



NET4GAS, s.r.o.

PURCHASE OF EMISSION ALLOWANCES 2020-21

QUALIFICATION DOCUMENTATION AND INVITATION TO SUBMIT REQUESTS FOR PARTICIPATION
(hereinafter referred to also as "QD").

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TENDER – "Purchase of Emission Allowances 2020-21"

1 SUBJECT OF PUBLIC CONTRACT PERFORMANCE

1.1 Public Contract Title and Contracting Entity

Public Contract for "Purchase of Emission Allowances 2020-21" services is awarded by NET4GAS, s.r.o. company pursuant to the provisions of Section 3 (d) of Act No. 134/2016 Coll., on public procurement, as amended and supplemented (hereinafter referred to only as the "Act"), in the negotiated procedure with publication.

NET4GAS, s.r.o. operates the gas transmission system and holds the exclusive gas transmission license (TSO) in the Czech Republic. It operates more than 3,800 km of pipelines.

Identification details of the Contracting Entity (hereinafter referred to only as the "**Contracting Entity**"):

NET4GAS, s.r.o.

Registered office: Na Hřebenech II 1718/8, Postal Code: 140 21, Prague 4

ID No.: 27260364

Registered in the Commercial Register administered by: Municipal Court in Prague, Section C, File No. 108316

Contracting Entity Profile Link: <https://www.tenderarena.cz/profily/NET4GAS>

The procedure to be followed within the negotiated procedure with publication is defined in Section 61 of the Act.

1.2 Basic Information and Subject of Performance

Subject of performance of these public contracts consists in the purchase of EUA greenhouse gas emission allowances. In accordance with Annex 1 to this Tender Documentation - Contract for the purchase and sale of greenhouse gas emission allowances, the Contracting Entity reserves the right to request for this purpose every month M the requirement to purchase the quantity of allowances needed to cover EUA greenhouse gas emissions on Contracting entity's facilities, especially the compression stations Kouřim, Kralice, Veselí and Břeclav, in the immediately preceding month M-1. The expected annual quantity of allowances purchased by the Contracting Entity is 400,000 units. A detailed specification of the subject of performance is given in the above-mentioned annex to the tender documentation.

1.3 Classification of Subject Matter of Public Contract Pursuant to the Legal Regulation

CPV 90731210-5 Purchase of CO2 emission credits.

2 TIME AND PLACE OF PERFORMANCE

- a) Date of performance of the public contract: from the signature of the contract by both parties to 30 April 2021.

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- b) The place of performance of the order is a virtual trading point.

3 DEADLINE FOR SUBMISSION OF THE REQUESTS FOR PARTICIPATION

- a) The deadline for submission of the requests for participation will be **11th of November, 2019, 14:00 o'clock**.
- b) The Contracting Entity reserves the right to extend the deadline for the submission of the requests for participation, as appropriate, where justified. In doing so, the Contracting Entity shall comply with the Act and shall notify the candidates of the deadline extension via the following website:
<https://www.tenderarena.cz/profil/NET4GAS>

4 SUBMISSION OF THE REQUEST FOR PARTICIPATION

- a) Draw-up the request for participation and submit it in writing in electronic form through the TENDERARENA electronic tool available at www.tenderarena.cz
- b) The electronic request for participation must not exceed the size of 200 MB. The request for participation must be prepared in any of the acceptable file formats, i.e., Microsoft Office (Word, Excel), Open Office, PDF, JPEG, GIF, or PNG.
The bidder shall submit the request for participation in Czech, or in English language.
- c) The request for participation must be duly signed with advanced (guaranteed) electronic signature on the cover sheet of the request for participation, as well as on other documents where signature is required by this qualification documentation, or the manually signed documents will be scanned into the request.
- d) The Contracting Entity requires the following structure of the request for participation:
 - (i) cover letter stating the identification and contact details of the bidder (company name/personal name, registered office, complete correspondence address, name of the officer appointed to handle the matters relating to this public contract, ID No., VAT ID No., telephone number, e-mail address);
 - (ii) table of contents of the request for participation;
 - (iii) document confirming the authority of the person(s) signing the agreement to act in the name or on behalf of the bidder (e.g. extract from the Commercial Register, power of attorney, an internal appointment)
 - (iv) documents proving the qualification (see the documents marked with italics in Sections 5.1, 5.2 of QD)
 - (v) any other documents required by the Act or the Contracting Entity.

