**TERMS AND CONDITIONS**

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

**FOR THE NEEDS OF BULGARGAZ PLC FOR MAY 2024**

1. **SUBJECT OF THE TENDER:** supply of liquefied natural gas (LNG) for the needs of Bulgargaz PLC for May 2024.
2. **TERMS OF SUPPLY:**
3. **Total quantity:** 1 000 000 MWh
	1. **Delivery Profile:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Month** | **MWh** | **LNG m3** | **Operational tolerance** |
| May 2024 | 1 000 000 | 150 000 | +/- 2 % |

* 1. **Minimum/maximum deviation of the delivered quantity from the nominated quantity -** to bedeclared but not more than +/- 2%.
	2. **Delivery Window**

**18 May 2024**

"LNG Cargo Arrival Window" means a twenty-four-hour period starting at 07:00 within which a scheduled LNG cargo delivery must have arrived at the Pilot Boarding Station and issued a Notice of Readiness.

"LNG Unloading Window" shall be the period commencing upon the LNG Carrier becoming All Fast and ending on the later of (i) forty-eight (48) hours from the LNG Carrier becoming All Fast, or (ii) the end of the Scheduled Window

1. **LNG Quality:**

The LNG delivered must meet the technical requirements of the DESFA pipeline network as set out in the DESFA Network Code. The quality of the LNG offered shall be in full compliance with the general requirements of the Terminal Operator at Alexandroupolis (Gastrade SA), as follows:



1. **Delivery period**: May 2024
2. **Place of delivery (unloading**):

Base Terminal – FSRU Alexandroupolis, Greece.

Alternative Terminal – LNG Terminal in Turkey

1. **Delivery Terms** - DES (Delivery Ex-Ship)

The protocols and guidelines that must be followed by every LNG vessel during their arrival and operations at the FSRU Alexandroupolis are published on [***https://www.gastrade.gr/wp-content/uploads/2024/02/Marine-Manual-v1.04.pdf***](https://www.gastrade.gr/wp-content/uploads/2024/02/Marine-Manual-v1.04.pdf)

1. **Seller's responsibility**

In the event Seller fails to deliver the quantity or any portion thereof, unless due to Force Majeure, Seller shall pay Buyer  an amount equal to (i) if Buyer fails to purchase replacement gas, Buyer's cost, associated with the failure or termination of the Resale Arrangements with respect to the undelivered quantity to Seller, including Buyer's respective facility costs, capacity reservations, transportation, reasonable marketing costs and other costs incurred by Buyer, if any, as a result of Seller's failure to provide; or (ii) if Buyer purchases replacement LNG or gas to replace Seller's undelivered quantity, the amount by which the price paid by Buyer for the replacement gas exceeds the Contract Sales Price multiplied by Seller's undelivered quantity, plus additional transportation and logistics costs, if any, plus other reasonable costs incurred by Buyer, if any, less any cost savings (including transportation costs) realized by Buyer.

1. **Demurrage** - If the Actual Unloading Time for an LNG Carrier exceeds the Terminal Operator Extended LNG Unloading Window for such LNG Carrier for reasons attributable to the Terminal, then the Buyer shall pay an amount of 60 000 USD/day. If the Actual Unloading Time for an LNG Carrier exceeds the LNG Unloading Window for such LNG Carrier for reasons attributable to the Seller, then that Seller shall pay to the Buyer the amount of 60 000 USD/day.

In the event that the Buyer accepts, an LNG Cargo of larger volume or energy content than the quantity under Section 1.1, then the Buyer will not be liable for demurrage with respect to such LNG Cargo.

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 - the ownership (ultimate beneficiary) 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. Have experience in LNG supply - total LNG supply of at least the equivalent of 2 000 000 MWh ≈ 6 800 000 MMBtu/year for the last three years;
6. Not be in liquidation or insolvency proceedings and not be declared insolvent under the national law of registration.
7. **STAGES OF THE PROCEDURE**

**Stage I. Pre-selection of candidates**

By 22:00, Bulgarian local time on 2nd April 2024, all interested persons who wish to participate in this tender procedure shall submit to Bulgargaz PLC 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*** acompleted *Bulgargaz PLC’s KYC Questionnaire, as per the template* - *Annex 1* to these Terms and Conditions and a *standard MSPA*;

In case the applicant has participated in previous tender procedures of Bulgargaz PLC for the supply of LNG, has been admitted to the stage of submission of a binding offer, and there is no change in the circumstances declared in the *Questionnaire*, **it is not necessary** to submit a completed *Questionnaire.*

A committee appointed by order of the Executive Director of Bulgargaz PLC will verify the compliance of the applicants with the requirements for participation in the procedure on the basis of the submitted documents and will notify the applicants admitted to participating in the next stage of the tender procedure by 16:00, Bulgarian local time on 3rd April 2024, by e-mail to the e-mail addresses indicated by them.

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

* who has submitted a letter of intent outside the time limit;
* who has not submitted a completed KYC Questionnaire to Bulgargaz PLC according to the template - *Annex 1*;
* 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 16:00 Bulgarian local time on 3rd April 2024 Bulgargaz PLC 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 indicated by them.

