

INVITATION TO SUBMIT BIDS

to public contract

“WELL WORKOVERS 2015 - 2017“

awarded pursuant to Section 29 of Act No. 137/2006 Coll., on Public Procurement, as amended (hereinafter referred to as the “PPA” by negotiated procedure with publication

This Invitation to Submit Bids has been prepared in the Czech and English languages. In the event of a discrepancy between the Czech and English versions, the Czech version prevails.

1. CONTRACTING ENTITY

RWE Gas Storage, s.r.o.

is part of the biggest energy group in Europe. It is the biggest underground gas storage operator in the Czech Republic. The company operates a total of 6 underground gas storage facilities on the basis of a virtual gas storage principle with a total working gas volume of over 2.6 bcm which corresponds to approximately two-month gas consumption of the Czech Republic in winter season.

RWE Gas Storage, s.r.o.

Prosecká 855/68, 190 00 Prague 9, Czech Republic

Registered in the Commercial Register maintained by the Municipal Court in Prague, Part C, Insert No. 124711

Company Identification No. (IČ): 27892077

Tax Identification No. (DIČ): CZ27892077

No. of CZK bank account: 17805243/0300 with ČSOB a.s., Prague 5

IBAN: CZ900300000000017805243

Swift Code: CEKOCZPP

No. of EUR account: 2142281/0300 (cash transactions only) with ČSOB a.s., Prague 5

IBAN EUR: CZ6303001752810017805243

(hereinafter referred to as the "Contracting Entity")

2. CONTACT ADDRESS (authorised representative of the Contracting Entity)

RWE Česká republika a.s.

Limuzská 12/3135, 100 98 Prague 10 – Strašnice

Identification No. (IČ): 24275051

Registered in the Commercial Register maintained by the Municipal Court in Prague, Part B, Insert 18556

Workplace: Prosecká 855/68, 190 00 Prague 9

Contact Person: Ing. Vít Hanák, Manager, Strategic Procurement

Telephone: +420 739 535 985

E-mail: vit.hanak@rwe.cz

The above Contracting Entity's Contact Person intermediates the contact between candidates/tenderers and the Contracting Entity. Contacting other Contracting Entity's persons is not permitted in the award procedure.

3. SUBJECT MATTER OF THE PUBLIC CONTRACT

- 3.1 The subject matter of the public contract is the performance of well workovers on the underground gas storage facilities (hereinafter referred to as the "UGS"). The subject matter of the performance is divided into (18) eighteen separate parts of the public contract as per Appendix No. 1 to this Invitation – Contract Parts.
- 3.2 Each candidate may submit a bid for an arbitrary number of the parts of the subject matter of the public contract with respect to which he has submitted an application for participation complying with any and all requirements set by law and the Contracting Entity.

- 3.3 The detailed description of each part of the subject matter of the public contract is contained in Appendix No. 2 to this QD – “Tender Documentation “ (hereinafter referred to as the “TD”)
- 3.4 The Contracting Entity assumes that a framework contract with one winning candidate will be concluded for each part of the contract separately.

4. COMMUNICATION

- 4.1 Should a candidate encounter any discrepancy, vagueness or contradiction in this Invitation to Submit bids and its Appendices, he is obliged to forthwith inform the Contracting Entity of such fact in writing.
- 4.2 Any communication in the course of the award procedure must take place in writing.
- 4.3 Any queries must be sent only to the Contact Person named in Article 2 of this Invitation to Submit Bids. The candidates may communicate only with the above Contact Person.
- 4.4 Any and all detailed information will be distributed by the Contracting Entity to all candidates being at the same published in compliance with law.

5. CLASSIFICATION OF THE SUPPLIED GOODS ACCORDING TO THE IMPLEMENTING LEGISLATION

76460000-5 Support services pertaining to wells

6. TIME AND PLACE OF THE PERFORMANCE OF THE INDIVIDUAL PARTS OF THE PUBLIC CONTRACT

Tvrdonice UGS, South Moravian Region	from 15 April until 31 July of the relevant year
Dolní Dunajovice UGS, South Moravian Region	from 15 April until 31 July of the relevant year
Lobodice UGS, Moravian-Silesian Region	from 1 April until 15 June of the relevant year
Štramberk UGS, Moravian-Silesian Region	from 1 August until 30 November of the relevant year
Třanovice UGS, Moravian-Silesian Region	from 1 August until 30 November of the relevant year

The estimated duration of the contract performance corresponds to the knowledge and assumptions of the development of pressure values in the storage facilities, and the Contracting Entity reserves the right to change the duration accordingly.

