



**NET4GAS, s.r.o.**

**INTERNAL INSPECTION DN900  
TENDER DOCUMENTATION**

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## 1 CONTRACTING ENTITY AND SCOPE OF TENDER

The tender "**Internal Inspection DN900**" is launched in accordance with Section 3(b) of Act No. 134/2016 Coll., the Public Procurement Act (the "PPA"), as an open tender.

### 1.1 Contracting Entity

NET4GAS, s.r.o.  
Na Hřebenech II 1718/8  
Prague 4, Nusle  
Post Code 140 21  
Czech Republic  
ID No. 27260364

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

(the "Contracting Entity")

The Contracting Entity holds an exclusive gas Transmission System Operator (TSO) license in the Czech Republic, operating more than 3,800 km of pipelines and ensuring international transport of natural gas as well as gas transport for regional gas companies.

### 1.2 Scope of Tender

The scope of the tender is specified in further detail in Attachment B – Draft Contract to this tender documentation (hereinafter the "TD"), which form is an integral part of the TD.

The subject matter of the tender concerns internal inspection services on pipelines of the Contracting Entity using latest high resolution inspection PIGs for feature detection based on magnetic flux leakage measurement (the "MFL"), detecting circumferential defects. The scope of this tender is the performance of the inspection on the DN 900 pipelines as defined in detail in the table below. The inspected pipelines are constructed from spiral and longitudinal welded pipes with number of corrosion or manufacturing defects of various size and orientation.

The pipeline to be inspected consists of 13 sections. All of the sections shall be carried out using high resolution MFL technology and Caliper inspection if applicable (pipeline geometry and potential pipe deformation). Both types of inspections shall be performed in a separate inspection run within mobilisation if not agreed otherwise.

The Caliper run, using High resolution geometry tool, shall be carried out together with the data pre-evaluation onsite, prior the MFL run. Its target is to inform the Contracting Entity about all welds, all diameter reductions, which might impact the passage of MFL tool, measure internal diameter per section and detect all not fully opened valves and dents. The dent, buckle and wrinkles report shall contain stress based assessment (stress concentration factor, strain and remaining life analysis) reflecting the actual severity of deformation. Requirement of the Caliper run is optional and depends mainly on the results of gouging.

Further, the tender offers must comply with Appendices 4 through 6 to the Attachment B – Draft Contract.

The further listed dates may be shifted in proposed month by the Company without any amendments to this Contract.

• Pipelines to be inspected					
Diameter (mm)	Length (Km)	type	Pipeline Location	Service	Date
900	87	onshore	Lanžhot - Kralice I	C* M	07-11/2017
900	142	onshore	Kralice - Kouřim I	C* M	07-11/2017
900	116	onshore	Kouřim - Bylany I	C* M	07-11/2017
900	27	onshore	Bylany - Hora Svaté Kateřiny I	C* M	07-11/2017
900	87	onshore	Lanžhot - Kralice II	C* M	07-11/2017
900	144	onshore	Kralice - Kouřim II	C* M	07-11/2017
900	70	onshore	Kouřim - Hospozín II	C* M	07-11/2017
900	47	onshore	Hospozín - Bylany II	C* M	07-11/2017
900	28	onshore	Bylany - Hora Svaté Kateřiny II	C* M	07-11/2017
900	11	onshore	Hora Svaté Kateřiny - Olbernhau	C* M	07-11/2017
900	103	onshore	Hospozín - Sviňomazy	C* M	07-11/2017
900	42	onshore	Sviňomazy - Rozvadov	C* M	07-11/2017
900	4	onshore	Rozvadov - Waidhaus	C* M	07-11/2017
Total	908	Country	Czech Republic (CZ); Germany (D)		

The legend:

• Services Required	
To specify per section	C - Caliper inspection M – High resolution circumferential Magnetic Flux Leakage inspection (MFL) T - High resolution axial Magnetic Flux Leakage inspection (TFI) I – Inertial Measurement Unit (mapping) * - optional

All the provided tools shall be compliant with current pipeline systems of Company which is further described in appendices to this document or will be identified during cleaning runs.

