

TENDER DOCUMENTATION

to Public Contract

“Gravel Pack 2016“

awarded under Section 27 of Act 137/2006 Sb., on Public Contracts, as amended (the “Act” only hereinafter) in the open procedure.

This Tender Documentation has been prepared in English only.

1. CONTRACTING ENTITY

RWE Gas Storage, s.r.o.

is part of the third biggest energy group in Europe and the biggest underground gas storages operator in the Czech Republic. It operates 6 underground gas storages in total based on virtual gas storage principle with a total operating volume exceeding 2.6 milliard m³, which is approximately the two-month consumption of gas in the Czech Republic in winter.

RWE Gas Storage, s.r.o.

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

listed in the Commercial Register administered by the Municipal Court in Prague, Section C., Insert no. 124711

Company Identification No. (IČ): 27892077

Tax Registration No. (DIČ): CZ27892077

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

IBAN: CZ900300000000017805243

SwiftCode: CEKOCZPP

No. of EUR bank account: 2142281/0300 (cash operations only) at ČSOB a.s., Prague 5

IBAN EUR: CZ6303001752810017805243

(the "Contracting Entity")

2. CONTACT ADDRESS (authorized representative of the contracting entity)

RWE Česká republika a.s.

Limuzská 12/3135, 100 98 Prague 10 – Strašnice

Work Centre: Prosecká 855/68, 190 00 Prague 9, Czech Republic

Contact Person: Ing. Patrik Mour, Strategic Purchaser

Telephone: +420 737 250 947

E-mail: patrik.mour@rwe.cz

The above stated contact person of the contracting entity facilitates contacts between the bidders and the contracting entity. It is not permitted to contact other employees of the contracting entity in the award procedure.

3. Subject of the Public Contract

- 3.1. The subject matter of the contract is delivery of materials, the installation of screens, gravel packing job, and execution of the Final Reports after the finalization of the work.
- 3.2. Detailed specification of the materials and works is in the Annex No. 1 (Technical specification), Annex No. 4 (Required Completion of the Wells), and Annex No. 11 (Technical data of the wells) of this Tender Documentation.

4. Supplied Goods Classification According to Implementing Regulation

76110000-7 Services connected with exploration an injection of natural gas

5. Time and Place of the Public Procurement Performance

5.1 Time of the delivery:

Contract for work in year 2016.

5.2 Required number of works, locations and expected time of work:

Location	Well No.	Expected time of work
UGS Tvrdonice	Z-19	15.4. – 31.7. 2016
	Z-24	
	Z-34	
UGS Lobodice	Lo-28	15.4. – 15.6. 2016
UGS Štramberk	Tv-2	1.8. – 30.11. 2016
UGS Třanovice	Ts-7	1.8. – 30.11. 2016
	Ts-9	
	Ts-12	

5.3 The place of job performance:

RWE Gas Storage, s.r.o., UGS Tvrdonice, 691 53 Tvrdonice

RWE Gas Storage, s.r.o., UGS Lobodice, 751 01 Lobodice 224

RWE Gas Storage, s.r.o., UGS Štramberk, 742 66 Štramberk

RWE Gas Storage, s.r.o., UGS Třanovice, 739 52 Třanovice

6. MANNER, TIME AND PLACE OF THE BIDS SUBMITTING

6.1 Time limits for the bids submitting and the requirements for the envelope marking and securing

The bidders may send their bids by registered mail till **26. 10. 2015 10 A.M.** at the latest to the company address RWE Česká republika a.s., Prosecká 855/68, 190 00 Prague 9, or deliver them in hand at the same address to the reception desk or to the contact person between 9:00 and 11:00 and 13:00 and 15:00 on workdays. The last day till 10 a.m. only. The decisive time shall be the time of the delivery or receipt of the bid. The bid must be submitted in writing, in

a single sealed envelope with stamps on the stickers, signed by the bidder and marked distinctively as follows:

COMPETITION – “Gravel pack 2016” – DO NOT OPEN”