7. MANNER, TIME LIMIT AND PLACE OF THE SUBMISSION OF BIDS

- 7.1 Time limit for the submission of bids and requirements regarding envelope marking and securing

The candidates may submit their bids via registered mail by no later than **October 20, 2014** to the address of RWE Česká republika a.s., Prosecká 855/68, 190 00 Prague 9, or in person to the same address to the reception or to the Contact Person in business days from 09:00 to 11:00 a.m. and from 01:00 to 03:00 p.m.. **On the last**

day for the submission of the bids, the bids may be submitted by 10:00 a.m. at the latest. The decisive is deemed to be moment of delivery or receipt of the bid. The bid must be submitted in writing, in a single sealed envelope equipped with a stamp on the sealed edges and with a signature of the candidate and noticeably labelled:

“TENDER – WWO 2015 - 2017 – DO NOT OPEN!”

- 7.2 The bids must be prepared in 3 counterparts (1 original + 2 copies) in writing in the Czech or Slovak language. The original bid must be labelled “Original”.
- 7.3 The bids must adequately be safeguarded from handing with individual sheets including Appendices (best if the sheets is numbered in an uninterrupted numerical order and each sheet is signed by the candidate).
- 7.4 The text part of the bid (all documents except those issued by a third party) will at the same time be submitted in electronic form (e.g. on a CD, DVD or a flash disc).
- 7.5 Each candidate may submit only one bid. The envelope with the bid must contain the return address to which the Contracting Entity's notice is sent in the event of a late delivery in terms of Section 71 Subsections 6 or 7 of the PPA.

8. DATE AND PLACE OF OPENING OF ENVELOPES

The opening of envelopes takes place on **October 20, 2014 at 10:00 a.m.** at the address of RWE Gas Storage, s.r.o., Prosecká 855/68 190 00 Prague 9 – Prosek. Authorised representatives (max. 2 individuals) of the candidates whose bids were delivered to the Contracting Entity within the time limit for the submission of bids have the right to take part in the opening of envelopes. The representatives of the candidates are obliged to submit their authorisations.

9. DISCUSSIONS OF BIDS (MANNER AND PRINCIPLES)

- 9.1 The Contracting Entity will discuss the bids with the candidates individually in the Czech or Slovak language.
- 9.2 The first discussions of the bids takes place on **November 3, 2014 at 10:00 a.m.** at the address of RWE Gas Storage, s.r.o., Prosecká 855/68 190 00 Prague 9 – Prosek. The authorised representatives of the candidates (max. 2 individuals) have the right to take part in the discussions of the bids. The representatives of the candidates are obliged to submit their authorisations.

10. AWARD PERIOD

The candidates are bound by their bids 60 days. The award period starts on the day following the period for the submission of bids.

11. LANGUAGE

- 11.1 The bids must be prepared in the Czech or Slovak language.
- 11.2 The documents which are not in the Czech or Slovak language must be presented in the original language together with the translation into the Czech or Slovak language. In the event of any difference between the original language and the translation into the Czech or Slovak language, the Czech or Slovak language version prevails. Responsibility for discrepancies between the language versions lies exclusively with the candidate.
- 11.3 The Contracting Entity does not require that the above translations be officially certified.

12. MANNER OF EVALUATION OF BIDS

The Contracting Entity will evaluate the bids according to the lowest bid price criterion.

