



# **Open Invitation to Tender**

## **(Bidding Terms and Conditions)**

This invitation to tender is being published under Section 281 *et seq.* of Act No 513/1991, the Commercial Code, as amended, and Section 29(3), (5) and (6) of Act No 250/2012 on regulation in network industries

Designation:

# **Natural Gas Supply**

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## **A. INSTRUCTIONS FOR BIDDERS**

### **A.1 Identification of the contracting entity**

**Contracting entity:**

Name of the organisation: **NAFTA a.s.**

Company No. [IČO]: 36 286 192

VAT Reg. No.: SK2022146599

Registered office: Votrubova 1, 821 09 Bratislava

Incorporated: In the Companies Register maintained by the Bratislava I District Court, Section Sa, File 4837/B

(‘the Contracting Entity’)

### **A.2 Object of the open invitation to tender (‘OIT’)**

The object of the OIT is a tendering procedure for the best proposal to enter into an **Agreement on Natural Gas Supply to the Contracting Entity** (‘the proposal’) on the following terms:

#### **1. Natural gas quantity**

The winning bidder shall supply the Contracting Entity with natural gas amounting to 26,000 MWh to 260,000 MWh, depending on the conditions of the announced call for proposals (‘the tranche’). The details of tranche announcement are set out in A.6(1) hereof.

#### **2. Delivery time**

The winning bidder shall supply the Contracting Entity with the entire required quantity of natural gas no later than within 10 business days of the date of entering into the Natural Gas Supply Agreement.

If the Delivery Point is the Storage Facility entry point, the Buyer shall have the right, depending on its technical capacities, to determine, within the same period as in the first sentence, a breakdown of the supply of the Contract Quantity for each of the Gas Days.

#### **3. Delivery point**

The winning bidder shall supply the Contracting Entity with natural gas by delivery to the NAFTA a.s. Storage Facility at the point of entry into the Storage Facility at the delivery-acceptance point(s) in line with the Technical Conditions of NAFTA a.s., and/or in the NAFTA a.s. Storage Facility.

#### **4. Quality of the supplied gas**

The winning bidder shall be responsible for supplying natural gas with specifications under the Technical Conditions of NAFTA a.s.

#### **5. Reliability of supply**

The winning bidder shall be responsible for the reliable supply of natural gas to the delivery point under Act No 251/2012 on energy and amending certain laws.

#### **6. Other conditions**

Other conditions for the supply are set out in the Draft Natural Gas Supply Agreement that forms an inseparable part of these Bidding Terms and Conditions.

### **A.3 Method for proposal submission**

The method of proposal submission is described in detail in the following parts of these Bidding Terms and Conditions.

### **A.4 Time limit for proposal submission**

The Contracting Entity shall publish the time limit for proposal submission, separately for each tranche, no later than 3 business days before proposal submission in line with part A.5 hereof.

### **A.5 Time limit for notifying the selected proposal**

The Contracting Entity shall notify the bidders of the results of the OIT for the relevant tranche no later than within 2 hours of the end of the time limit for proposal submission.

### **A.6 Timetable of the tendering procedure**

The OIT under these Bidding Terms and Conditions shall take place as follows:

- 1. Announcement of a tranche**
- 2. Registration before proposal submission**
- 3. Proposal submission**
- 4. Proposal evaluation**
- 5. Result notification**
- 6. Entering into the Natural Gas Supply Agreement**



More details on each of the bidding phases:

**1. Announcement of a tranche**

Under these Bidding Terms and Conditions, the Contracting Entity has the right to announce a tranche (i.e. a call for proposals for the entering into a Natural Gas Supply Agreement) at any time between 24 September 2015 and 15 November 2015, and even repeatedly. The Contracting Entity has the right to announce the tranche no later than 3 business days before the proposal submission day.

The Contracting Entity announces the tranche by posting it at [www.nafta.sk](http://www.nafta.sk), specifying the following in each tranche:

- The natural gas quantity required
- The date and time of proposal submission
- The date and time when the selected proposal will be notified.