- 6.2 The bids shall be made in writing in 3 copies (1 original + 2 duplicates) in the Czech or English language. The original of the bid shall be marked as the “original”.
- 6.3 The bid must be adequately secured against manipulation with the separate sheets including the annexes (preferably each sheet numbered in uninterrupted sequence and signed by the bidder).
- 6.4 The text part of the bid (all documents with the exception of those issued by a third person) shall be submitted also in electronic form (a flash disc).
- 6.5 Each bidder may submit no more than one bid. The envelope containing the bid must include the return address to which notification of the

7. Bid Price, Criteria and Method of Bids Evaluation

- 7.1 The bid price shall be specified as the highest permissible. The bid price shall include all costs related to the contract fulfillment (delivery of materials specified in Annex No. 4., performance of gravel packing job, delivery of required documentation, preparation and handover of final report, accommodation and travel costs of bidder’s personnel, mobilization/demobilization, transportation, rental etc. if any).
- 7.2 All tender price must be in CZK, VAT excluded.
- 7.3 The bidder is obliged to fill in the Price Form for each well including detailed breakdown of the lump sum. Price Form is attached to this Tender Documentation as its Annex No. 6.0 (Total price) and Annexes. No. 6.1 – 6.8 (Detailed prices for each well).
- 7.4 Personal Rates: All Personnel Rates are inclusive of all salaries, bonuses, living allowances, pensions, life insurance, medical care & medical insurance, any other benefits or benefit contributions, government taxes, social security, visas, work permits, residence permits, security travel permits, travel expenses, and any other expenses to transport Personnel between home and Well Location.
- 7.5 The contracting entity does not allow for a bidder to specify CZK 0 for any item. Such amount specification shall result in the excluding of such bidder from the participation in the award procedure. In case that item is not relevant for the bid (item won’t be charged) is bidder allowed to state N/A (Not Applicable).

8. Date and Place of Envelopes Opening

Envelopes with bids will be open on **26. 10. 2015 at 10 A.M.** in the meeting room at Prosecka 855/68, 190 00 Prague. The bidders whose bids have been delivered to the contracting entity within the time limit for submission of bids are entitled to take part in the opening of envelopes (by max. 2 representatives of each bidder). The representatives of the bidder will present a proof that they are authorized representatives of the bidder.

9. Term for Contracting Entity’s Decision Announcement to the Bidders

The Contracting Entity will announce its decision on the selection of the most suitable bid to the bidders within 90 calendar days from the deadline for bids

submission.

10. Business Conditions

- 10.1. Business conditions are specified in details in the Contract for Work (Annex No. 2)
- 10.2. Business conditions shall be governed by laws of Czech Republic (Civil Code).

11. Payment Conditions

Payment Conditions are specified in detail in the Contract for Work (Annex No. 2). The bidder is obliged to choose one of the payment methods presented alternatively in Contract of Work. Choice of the payment method has no influence to the evaluation of the bid.

- 11.1. The payment shall be made to the contractor's account based on an invoice (tax document) after fulfillment of these points:
 - 11.1.1. job performance finalization,
 - 11.1.2. handover and acceptance of the Handover Protocol,
 - 11.1.3. execution and hand over of the Final Report.
- 11.2. Bidder may charge Contracting Authority the Lump-sum according to binding prices mentioned in Annex No. 6. Only gravel pack sand and chemical additives will be charged according real consumption if amount of sand and weight of fluid will differ from the expected values set in Annex No. 6 and 11.