13. REQUESTED MANNER OF BID PRICE PROCESSING

- 13.1 Each candidate will show a binding total bid price in CZK exclusive of VAT in his bid as per Appendix No. 3 to this Invitation – Bid Price Form – for each individual well separately.
- 13.2 Each candidate will further fill in Appendix No. 4 to the Invitation – Bid Prices of Contract Parts. The bid prices must comply with the bid prices stated in Appendix No. 3 to this Invitation.
- 13.3 Each candidate will further show in his bid a bid price in CZK exclusive of VAT for the packer set and gravel pack as per Appendix No. 9 and Appendix No. 10 to this Invitation, respectively.
- 13.4 The Contracting Entity does not permit that a candidate shows a value of CZK 0 for any item. Showing such figure will result in the exclusion of the candidate from the award procedure.
- 13.5 The bid price must contain any and all cost of the contract performance. The bid price must be stated in Czech crowns.
- 13.6 The bid price must include the preparation of the individual implementing projects of well workovers and other associated WWO process statements [technological procedures] in compliance with Czech Mining Authority No. 239/1998 Coll. and any and all other candidate's cost associated with the performance of the subject matter of the public contract.

14. BUSINESS CONDITIONS

The business conditions are specified in detail in the Terms of Contract making Appendix No. 5 to this Invitation to Submit Bids.

15. TERMS OF PAYMENT

The terms of payment are specified in detail in the Terms of Contract making Appendix No. 5 to this Invitation to Submit Bids.

16. CONTRACTUAL SANCTIONS

The contractual sanctions are specified in detail in the Terms of Contract making Appendix No. 5 to this Invitation to Submit Bids.

17. TERMS OF CONTRACT PERFORMANCE

- 17.1 The subject matter of the contract performance is divided into parts (see Appendix No. 1 to this Invitation to Submit Bids). Each candidate may submit a bid for one or more contract parts.
- 17.2 Each candidate is bound by the whole content of his bid during the whole award period by law.

- 17.3 The candidate who has submitted a bid in this award procedure may not at the same time be a sub-contractor through whom another supplier proves his qualification in one and the same award procedure.
- 17.4 The candidates are not entitled to claim any compensation for the preparation and submission of their bids.
- 17.5 The Contracting Entity does not accept any variant technical or price solution.
- 17.6 The bids which will be delivered beyond the time limit for the submission of bids will not be evaluated.
- 17.7 Any bid failing to meet the requirements specified herein or to contain requested documents, information or statements will be excluded by the commission, and the candidate will thereafter be excluded by the Contracting Entity. The Contracting Entity's right to ask for further documents or information in terms of Section 59 Subsection 4 of the PPA is not affected by such fact.

18. CONTRACTING ENTITY'S REQUIREMENTS

- 18.1 Each candidate is obliged to submit in his bid a framework contract for work for the contact part he submits his bid for; the framework contract must be signed by an authorised person. The authorised person is the person stated in the Commercial Register as a person authorised to act for the candidate or represent him or a person holding a Power of Attorney from such person. If the contract is signed by proxy of the candidate, a certified copy or an original of the Power of Attorney must be enclosed to the framework contract for work.
Note: If the framework contract for work is not included in the bid or is not signed by the authorised person or the presented business conditions as per Appendix No. 6 have been altered/changed, the candidate will be excluded from the award procedure in compliance with law.
- 18.2 Each candidate will submit in his bid an Affidavit within the meaning of Section 68 Subsection 3 of the PPA in accordance with a specimen document shown in Enclosure No. 6 to this Invitation; the Affidavit will be signed by the person authorised to act on behalf of for the candidate.
- 18.3 Each candidate will submit in his bid for each individual well the following:
 - 18.3.1 brief technical description of well workover (including the manner of liquidation of liquids and contaminated substances);
 - 18.3.2 schedule of the WWO operations for the bid showing the beginning and end of the performance including the time sequence (as per Appendix No. 7 to this Invitation – Schedule of WWO Operations for Bid) of the workover divided into individual machine hours, the machine hour price for the relevant workover rig in use when both in operation (T1) and idle (T2). Each day will be divided into 2 parts (12 hours) in each schedule of WWO operations. Each part (each 12 hours) will be designated as T1 – machine in operation, or T2 – machine idle. Alongside this, the price T1 in CZK/hour and the price T2 in CZK/hour will be shown in the schedule of WWO operation.
 - 18.3.3 type and name of the rig to perform the workover. If the rig needs to be changed, the change must be accepted by the Contracting Entity which takes place by way of a record made by both parties' persons designated in the contract as the persons authorised to act on behalf of the parties or represent them in technical matters. Each candidate will further indicate in his bid for each rig the name of a chief operator or his representative who will be responsible for the course of the works. The chief operator must be identical to the person that the candidate showed in the qualification.