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- e) The requests for participation must be delivered before the deadline stipulated in Section 3 above. Otherwise, the Contracting Entity shall proceed pursuant to the provisions of Section 28 (2) of the Act.

5 QUALIFICATION PREREQUISITES

Using relevant documents (*in italics*), the candidate shall prove that it complies with the following qualification prerequisites:

5.1 Elementary and Professional Qualification Prerequisites

Using relevant documents (*in italics*), the candidate shall prove that it complies with the following elementary and professional qualification prerequisites:

- (i.) extract from the commercial register or similar register in which it is recorded (*copy of the extract from the commercial register or similar register*);
- (ii.) it is not in liquidation (*affidavit*); and
- (iii.) towards its property no bankruptcy proceedings are taking place or took place during the past three years or in respect of which a bankruptcy application has not been rejected due to assets insufficient to cover the costs of such bankruptcy proceedings, or in respect of which a bankruptcy has been canceled due to the absolutely insufficient assets or no forced administration has been imposed pursuant to the provisions of special legal rules and regulations (*affidavit*);
- (iv.) *declaration of registration* in the Union Registry operated by the European Commission for greenhouse emission allowances issues under the EU emissions trading system (EU ETS).

Documents proving compliance with the elementary and professional qualification prerequisites pursuant to points i – iii of this Section may not be older than three (3) months from the date of the tender announcement.

5.2 Economic and Financial Qualification Prerequisites

Using relevant documents (*in italics*), the candidate shall further prove that it complies with the following economic and financial qualification prerequisites:

- (i.) has the Failure score not worse than 50 (*Dun & Bradstreet economic report*). The Contracting Entity also accepts similar ratings from other companies: Creditreform (Crefoport for Czech republic), Standard & Poors, Fitch, and Moody's. Minimum acceptable rating will be BBB- for Standard & Poors and Fitch, Baa3 for Moody's, and 250 or better for Creditreform;
- (ii.) in the past two complete accounting periods, it reached the average turnover in the item “Revenues from sale of own products and services” at least CZK 500 million (*copy of the profit and loss statement*).

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Documents proving the compliance with the economic qualification prerequisites pursuant to point (i) will be presented as simple copies and must not be older than 90 calendar days as of the last day of the term for bid submission.

In terms of the provisions of Section 83 (3) of the Act, the Contracting Entity further requires that the Candidate and the person, through which the Candidate proves the economic and financial qualification prerequisites pursuant to the provisions of Section 78 of the Act, bear joint and severable responsibility for the public contract performance.

6 FORM AND METHOD OF QUALIFICATION ASSESSMENT

The candidate who does not provide the data and information about its qualification within the scope stipulated by the Contracting Entity, including the documents pursuant to the provisions of the Act, or who vided incomplete or untrue information about its qualification including the documents required by the Contracting Entity, will fail to meet the qualification prerequisites.

The candidates failing to meet the qualification prerequisites will be disqualified by the Contracting Entity from further participation in the tender. The contracting authority does not therefore exclude the possibility of using the provisions of § 46 of the Act.

The candidate is entitled to prove the fulfillment of qualification prerequisites by a subcontractor only to the extent that the subcontractor is able to fulfill the subject of the public contract and is not excluded by the contracting authority.

The Contracting Entity excludes the possibility of the candidate to prove the qualification by submitting only affidavit, with the exception of the qualification where this is explicitly stated by the Contracting Entity.

The Contracting Entity will require documents and information pursuant to Section 122 (3) of the Act before the conclusion of the contract, ie including originals or certified copies of proof of qualification.

Proving the compliance with the qualification prerequisites within the scope specified in Section 5 above is the prerequisite for inviting the candidate to submit their bid.

7 RESERVED RIGHTS OF THE CONTRACTING ENTITY

- a) The Contracting Entity reserves the possibility to cancel the tender procedure at any time.
- b) The Contracting Entity also reserves the right to verify all data and documents relating to proving the qualification.