12. Conditions of the Contracting Entity

- 12.1. The bidder is not entitled to any compensation for processing and submission of its bid.
- 12.2. The Contracting Entity does not accept any alternative technical or economical solution.
- 12.3. Any bid delivered after the deadline for bids submission will not be included in the assessment and the bidder will be notified according to the Act.
- 12.4. The warranty period for the work and delivered material shall be 24 months from the date when Contracting Entity takeovers the work.
- 12.5. Each bidder can submit only one bid. A bidder submitting its own bid within the tender may not be subcontractor of another bidder in the same tender at the same time provided that the another bidder demonstrates some part of requested qualification through the above mentioned subcontractor.
- 12.6. The bid shall meet technical up to date standards and rules. The bidder must consider the accepted general gas storage regulations and standards, especially mentioned in Annex. 1 of this TD.
- 12.7. The Contracting Entity reserves the right to contract additional Supervisors from a third party to work in unison with Contractor's Supervisors.
- 12.8. If the bidder finds any discrepancy, ambiguity or conflict in any of the Tender Documents, the bidder shall so inform Contracting Entity forthwith.
- 12.9. Contracting Entity will not be responsible or liable to reimburse bidder for import and export duties paid by bidder on any of its equipment or materials. Bidder

shall pay all taxes and duties assessed in connection with any sale or other disposition of bidder's equipment.

- 12.10. Communication during the Tender period shall be in writing only.
- 12.11. Any queries relating to the Tender shall only be sent to the address and person appointed in article 2 of this documentation. Bidder shall make no attempts to communicate with any Contracting Entity employees or representatives other than the person indicated above.
- 12.12. Bidder is not entitled to communicate with Contracting Entity after the submission of its Bid. All information issued by Contracting Entity during the tender procedure shall be sent to all bidders provided that it is set by the Act.
- 12.13. The bidder acknowledges the fact that the Contracting Entity conducts its business in compliance with the rules set out in the RWE Code of Conduct and may be viewed at the following web address: <http://www.rwe.com/web/cms/en/90780/suppliers/code-of-conduct/> and undertakes to support compliance with the rules and principles contained therein. The Tenderer further undertakes to implement the principles defined within the scope of the Global Compact Initiative of the United Nations on human rights, working conditions and the environment, as well as corruption (www.unglobalcompact.org). The Tenderer agrees to ensure that any of its Sub-Suppliers shall support compliance with the rules and principles contained in the RWE Code of Conduct as well as implement the principles defined within the scope of the Global Compact Initiative of the United Nations on human rights, working conditions and the environment, as well as corruption.
- 12.14. The bidder will accept and apply the Business Terms for Ensuring Occupational Health and Safety (OHS), Environmental Protection (ENV) and Fire Protection (FP) conditions (hereinafter the "Business Terms") dated January 1, 2015 and published at <http://www.rwe.cz/o-rwe/kodex-chovani/> form an integral part of this Tender. The provisions of the Business Terms will be applied as appropriate to the performed activities, as stated in the terms.
- 12.15. The bidder will accept and apply Technical conditions (TPP) according Annex No. 7.

13. Requirements of the Contracting Entity

- 13.1. The bidder shall demonstrate its professional qualification by a simple copy of its **extract from the Commercial Register** or an extract from another similar register where the bidder is registered attached to its bid. Extract from commercial register may not be older than 90 days on the last day of the term for bids submission. Bidder shall also submit the trade licenses in simple copy.

Documents demonstrating the required qualification will be submitted by a foreign bidder in the original language with English translation. Official translation is not required.

- 13.2. The contracting entity requires that the bidders shall give **security** to guarantee the performance of their obligations resulting from the participation in the award procedure in CZK 300.000,-- or adequate in EUR 11.000,--.

The tender security shall be given by the bidder in the form of a deposit of a monetary to the account of the contracting entity ("tender security"), in the form of a bank guarantee or security insurance.

Where the tender security is given in the form of a bank guarantee, the bidder shall arrange for the validity of the security throughout the entire award period. The **award period** shall run from the date of expiry of the time limit for the submission of bids.

The pecuniary security must be credited to the contracting entity account **no later than one day before the day** which is the last day to submit a bid. The bidder shall state as the variable symbol the registration number of this public contract from IS VZ US system (central address).

Where the tender security is given in the form of a bank guarantee or security insurance, the "Certificate of Guarantee" (an **original** of a written statement of a bank or of the insurance contract) must be part of the bid.