- 18.4 Each candidate will submit in his bid an organisation structure – organisation chart including detailed specification of responsibilities of individual persons participating in the contract performance and contact details (the organisation chart will include, besides the chief operator, foremen and shift foremen (and their representatives) and the persons responsible for Occupational Health & Safety, Fire Prevention and Environmental Protection also the sub-contractors' persons including contact details. The chief operator and shift foreman may not be one and the same person. **The persons shown in the organisation chart may not differ from those through whom the candidate proved his qualification.**
- 18.5 Each candidate is obliged to set in his bid an order of the individual well workovers for each contract part separately. The order of workovers of individual wells will be determined by the contractor with the provision that production wells will be given preference in the order.
- 18.6 Each candidate will submit in his bid an Affidavit signed by the candidate's authorised person in which he undertakes that, if awarded the contract, he will enable the Contracting Entity's representatives to perform a technical inspection of the documentation pertaining to workover rig/rigs before the commencement of works. The winning candidate will ensure the performance of the technical inspection also with his sub-contractors. (Examples of standards API RP 53, API RP 16D, API RP 16E, API RP 8B, API RP 7F, API RP 7L, API RP 4G, API RP 54, API RP 9B, API RP 67, API RP 2003).
- 18.7 Each candidate is obliged to submit in his bid a noise study encompassing zones of 100, 200, 300 and 400 m from the noise source (temporary workplace of WWO rig/rigs) showing the noise levels in these zones.
- 18.8 Each candidate is obliged to submit in his bid an Affidavit in which he undertakes that in the event the limits set forth in Act No. 258/2000 Coll., on the protection of public health and on changes in certain related acts, as amended, are exceeded, he will compensate the injured or take measures to reduce noise below the hygienic limits set forth in Act No. 258/2000 Coll.
- 18.9 Each candidate is obliged to submit in his bid an Affidavit, signed by the candidate's authorised person, saying that he fully understood the Tender Documentation including all Appendices thereto and meets any and all Contracting Entity's requirements requested for the contract performance including the minimal requirements specified in Appendix No. 8 to the TD – Minimal WWO Requirements. In the event a candidate fails to meet any of the requirements specified in the TD and the Appendices thereto at the time of submitting his bid, he will supplement the Affidavit with a list of the Contracting Entity's requirements (or conditions) he fails to meet as at the date of the submission of bids and undertake in the Affidavit to comply with the requirements by the end of 08/2015 at the latest.
- 18.10 Each candidate will submit in his bid a filled in form as per Appendix No. 8 to this Invitation – Price List of Additional Services. Candidates may supplement additional items in the price list and give particular details of any item.

19. THE CONTRACTING ENTITY RESERVES THE FOLLOWING RIGHTS

- 19.1 to rescind the award procedure for the public contract
- 19.2 to check and verify the data provided by the individual candidates in their bids. Any candidate giving untrue information in his bid will be excluded from the award procedure by the Contracting Entity.

Appendices:

Appendix No. 1 Contract Parts

Appendix No. 2 Tender Documentation

Appendix No. 3 Bid Price Form

Appendix No. 4 Bid Prices of Contract Parts

Appendix No. 5 Terms of Contract

Appendix No. 6 Affidavit of Contractor within the meaning of Section 68 Subsection 3 of the PPA

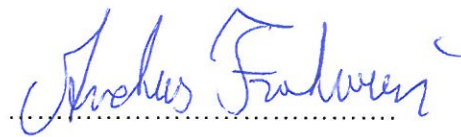
Appendix No. 7 Schedule of WWO Operations for Bid

Appendix No. 8 Price List of Additional Services

Appendix No. 9 Price Form for Packer Set

Appendix No. 10 Price Form for Gravel Pack in 2015

On: 24.07.2014



Andreas Frohwein
Managing Director



Ing. Lubor Veleba
Managing Director