### 1.3 Designation of Tender

CVP 76600000-9 Pipelines Inspection

## 2 BASIC TENDER PARAMETERS

- a) The tendering shall be performed in accordance with the PPA. Each bidder shall get acquainted with the current wording of the PPA and proceed in accordance with it when drafting and submitting its tender offer.
- b) Variants will not be accepted.

## 3 TIME AND PLACE OF PERFORMANCE

- a) The services are to be performed from **July 2017 to November 2017**. The time period for individual sections is specified in detail in Appendix 1 to Attachment B – Draft Contract.
- b) Place of performance: pipelines and infrastructures of the Contracting Entity located in the Czech Republic.

## 4 THE FINAL TENDER DATE;

- a) The tender offers shall be submitted by **January 20, 2017 by 10:30 a.m.**
- b) The Contracting Entity reserves the right to extend the final tender date. It shall do so in compliance with the PPA and it shall inform the bidders of such extension in writing.

## 5 OPENING OF TENDER OFFERS

- a) The envelopes containing tender offers shall be opened on **January 20, 2017 at 11:00 a.m.** in the registered office of the Contracting Entity. The bidders who wish to be present during the envelope opening procedure shall report to the reception on the 3<sup>rd</sup> floor of the building.
- b) The envelope opening procedure may be attended by the representatives of a bidder whose tender offer was delivered to the Contracting Entity prior to the final tender date (only the maximum of two representatives for each bidder is allowed due to organizational reasons).

## 6 TENDER DOCUMENTATION

The following attachments form an integral part of the TD:

- Attachment A – Reference List
- Attachment B – Draft Contract
- Attachment C – Evaluation Description



## 7 SUBMISSION OF TENDER OFFERS

- a) Bidders may submit their tender offers via registered mail to the registered office of the Contracting Entity or by hand at the same address at the reception or to the contact person on business days from 9 a.m. to 4 p.m. A tender offer is considered submitted once it is handed over or delivered to the Contracting Entity. Tender offers must be submitted in writing in a single sealed envelope, provided with the imprints of the stamp and the signature of the bidder where sealed, and the envelope shall be clearly marked as follows:

### **Tender – "INTERNAL INSPECTION DN900" – DO NOT OPEN**

Only one tender offer (for part) per bidder is allowed. Each envelope containing a tender offer must contain an address at which the bidder will be notified that the tender offer was submitted after the deadline according to point 4 of tender documentation.

Each bidder is required to submit a tender offer in Czech or English language, in one original and one copy, and also place the **complete bid on USB stick (in text/readable form in PDF or XLS file, where all the Attachments and requested documents will be placed separately with original file name)** in the same envelope. The text part of each tender offer is comprised of all documents created in full or at least in part by the bidder. This means that the text part does not include confirmations or other documents issued solely by a third party.

In the event of any inconsistency between the original and the copies or the content of the USB, the original of the tender offer shall prevail.

- b) Each tender offer shall contain the following documents duly completed and signed by the person(s) empowered to act for or on behalf of the bidder:
- (i) cover letter stating contact details of the bidder;
  - (ii) basic information on the tender offer including inspection tool specification (tool data sheet and any relevant other information);
  - (iii) Draft Contract signed by the person(s) empowered to act for or on behalf of the bidder (Attachment B);
  - (iv) completed Reference List (Attachment A);
  - (v) document confirming the authority of the person(s) to act for or on behalf of the bidder;
  - (vi) any other documents required by the Contracting Entity or PPA.

Please note the following appendices to the Attachment B – Draft Contract need to be filled in: Appendix 2 – Inspection Performance Specification and Appendix 4 – Pricelist.