By the bank guarantee, the bank undertakes to pay the contracting body the above mentioned sum based on a written application that includes a statement that the bidder (the bank guarantee principal) failed to comply with his commitments arising from the guarantee for the performance of his obligations in connection with the participation in the awarding procedure.

The bank guarantee shall be issued by entities rated at least BBB+ by Standard & Poors or with an equivalent rating by Moody's or Fitch.

Bank Guarantee shall be irrevocable, unconditional, non-assignable and payable on first call.

In the event that the bank guarantee fails to not meet the above parameters, the bidder shall be excluded from the tender in accordance with the law.

- 13.3. The bid must comprise a **draft agreement** (which forms the Annex No. 2 of this TD) on execution of the subject of public contract **signed by a person authorized to act on behalf or in the name of the bidder**. The bidder shall only fill in data on places indicated by the Contracting Entity. Any other changes of the draft contract are forbidden and shall lead to the exclusion of the bidder from the tender procedure.

Note: In case that the contract is not submitted, is not signed or any changes are made (except the places to fill in), the bid has to be **excluded** immediately from the evaluation procedure, according to the Act!

- 13.4. In the bid, the bidder will submit filled Progress report (Annex No. 10) for each well.

- 13.5. In the bid, the bidder will submit documents on **indemnity insurance** (valid policy) in connection to performance of the work with a limit of minimally EUR 1.110.000,-- (in words: one million one hundred and ten thousands Euro) or adequate in CZK 30.000.000,--. Bidder may prove this qualification in the bid also by submitting an original affidavit signed by the bidder's authorized person. In this affidavit, the bidder will commit itself to conclude an insurance policy in the meaning of this clause as the potential winning bidder.

- 13.6. Where bidder is unable to demonstrate the fulfilment of certain qualifications required by the contracting entity it is entitled to demonstrate the fulfilment of lacking qualifications by means of a sub-contractor. In such an event, the bidder shall submit apart from the qualifications documents of the sub-contractors by means of which he documents his lacking qualification an **excerpt from the Commercial register of the sub-contractor and a contract made between the Tenderer and the subcontractor** through which the sub-contractor undertakes to provide performance, items or rights to the bidder necessary to the contract discharge, at least within the scope in which the subcontractor

documented the qualifications instead of the bidder. The documents may be presented in a simple copy, the excerpt from the Commercial Register must not be older than 90 days at the last day of the bidding period. **Contract between the tenderer and subcontractor can be replaced by Affidavit of the subcontractor which declares subcontractor's intention to conclude the contract with tenderer. Simultaneously, the bidder shall submit an Affidavit of the sub-contractor, that it is not listed in the register of subjects prohibited to perform public contracts.**

- 13.7. If a bidder intends to use a sub-contractor to perform the contract, the bid must contain a **list of sub-contractors** stating the parts of the performance which will be sub-contracted together with the share of the sub-contractor in the contract as well as the scope and specification of the sub-contractor's activities in the contract discharge.
- 13.8. The bidders shall document their technical qualifications in the bids by a **list of 15 significant similar supplies** completed in the past 3 years according to Annex No. 3. Significant similar supply shall mean a supply of goods of a scope and parameters comparable to this subject of delivery according to this tender documentation (gravel pack job at UGS).
- 13.9. The bidders must fill name of producers/suppliers into Annex No. 4 and submit it into their bids.
- 13.10. In their bids, the bidders shall submit the Affirmation of the declaration, list of statutory bodies and a list of shareholders according to the Annex No. 5 of this TD signed by a person authorized to act for or on behalf of the bidder.
- 13.11. The Contracting Entity requires in the bid the name, position and the contacts (phone, e-mail) of the person authorized to act on the behalf of the bidder.
- 13.12. Each bidder will submit in his bid the time schedule for gravel pack job according Annex No. 12 for each well.
- 13.13. Each bidder will submit in his bid an organization structure – organization chart including detailed specification of responsibilities of individual persons participating in the contract performance and contact details (the organization chart will include, besides the chief operator and 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 foreman may not be one and the same person. **The persons shown in the organization chart may not differ from those through whom the candidate proved his qualification.**
- 13.14. The bidders shall state in the bids the name of all specialists and workers responsible for the gravel pack job. The contracting entity requires that the every specialist has at least 7 years working experience in gravel pack job at natural gas underground storages. The bidders shall present the **specialist' CVs in** their bids. If it is necessary to change the specialist/worker, such change must be accepted by the contracting authority in the form of a record made by both parties through the persons stated in the contract as persons authorized to act on behalf of or represent the parties in technical matters.
- 13.15. The bidder shall list requirements expected to be available on the rig location, not included in Price Schedule, e.g. air and power supply; electrical connections (type and number); grounding illumination; firefighting; first aid, etc.
- 13.16. Bidder must provide details about the way of service supply e.g. operations base, maintenance shops, expected time duration for mobilization (time,