**2. Registration before proposal submission**

Candidates wishing to participate in this OIT have the right to register in advance before proposal submission, beginning the moment of the posting of these Bidding Terms and Conditions on the website of NAFTA a.s. at [www.nafta.sk](http://www.nafta.sk).

Registration is possible via e-mail at [naturalgas@nafta.sk](mailto:naturalgas@nafta.sk), in which the candidate must specify

1 the contact person for participation in the OIT (name, position, telephone, e-mail):

2 the contact person for participation in the OIT (optional details):

Name of the company:

Address:

Country:

Company No.:

Tax Reg. No.:

The e-mail message must also contain the following:

- a) A photocopy of the authorisation to carry on business in energy, applicable to gas supply, under which the candidate is, under the applicable legislation, authorised to supply gas to the Contracting Entity in accordance with these Bidding Terms and Conditions.
- b) The candidate's statement, as a single document,
  - that the candidate agrees with the Bidding Terms and Conditions specified by the Contracting Entity, signed by a person authorised to act on behalf of the candidate, and



- that all the documents and the information set out in the proposal are true and complete.

The Contracting Entity shall confirm, via e-mail, successful registration to the candidate who has met the above requirements.

Candidates wishing to participate in this OIT who had registered by the date of the publication of the notice announcing a tranche will be notified, via e-mail, by the Contracting Entity of the publication of the tranche and the details thereof.

Bidders who have not registered before submitting their proposal also have the right to participate in the OIT provided that they send the Contracting Entity all the required information and documents together with their proposal at the latest.

### **3. Proposal submission**

The Contracting Entity that organises the OIT shall publish the time limit for proposal submission as part of the published tranche, and shall do so at least 3 days in advance at [www.nafta.sk](http://www.nafta.sk)

Candidates wishing to participate in this OIT who had registered by the date of the publication of the notice announcing a tranche will be notified, via e-mail, by the contracting entity of the details of the tranche.

For the purposes of meeting the obligations to the Regulatory Office for Network Industries under Section 29(5)(b) of Act No 250/2012 on regulation in network industries, the bidders who have submitted a proposal shall be deemed to be applicants who have signed up for the tendering procedure.

The Contracting Entity reserves the right to discuss the proposal with the bidder at several consecutive stages, with the option of inviting the bidders to submit updated price quotations following each stage of the discussions.

The details about the content of proposals and their submission are set out in A.6 hereof.

### **4. Proposal evaluation**

Only the proposals that bidders submit in compliance with these Bidding Terms and Conditions and the published tranche, submitted within the respective time limit set in the published tranche, will be evaluated.

Following proposal submission, the Contracting Entity will have the right to hold separate talks with individual bidders on the conditions of the Natural Gas Supply Agreement.

The Contracting Entity reserves the right to discuss the proposal with the bidder at several consecutive stages, with the option of inviting the bidders to submit updated price quotations following each stage of the discussions.

A final price bid can be updated through talks or through an e-auction. In the case of an e-auction the bidders will be notified in advance of the terms and conditions of the e-auction and will have an opportunity to try it out in a testing round.

## **5. Notification of the result**

The Contracting Entity will notify the bidders of the OIT results for the respective tranche via e-mail within 2 hours of the end of the time limit for proposal submission at the latest.

## **6. Entering into the Natural Gas Supply Agreement**

The Contracting Entity and the successful bidder shall enter into the Natural Gas Supply Agreement no later than within 10 business days of the day of receipt of the notice that the Contracting Entity accepted the proposal. In the Slovak Version, the Natural Gas Supply Agreement will be entered into with the successful bidder who has its registered office in Slovakia. In the English Version, the Natural Gas Supply Agreement will be entered into with the successful bidder who has its registered office outside Slovakia.

If the Natural Gas Supply Agreement is not entered into with the bidder that was notified of the acceptance of its proposal within the time limit under the preceding paragraph, the final proposal delivered and the notice of proposal acceptance shall be deemed to constitute the Natural Gas Supply Agreement.

## **A.7 Instructions for preparing proposals**

### **1. Content of the proposal**

Submitted proposals must contain:

#### **1.1 In respect of bidders who have successfully registered under A.5(2) above:**

- a) The name and exact address of the bidder, Company No., and contact details for the person authorised to act on behalf of the bidder in contractual relations for further talks on contract conditions;
- b) Designation of the tranche that the proposal concerns;
- c) Proposed price (in the cover letter) for natural gas, expressed in EUR/MWh.