In its tender offer, the bidder is required to also include all documents demonstrating the qualifications listed in Section 9 of the TD. Tender offers not containing the documents or not filled all the fields or filled by not requested content, stated above will be deemed incomplete and the relevant bidder will be disqualified from the tendering procedure. This shall not be prejudicial to the right of the Contracting Entity to additionally require the qualification documents within the meaning of Section 46 of the PPA.

- c) Tender offers shall be delivered by the final tender date otherwise the Contracting Entity shall inform the bidder that his tender offer was delivered after the deadline for the submission of tender offers.

If the bidder submits its tender offer by hand, it shall receive a delivery receipt from the Contracting Entity containing the date and time of the receipt.

## 8 COLLATERAL

- a) In order to secure its obligations arising from its participation in tendering procedure, the bidder shall provide the Contracting Entity a collateral payment (bid security) of EUR 5,000.

The bidder may pay the collateral in any of the methods described in Section 41 of the PPA, i.e. by deposit of guarantee on a bank account of the Contracting Entity (bank transfer), by a bank guarantee or insurance of guarantee.

- b) If the collateral is paid by bank transfer, it shall be credited to the account of the Contracting Entity no later than one day ahead of the last day for the tender offer submission time limit to the following bank account of the Contracting Entity:

Bank: Československá obchodní banka, a.s.

Acct No. 2004280/0300

IBAN: CZ8803001712800017470543

SWIFT: CEKOCZPP

Acct Holder: NET4GAS, s.r.o.

Variable Symbol: registration number of the tender in Tender Electronic Daily – CZ

A copy of the document confirming that the amount was deposited in the account or that the payment order was made will be included in the tender offer.

- c) The bidder may provide the security also in the form of a bank guarantee or in the form of guarantee insurance. The bidder is required to provide for the validity of both concepts for the entire period of validity of the tender offer (please refer to Section 10 of the TD). If the bidder decides to pay the security in one of the methods envisaged in this paragraph, the original bank guarantee or insurance contract will be included in the tender offer.
- d) The bank guarantee shall be issued for the benefit of the Contracting Entity in accordance with Section 2029 and further of Act No. 89/2012 Sb., the Civil Code, as amended in case of bank guarantee, and Section 2758 and further (in particular Section 2868), in case of guarantee insurance by a bank holding a long-term minimum rating A- by Standard & Poor's (Fitch) or A 3 by Moody's, or by a bank which will provide evidence of the existence of a controlling agreement or contract on profit transfer with a managing person holding a long term minimum rating A- by Standard & Poor's (Fitch) or A 3 by Moody's.
- e) The security provided by depositing the required amount in the bank account shall be remitted back to the bidder within the statutory time limits, including accrued interest accounted for by the bank. If the security is provided in the form of bank guarantee or guarantee insurance, the Contracting Entity shall release the security by returning the original guarantee deed or insurance contract to the bidder.

The bidder shall provide account number for purpose sending the Collateral back to the bidder.

## 9 QUALIFICATION OF BIDDERS AND FURTHER REQUIREMENTS

In its tender offer, the bidder shall demonstrate by the relevant documents (*to be written in italics*) that it meets the following qualification criteria:

### 9.1 Basic and Professional Qualification Criteria

The bidder shall demonstrate by the relevant documents (*to be written in italics*) that it meets the following basic and professional qualification criteria:

- (i.) excerpt from the Commercial Register or similar register – if the bidder is enrolled thereon (*copy of extract from the Commercial Register or similar register*);
- (ii.) it is not going through the liquidation procedure (*Affidavit*);
- (iii.) its assets are not (nor have been over the past three years) subject to any insolvency proceeding resulting in a decision on bankruptcy, no insolvency petition was rejected because its assets would not suffice to cover the costs of the insolvency proceeding, no bankruptcy was cancelled because of the entire insufficiency, and no forced administration was imposed under special laws (*Affidavit*).