distance) and give further details about the plan to provide support for possible simultaneous two jobs operations.

- 13.17. Transportation cost from base to locations will be charged as lump sum (according Annex 6). Transportation cost between two locations will be charged base on real distance in unit prices (according Annex 6).
- 13.18. If bidder charges stand-by rate, he must state it into Annex 6., part F.
- 13.19. Bidder must enclose in his bid affidavit that all used equipment (e.g. pumping unit, tanks, filtration unit, etc.) is qualified for performance of gravel pack job according all European guidelines and standards and according requirements of this TD.
- 13.20. Bidder must be able to submit **maintenance plan, quality control plan and documents replaced by affidavit according 13.19** for all their used equipment (especially: **setting tool, retrieving tool, pumping units, manifold, filtration unit, acquisition system**, etc.) to contracting entity before job starts.
- 13.21. Bidder should list in their bids all equipment used for the job (according Annex 9).
- 13.22. The bidders shall submit in their bids affirmations signed by their authorized persons where they undertake, in the event that he is awarded the contract, that corrosion and oil residua shall be removed from the tanks and the whole flush system of the rig prior to the works commencement (i.e. the tanks will be cleaned and, if necessary, newly painted).
- 13.23. Each bidder is obliged to submit in his bid an Affidavit, signed by the bidder's authorized person, saying that he fully understood and accepts the Tender Documentation including all Annexes.
- 13.24. **Bidder shall submit in his bid certificate API RP58 (for gravel pack sand). All certificates can be submitted in copy. Certificate can't be older than 3 years.**
- 13.25. Bidder shall submit in his bid **Affidavit** that he will **keep all standards** specified in Annex 1.
- 13.26. Jobs at different wells (at the same UGS or at the different UGSs) will be done with time difference (several days/weeks). Bidder will be informed about detailed time-schedule at least 14 days before start of the job.
- 13.27. Bidder is obliged to participate at HSE meeting which will be organized at the beginning of the workover campaign at appropriate UGS. Bidder will be informed about date of the HSE meeting min. 14 days before.

14. The Contracting Entity reserves the following rights:

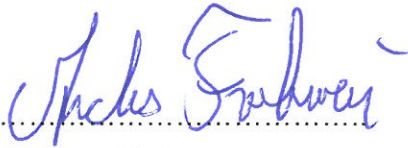
- 14.1. To cancel the tender.
- 14.2. To verify the data presented in the bid.

Annexes:

1. Technical Specification
2. Draft of the Contract for Work

3. List of significant similar supplies
4. Required Completion of the Wells
5. Affidavit of the Tenderer
6. Price form
 - 6.0 – Total price
 - 6.1 – 6.8 – Detailed price for each well
7. Technical condition of work
8. Checklist/Template of the bid
9. List of equipment
10. Progress report
11. Technical data of the wells
12. Time schedule

Prague on **01. 09. 2015**



Andreas Frohwein
Chairman of Executives



Ing. Lubor Veleba
Executive