**TERMS AND CONDITIONS**

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

**FOR THE NEEDS OF BULGARGAZ FOR 2023**

1. **Subject of the procedure:** supply of Liquefied Natural Gas (LNG) for the needs of Bulgargaz EAD for 2023.
2. **Supply Quantity:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Month** | **MWh** | **MMBtu** | **Slots secured by Bulgargaz** | **Slots secured by the Supplier** |
| January 2023 | 2,000,000 | 6,824,285 |  | yes |
| February 2023 | 1,500,000 | 5,118,214 |  | yes |
| March 2023 | 1,500,000 | 5,118,214 |  | yes |
| April 2023 | 1,500,000 | 5,118,214 | Revithoussa, Greece 15 April 2023- 500 000 MWh 26 April 2023 - 1 000 000 MWh |  |
| May 2023 | 500,000 | 1,706,071 |  | yes |
| June 2023 | 1,500,000 | 5,118,214 |  | yes |
| July 2023 | 1,000,000 | 3,412,142 |  | yes |
| August 2023 | 1,000,000 | 3,412,142 |  | yes |
| September 2023 | 1,000,000 | 3,412,142 |  | yes |
| October 2023 | 1,000,000 | 3,412,142 | Revithoussa, Greece 11 October 2023- 1 000 000 MWh  |  |
| November 2023 | 1,000,000 | 3,412,142 |  | yes |
| December 2023 | 1,500,000 | 5,118,214 |  | yes |
|  | 15,000,000 | 51,182,136 |  |  |

1. **Terms of delivery:** DES, LNG Terminal.
2. **Delivery Point (unloading)**:
* **Slots secured by Bulgargaz:** Revithoussa LNG Terminal, Greece;
* **Slots secured by the Supplier:** Revithoussa LNG Terminal, Greece; LNG Terminals, Italy; Krk LNG Terminal, Croatia.
1. **Requirements for participants:**
2. Sources of LNG supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
3. 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;
4. Credibility with banks and reputation - the supplier company must be acceptable to banks and credible for financing the agreed supplies;
5. Having had experience in the 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 1 000 000 MWh in the preceding year.

**Stage I Pre-selection of candidates**

By 10:00 p.m. Sofia time, on **16 November 2022,** all interested candidates, 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 for further participation in the procedure and ***attaching***:

* Completed questionnaire of Bulgargaz 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 an 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 participating in Stage II of the tender procedure by e-mail to the e-mail addresses they have provided by 4:00 p.m., Sofia time, on **18 November 2022.**

 No applicant will be admitted to Stage 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 it does not meet the requirements for participation in the procedure;

By 4:00 p.m., Sofia time, on **18 November 2022** Bulgargaz EAD will inform the candidates not admitted participating in Stage II of the tender procedure with an individually motivated e-mail, to the e-mail addresses indicated by them.

**Stage II Submission of Bids**

1. **Deadline for submission of bids: 10:00 p.m.**, Sofia time, on **24 November 2022.**

Candidates admitted to participate in Stage II of the Tender Procedure shall submit an electronically signed *bid in the form - Annex No. 2* to these Conditions, together with the annexes thereto, by e-mail to the following address: tenders@bulgargaz.bg, in an archived format with a password by 10:00 p.m., Sofia time, on **24 November 2022**.

The password should be sent by a separate email to the same email address no earlier than 9:00 a.m. and no later than 11:00 a.m., Sofia time, on **25 November 2022.**

1. **Mandatory content requirements**:
2. **Quantity:** thequantity offered shall not be less than 1,706,070 MMBtu (500,000 MWh) per month; Bidders may bid quantities for one or more months in the period as well as for the entire period.
3. **LNG quality:** atechnical specification of the quality characteristics of the natural gas offered for supply shall be appended;
4. **Terms of delivery:** DES, LNG Terminal;
5. **Price:** bid price should reference the TTF Front Month with the discount in EUR per MWh or Henry Hub (HH).

*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 deadlines of payment upon conclusion of a contract;**
2. **Additional costs** that may occur to Bulgargaz EAD during delivery (Boil Off, port costs, demurrage or other charges);
3. **Power of Attorney** - to be attached if the bid is signed by a proxy;

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

* + has submitted an bid and/or password outside the time limit set out in Section VI of these Terms and Conditions;
	+ has submitted a bid the content of which does not comply with the above-mentioned 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 bids**

The bids received will be opened by the Committee appointed by order of the Executive Director of Bulgargaz EAD at 12:00 noon, Sofia time, on **25 November 2022.**

The bids 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 3 and the Methodology for determining the complex evaluation of the bids referring to the HH index - Annex 4* to these Conditions.

The final ranking will be carried out by applying the formula for the complex evaluation of the bids set out in the evaluation methodology CE=K1+K2.

For this purpose, the calculated monthly prices for 2023 will be compared using the published futures indices by months at the date of the ranking, respectively for TTF - in the Argus European Natural Gas publication, and for HH - at https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.settlements.html.

The price formulas proposed by the bidders will be applied for the purpose of calculating the price for each month of 2023, and the ranking of the bidders will be done on a month-to-month basis.

By 5:00 p.m. Sofia time, on **30 November 2022** Bulgargaz EAD will notify by e-mail, at the e-mail addresses they have indicated, the ranked participants with whom it will conclude contracts, up to the amount of the quantity announced for delivery for 2023.

Bulgargaz EAD reserves the right to propose changes to the draft framework agreements submitted by the Participants.