The documents demonstrating the compliance with the basic qualification criteria and an extract from the Commercial Register may not be older than 90 calendar days as of the last day of the tender offer submission time limit.

### 9.2 Economic and Financial Qualification Criteria

The bidder shall demonstrate by the relevant documents (*to be written in italics*) that it meets the following economic and financial qualification criteria:

- (i.) it has a Failure Score not lower than 50 (*Dun & Bradstreet financial record*). The contracting entity will also accept financial records from Creditreform, Standard & Poors, Fitch and Moody's. Rating BBB- will be accepted from Standard & Poors and Fitch, at least Baa3 from Moody's, and rating 250 or better from Creditreform;
- (ii.) it has concluded a third-party liability insurance for the minimum of EUR 5,000,000 (*Insurance Policy in Plain Copy*). Alternatively, the bidder may undertake to enter into an insurance contract when its tender offer wins, no later than by conclusion of the contract for public contract performance (*Affidavit*). A failure to conclude an insurance policy confirmed by an affidavit within the required time limit shall be deemed by the Contracting Entity to mean a failure of the bidder to provide proper cooperation aimed at the conclusion of the contract within the meaning of Section 104(e) of the PPA.

### 9.3 Technical Qualification Criteria

By furnishing the relevant documents (*to be written in italics*), the bidder shall demonstrate that it meets the following technical qualification criteria:

- (i.) over the past five years, it has completed at least five for DN 900 similar assignments each with the value of at least EUR 100,000, out of which at least two were carried out in European Union (*affidavit and filled in Attachment A – Reference List*), specifying the title, registered office and contact person of the customer, extent and financial scope of the assignment;



Please note that the subject matter of the referenced contracts must be inspection services performed with the technology specified in Section 1.2 (excluding Caliper) of the TD on pipelines as follows: natural gas medium, DN 900, length min. 25 km; for further details please refer to the Attachment A to the TD – Reference List.

Note. To the Reference list (Attachment A – Reference List) shall be document as the attachment by the bidder: (i) a certificate issued by the public contracting authority, if the services were provided to the contracting authority, or (ii) a certificate issued by another person, if the services were provided to a person other than the contracting authority, or (iii) the contract with another person and evidence of the effected performance by the economic operator, if it is not simultaneously possible to obtain the certificate pursuant to Section 79(2)(b) and 79(5) PPA from such a person for reason on the part thereof.

- (ii.) it is a holder of the quality management system API Specification Q1 without any Exclusions in force and effect as of the tender offer submission date (*copy of the API Specification Q1 quality management system certificate*). Quality management system should apply to design, manufacture and service of equipment for the In-Line Inspection industry including for provision of data analysis services for the In-Line Inspection Systems Qualification in accordance to API STD 1163 without any Exclusions.

#### 9.4 Further requirements

The winner bidder is further required to submit before conclusion of the contract in accordance with 104(2) of the PPA:

- (i) Identification of the persons, who are the real owner of the bidder pursuant to the Act No. 253/2008 Coll., as amended,
- (ii) Documents which prove the relationship among persons mentioned above (i) and the bidder, especially:
  - 1. excerpt from the Commercial Register or similar register,
  - 2. list of shareholders,
  - 3. decision of the statutory body about paid out of the profit share,
  - 4. partnership agreement, memorandum or statutes.

In case the bidder provides the qualification gained abroad, qualification in joint venture, via subcontractors, the bidder shall follow Sections 81 – 84 of the PPA.

The Contracting Entity exclude the option of the bidder to prove the qualification only by Affidavit unless it is explicitly mentioned in the Tender Documentation.

## **10 VALIDITY OF TENDER OFFERS**

The time limit during which the bidder is bound by its tender offer shall be 90 days and shall start as of the day following the day of expiration of the tender offer submission time limit (final tender date).

