet the minimum requirements for the supply of LNG to the relevant LNG terminal.

**Stage III Evaluation and ranking of tenders**

The bids received will be opened by the committee appointed by order of the Executive Director of Bulgargaz EAD at 12:00 Sofia time on **18 November 2022**.

The bids will be evaluated and ranked by the Commission according to the *Methodology for Determining the Comprehensive Evaluation of Bids referenced to the TTF index* - *Annex 3 and Methodology for Determining the Comprehensive Evaluation* *of the bids referenced to HH – Annex 4* to these Terms and Conditions.

The final ranking shall be made by applying the complex evaluation formula of the offers, specified in the evaluation methodology CE=K1+K2.

To this end, the calculated prices for 2023 shall be compared by using published futures indexes by months as at the date of the ranking, respectively for TTF, published in Argus European Natural Gas, and for HH, published at - https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.settlements.html.

Price formulas as offered by the participants shall be applied for the purposes of the price of the period calculation. To determine the evaluation under indicator K1, the average price for 2023 shall be used.

By 17:00 Sofia time on **30 November 2022**, Bulgargaz EAD will notify by e-mail, to the e-mail addresses indicated by them, the qualified bidders with whom will conclude contracts up to the amount of the announced quantity for delivery in 2023.

Bulgargaz EAD reserves the right to suggest changes in the drafts of framework agreements submitted by the participants.