8 CONTACT ADDRESS AND ADDITIONAL INFORMATION

A request for explanation of the qualification documentation (Section 98 (3) of the Act) must be in writing, in Czech, or English language, and must be delivered to the

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Contracting Entity through TENDERARENA electronic tool no later than 8 business days before the deadline for submission of the requests for participation. Possible QD explanation will be published on the profile of the Contracting Entity the same way as the QD.

9 COMMERCIAL AND PAYMENT TERMS AND CONDITIONS

See Tender documentation.

10 SUBCONTRACTORS

If the candidate cannot fully prove the compliance with the qualification prerequisites required by the Contracting Entity and relating to the economic, financial, or technical qualification or relating to the business authorization, membership in a professional group or other professional organization, or its professional qualification, it will be authorized to prove the compliance with such qualification prerequisites through a subcontractor. In such case, the candidate shall present to the Contracting Entity an agreement executed with the subcontractor, which will specify the subcontractor's obligation to provide the performance intended for the public contract performance by the contractor or to provide the items or rights that will be available to the contractor within the framework of the public contract performance at least within the scope of the qualification proved by the subcontractor. The candidate will not be authorized to prove compliance with the elementary qualification prerequisites and the extract from the commercial register through the subcontractor.

The request for participation of the candidate will further comprise the documents proving the elementary qualification prerequisites pursuant to Section 5.1 above and extract from the commercial register for all subcontractors. At the same time, the candidate will submit the documents through which the subcontractor will prove part of the qualification on behalf of the candidate.

The candidate will be authorized to prove the compliance with the qualification prerequisites through a subcontractor and only to such scope within which such performance of the subject of the public contract by a subcontractor is possible and is not excluded by the Contracting Entity.

Further information concerning subcontractors not linked to the proof of qualification is given in Art. 14 of the tender documentation.

11 CONSORTIUM OF CONTRACTORS

If the subject of the public contract is to be jointly performed by several contractors who submit or intend to submit their joint bid for this purpose, each of the candidates shall prove the compliance with the qualification prerequisites to full extent; this does not apply to economic, financial, or technical qualification or to business authorization,

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membership in a professional self-governed chamber or another professional organization, or the professional qualification for which it is sufficient that the compliance with such qualification prerequisites is jointly demonstrated by all candidates. If the subject of the public contract is to be jointly performed by several contractors, such contractors shall be obliged to submit together with the documents proving the compliance with the qualification prerequisites an agreement containing the obligation of all such contractors that such contractors shall be jointly and severally bound and obliged towards the Contracting Entity and any third parties under any legal relations established in connection with the public contract during the entire term of performance of the public contract and during the term of other obligations arising from the public contract.

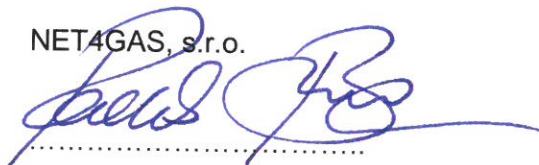
12 PROVING THE QUALIFICATION OBTAINED ABROAD, QUALIFICATION IN CASE OF JOINT PARTICIPATION OF CONTRACTORS, JOINT PROOF OF QUALIFICATION, PROVING THE QUALIFICATION THROUGH OTHER PARTIES

In case of proving the qualification obtained abroad, the qualification in case of joint participation of contractors, proving of qualification through other parties or jointly, the bidder shall act in accordance with Sections 81 through to 84 of the Act.

13 COSTS AND FEES

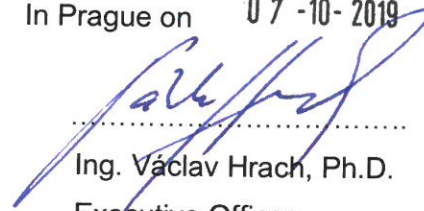
The candidate shall bear any and all costs incurred in connection with its participation in the tender procedure, including the costs relating to preparation of the request for participation.

NET4GAS, s.r.o.



Ing. Radek Benčík, MBA
Executive Officer

In Prague on 07 -10- 2019



Ing. Václav Hrach, Ph.D.
Executive Officer