## **11 RESERVED RIGHTS OF CONTRACTING ENTITY**

- a) The Contracting Entity reserves a right to cancel the contract awarding procedure at any time.
- b) The Contracting Entity further reserves a right to verify the correctness of the information submitted by the bidders when proving their qualification.
- c) The Contracting Entity reserves a right to require documents and information pursuant to Section 104(1) of the PPA from the winner bidder before conclusion of the Contract.

## **12 ADDRESSING CORRESPONDENCE AND ADDITIONAL INFORMATION**

The bidder may seek additional information from the Contracting Entity concerning the TD and contracting terms. The bidder shall send its requirements (if any) in writing to the address stated below:

Mgr. Filip Melc  
Public Procurement Specialist  
Tel.: +420 739538098  
E-mail: filip.melc@net4gas.cz  
NET4GAS, s.r.o.

Correspondence Address: Praha 4, Nusle, Na Hřebenech II 1718/8, Postal Code 140 21

All inquiries received by the Contracting Entity shall be responded to in writing within the statutory time limit and published the same way as the TD, i.e. on the Contracting Entity's profile (<https://www.tenderarena.cz/profil/NET4GAS>). Any and all supplemented information shall become part of the TD.

If the nature of the additional information so requires, the Contracting Entity shall reasonably extend the bid submission time limit.

## **13 PRICE PROPOSAL AND EVALUATION CRITERIA**

The tender offers shall be evaluated by the basic evaluation criterion of the economic advantageousness of the tender offer. The bidder shall specify the aggregate binding bid price in the Pricelist form attached as Appendix 4 to Attachment B – Draft Contract. The aggregate binding bid price is the sum of all bid prices for the individual items excluding optional services. Such price shall be evaluated. No other formulation of the bid price is acceptable for the Contracting Entity. The bid price shall include all costs of the bidder in connection with the performance of the subject of the public contract. The bid price is understood to mean the mobilization of equipment and personnel, the performance of caliper inspection, the inspection based on MFL technique and the final report. The bidder shall also indicate prices for repeated

pig runs for cases caused by the Contracting Entity and the fees for downtimes due to personnel or equipment.

The bid price is final and its amount may only be adjusted in response to amendments of tax laws having demonstrable effect on its performance, or in response to adjustments in the VAT rates, to the extent corresponding to such changes.

The partial evaluation criteria shall be as follows:

Overall tender offer price:	60 per cent
Technical Quality:	40 per cent

The partial evaluation criterion Technical Quality covers the following:

1. Identification of the Features;
2. Automatic Sizing & Detection Specification for Pipe;
3. Manual Sizing Specification for Pipe;
4. Automatic Sizing & Detection Specification of Features in the vicinity of girth welds;
5. Manual Sizing & Detection Specification of Features in the vicinity of girth welds;
6. Requirements for the Electronic Geometry Survey inspection performance.

For the evaluation criterion Technical Quality **please fill in tables in Appendix 2 to Attachment B – Draft Contract**. For detailed description on evaluation and ascribed weights please see Attachment C – Evaluation Description.

In order to assess and evaluate the bids, the Contracting Entity shall set up an evaluation committee comprising at least five members. First of all, the evaluation committee shall assess the submitted bids whether they meet the statutory requirements and also the requirements of the Contracting Entity set out in the TD.

When evaluating the tender offers, the evaluation committee shall use a points system from 0 to 100 points. Based on a partial evaluation criterion, each tender offer shall be assigned a number of points reflecting the success of the tender offer in the context of the partial evaluation criterion. The tender offer that will obtain the highest number of points shall be determined the best.

For the partial evaluation criterion Overall tender offer price the following method of evaluation shall be used. For this numerically quantifiable criteria, for which the best tender offer has the minimum value of the criterion, i.e. the lowest tender offer price, the tender offer under evaluation shall obtain a number of points equal to the product of 60 (which is the weight of the criterion) and the ratio of the value of the best tender offer to the value of the tender offer under evaluation.