#### **1.2 In respect of bidders who have not successfully registered under A.5(2) above:**

- a) The name and exact address of the bidder, Company No., and contact details for the person authorised to act on behalf of the bidder in contractual relations for further talks on contract conditions;
- b) Designation of the tranche that the proposal concerns;
- c) Proposed price (in the cover letter) for natural gas, expressed in EUR/MWh;

- d) A photocopy of the authorisation to carry on business in energy, applicable to gas supply, under which the bidder is, under the applicable legislation, authorised to supply gas to the contracting entity in accordance with these Bidding Terms and Conditions.
- e) The bidder's statement, as a single document,
  - that the bidder agrees with the Bidding Terms and Conditions specified by the Contracting Entity, signed by a person authorised to act on behalf of the bidder;
  - that all the documents and the information set out in the proposal are true and complete.

## **2. Preparation of the proposal**

A bidder may submit only one proposal.

The proposal must be in writing and delivered at the following e-mail address: [naturalgas@nafta.sk](mailto:naturalgas@nafta.sk), or delivered by hand at the following address: NAFTA a.s., Votrubova 1, P. O. Box 815 05, Bratislava 815 05, Slovakia.

The proposal must be signed by the bidder's governing body in accordance with the certificate of incorporation, or by a person authorised to this perform this act. The original or a notarised photocopy of the document proving the person's authorisation to sign the proposal must be a part of the proposal in such a case.

### **A.7 Proposal validity**

The proposal must remain valid until Natural Gas Delivery Time.

Proposals delivered after the set time limit will not be accepted.

## **B. PRICING AND BILLING**

### **B.1 Pricing method**

1. The price for the subject matter of the tendering procedure must be set in compliance with Act No 18/1996 on prices, as amended.
2. Bidders shall quote the prices in EUR without value-added tax.

### **B.2 Billing**

Billing will be based on the report on natural gas delivery and acceptance.

The invoice shall fall due and payable 30 days of the day of invoice delivery to the Contracting Entity's registered office.



## C. ADDITIONAL CONDITIONS AND PROVISIONS

1. The Contracting Entity reserves the right to change the terms and conditions of the tendering procedure, or cancel the tendering procedure at any time. The Contracting Entity shall notify the bidders of such facts.
2. The Contracting Entity reserves the right not to announce any tranche under these Bidding Terms and Conditions.
3. The Contracting Entity reserves the right not to select any bidder or to enter into an agreement with more than one bidder.
4. Bidders have no right to the reimbursement of the costs incurred in participation in the tendering procedure.
5. As part of proposal evaluation, the Contracting Entity reserves the right to request bidders to explain and/or supplement their proposals, and the right to check certain particulars and facts contained in the proposals, for example, to request a declaration that the bidder is or is not a part of the same vertically integrated undertaking as the Contracting Entity or that the bidder, the bidder's governing body, a member of the bidder's governing body, or a member of the bidder is or is not a member of the Contracting Entity's bodies.
6. Upon the completion of the OIT and the notification of the result thereof, the Contracting Entity becomes entitled to receive natural gas from the successful bidder under these Bidding Terms and Conditions.
7. The Contracting Entity has the right to select the proposal that is the most suitable for the Contracting Entity and is not obliged to disclose the reasons for its decision. The Contracting Entity also has the right to reject all the proposals submitted.
8. The Contracting Entity and bidders shall communicate and provide information electronically. The contact e-mail address is [naturalgas@nafta.sk](mailto:naturalgas@nafta.sk)

## E. LIST OF ANNEXES

**Annex 1** – Cover letter for bidders

**Annex 2** – Draft Natural Gas Supply Agreement in the Slovak and English Versions

**Annex 3** – [Technické podmienky NAFTA a.s.](#) [Technical conditions of NAFTA a.s.]

**Annex 4** – [Prevádzkový poriadok NAFTA a.s.](#) [Rules of Operation of NAFTA a.s.]