**Stage II. Submission of binding offers**

**1. Deadline for submission: 22:00** Bulgarian local time **on** **4th April 2024.**

Candidates admitted to participate in Stage II of the Tender Procedure shall submit *an electronically signed offer in a 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 22:00 Bulgarian local time on 4th April 2024.

The password must be sent by a separate e-mail to the same e-mail address no earlier than 9:00 and no later than 11:00 am Bulgarian local time on **5th April 2024.**

**2. Mandatory content requirements**:

* 1. **LNG quantity**
* the quantity offered shall be 1 cargo of 1 000 000 MWh;
* minimum/maximum deviation of the delivered quantity from the nominated quantity - not more than +/- 2%;

* 1. **Quality of LNG**

The delivered LNG must meet the technical requirements of the DESFA pipeline network as set out in the DESFA Network Code. The quality of the LNG offered must be in full compliance with the general requirements of the Alexandroupolis Terminal Operator (Gastrade SA) as set out in Section II, point 2 of these Conditions.

* 1. **Terms of Delivery:** DES (Delivery Ex-Ship)

**Place of delivery (unloading):**

Base Terminal – FSRU Alexandroupolis, Greece.

Alternative Terminal – LNG Terminal in Turkey

* 1. **Price**:

The offer price shall reference the TTF front month (Argus) or TTF MA (ICIS) for the month in which the delivery window falls with a **separately stated discount** in euro per MWh and shall include all delivery costs to the FSRU Alexandroupolis, Greece. If there would be a difference in the quoted price for delivery to the Base Terminal and delivery to the Alternative Terminal, this should be explicitly stated.

*TTFfm (Argus) = the value of the TTF Front Month Index, published in Argus European Natural Gas - Daily Natural Gas Market Prices, in the column titled "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.*

*TTF MA ICIS  shall mean the simple average, rounded to three (3) decimal places of the TTF monthly price quotes (using the simple average of the bid and offer quotes) for the Pricing Month as published in ICIS Heren European Spot Gas Markets* *under the heading TTF Price Assessment on all days on which a price is published for which that contract is the Front Month. “Front Month” for any day is the earliest calendar month for which TTF monthly price quote is published for such day in ICIS Heren European Spot Gas Markets. Pricing month is May 2024.*

* 1. **Delivery window**

LNG Cargo Arrival Window: 18 May 2024

"LNG Cargo Arrival Window" means a twenty-four-hour period starting at 07:00 a.m. within which a scheduled LNG cargo delivery must have arrived at the Pilot Boarding Station and issued a Notice of Readiness.

In respect of each LNG Carrier, the "LNG Unloading Window" shall be a period commencing upon the LNG Carrier becoming All Fast and ending on the later of (i) forty-eight (48) hours from the LNG Carrier becoming All Fast, or (ii) the end of the Scheduled Window.

* 1. **Methods and terms of payment** upon conclusion of an Agreement. *(Collateral in the form of a corporate and/or bank guarantee will not be provided by Bulgargaz).*
	2. **Demurrage** - If the Actual Unloading Time for an LNG Carrier exceeds the Terminal Operator Extended LNG Unloading Window for such LNG Carrier for reasons attributable to the Terminal, then the Buyer shall pay an amount of 60 000 USD/day. If the Actual Unloading Time for an LNG Carrier exceeds the LNG Unloading Window for such LNG Carrier for reasons attributable to the Seller, then that Seller shall pay to the Buyer the amount of 60 000 USD/day. In the event that the Buyer accepts, an LNG Cargo of larger volume or energy content than the quantity under point 1.1(2.1), then the Buyer will not be liable for demurrage with respect to such LNG Cargo.
	3. **Additional costs** that mayarise for Bulgargaz PLC upon delivery (assumed boiloff - no more than 0.15% per day, other);
	4. **Declaration of absence of circumstances, in the form -** *Annex № 3 to these conditions.*
	5. **Power of attorney** - to be attached if the offer is signed by a proxy.

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

* has submitted an offer and/or password outside the time limit;
* has submitted an offer the content of which does not comply with the above mandatory requirements or
* a password that does not open the submitted offer.

**Stage III. Evaluation and ranking of offers**

The offers of the participants will be opened by the committee appointed by the order of the Executive Director of Bulgargaz PLC at 12:00 noon, Bulgarian local time on **5th April 2024.**

The offers will be evaluated and ranked by the Commission according to the *Evaluation Methodology of Offers referenced to the TTF Index* - *Annex 4* to these Conditions.

By 17:00 Bulgarian local time, on 5th April 2024 Bulgargaz PLC will notify by e-mail, to the e-mail addresses they have indicated, the ranked participants with whom it will conclude agreements, up to the amount of the announced quantity for May 2024.

Within the same timeframe Bulgargaz PLC 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.

*Bulgargaz PLC reserves the right to terminate the procedure at any time without selecting a contractor for the supply.*