For the partial evaluation criterion Technical quality the following method of evaluation shall be used. The scores achieved in all sub-items will be added together and the tender offer under evaluation shall obtain a number of points equal to the product of 40 (which is the weight of the criterion) and the ratio of the amount of achieved score of the tender offer under evaluation to the amount of the best score achieved in the tender.

## 14 BUSINESS CONDITIONS

Binding business and payment terms are set out in Attachment B – Draft Contract to this TD.

**Any amendment of the Attachment B – Draft Contract, except where marked by the Contracting Entity (in square brackets [ ]) is not permitted and will disqualify the bidder from the tendering procedure.**

## **15 SUB-CONTRACTING**

If the bidder is unable to fully demonstrate that it fulfils the criteria required by the Contracting Entity and related to the economic, financial or technical qualification, or, as the case may be, related to a business license, a membership in a professional autonomous organization, or professional qualification, it may demonstrate the fulfilment of such criterion (to its missing extent) via a subcontractor. In such case, the bidder is required to provide the Contracting Entity with an agreement with a subcontractor, showing the subcontractor's obligation to pursue such activities that are designated for the performance of the public contract by the bidder or providing things or rights to the bidder allowing it to use them in the performance of the public contract, at least to the extent in which the subcontractor has demonstrated the fulfilment of the qualification criteria. At the same time, the bidder shall include a document demonstrating the fulfilment of the basic qualification criterion set out in Section 74(e) of the PPA (affidavit of the subcontractor confirming that it has not been in liquidation procedure) and of the professional qualification criterion pursuant to Section 77(1) of the PPA (copy of an excerpt from the Commercial or similar register, if the subcontractor is enrolled thereon) by the subcontractor. The bidder may not discharge the requirement concerning an extract from the Commercial Register via a subcontractor.

## **16 JOINT VENTURE**

Where the subject of the tender is to be performed collectively by several suppliers who submit or intend to submit a joint bid for this purpose, each of the bidders shall demonstrate the fulfilment of the qualification to the full extent; this shall not apply to the economic, financial or technical qualification or business license, membership in professional autonomous chamber or other professional organization, or professional capacity, in respect of which it will suffice, if all the bidders demonstrate the fulfilment of this qualification together. Where the subject of the tender is to be performed by several suppliers, together with the documents demonstrating the fulfilment of the qualification criteria, the suppliers shall submit an agreement setting out an obligation that vis-à-vis the Contracting Entity and any third parties from any legal relationships arising in connection with the contract, all these suppliers are bound jointly and severally for the entire duration of the contract and for the duration of any other obligations arising from the contract.

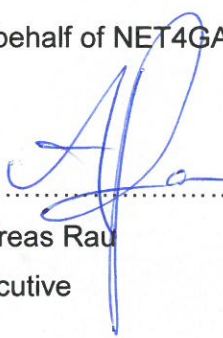
## **17 CONFIDENTIALITY**

The Contracting Entity shall keep confidential all information or documents submitted by the bidder. The Contracting Entity may use any information or documents submitted by the bidder to the extent it is necessary to proceed in accordance with the PPA.

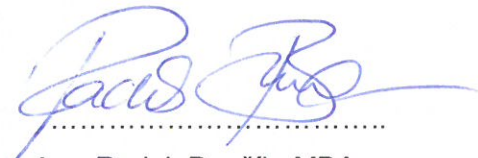
## 18 GOVERNING LAW AND PLACE OF JURISDICTION

The governing law of the tender shall be the law of the Czech Republic. The place of jurisdiction shall be the place where the Contracting Entity has its registered office.

On behalf of NET4GAS, s.r.o.

  
.....  
Andreas Rau  
Executive

In Prague, on.... 07.12.2016

  
.....  
Ing. Radek Benčík, MBA  
Executive

Attachments:

- Attachment A – Reference List
- Attachment B – Draft Contract
- Attachment C – Evaluation Description