



**INVITATION
OF SEVERAL PROSPECTIVE BIDDERS
TO PARTICIPATE IN THE QUALIFICATION PROCEDURE**

for Gas Pipeline Installation Works

Principal (Contract Awarding Authority)

NET4GAS, s.r.o.

(the "Principal")

Schedules:

- No. 1 Draft Agreement
- No. 2 Affidavit
- No. 3 References
- No. 4 General Terms & Conditions for the supply of goods and the performance of works (or other performances) ("T&C") issued within the meaning of Sec. 1751 of Act No. 89/2012 Coll., as amended (the Civil Code)
- No. 5 General Terms and Conditions for ensuring Occupational Safety and Health, Protection of the Environment, Fire Prevention, and Security – Physical Safety ("Occupational Safety and Health requirements"), issued within the meaning of Sec. 1751 of Act No. 89/2012 Coll. (the Civil Code)
- No. 6 Technical requirements for work and other activities in buildings, hazardous areas, zones, and in the vicinity of network installations and lines under the management of NET4GAS, s.r.o.
- No. 7 Map of the gas pipeline system of N4G
- No. 8 Internal documentation - TP_T01_01_01_03 Principles for planning, building, refurbishing, and repairing high-pressure gas pipelines and connections up to 100 bar



1. General Provisions

The purpose of this document is to stipulate a qualification system, and the procedure for creating a list of qualified suppliers for contracts tendered by NET4GAS, s.r.o. in the area of installation works on class B2 gas pipelines (with pressures from above 40 to 100 bar). Suppliers may qualify for entry in the list of qualified suppliers for gas pipeline installation work at any time during the validity of that list.

The qualification procedure is no substitute for the tender procedure and for the negotiations with suppliers.

The qualification system comprises two qualification levels:

1st level – construction and installation work on B2 gas pipelines with diameters of up to (and including) DN 500

2nd level – construction and installation work on B2 gas pipelines with diameters from DN 600 upwards

Prospective bidders are offered the opportunity to qualify for either level. If a prospective bidder wishes to be listed for both qualification levels, it must meet the criteria for the second qualification level (as per the conditions set out further below). Compliance with the qualification criteria for 2nd-level qualification automatically means that the supplier will also be listed for 1st-level qualification.

Qualified bidders will be included in the open list of qualified suppliers for a limited period of time, and a framework agreement will be concluded with them until 31 December 2017.

Depending on the qualification level which they reached, qualified suppliers will be asked to submit bids for individual construction projects in individual tender procedures via the electronic portal Proe.biz, as per the current needs of the Principal. The Principal will specify the detailed scope of solicited works, dates and deadlines, and places of performance separately for each individual project.

The subject matter of solicited contracts will comprise in particular the following:

- drawing up technological procedures for the to-be-performed works, inspections/testing, and schedules for the same;
- earthworks;
- cutting out defective pipeline segments and valves and installing new ones;
- welding work;
- supply of selected material (on an ad hoc basis; if material is being supplied by the Principal, then the Contractor shall see to it that such material is transported from the Principal's central warehousing facility in Louny to the site of installation);
- crane works (as needed);
- insulation and paintjobs (as need);
- pressure testing;
- visual seam inspection;
- gas leakage inspection;
- drawing up the as-built documentation, inspection reports, etc., according to TPG and the Principal's internal regulations,

whereas the Principal reserves the right to demand that for selected activities among the above, the capacities of its own contractual partners (acting as mandatory subcontractors) must be used. The specific scope of mandatory subcontracting will be specified separately for each individual project.



The following activities are *not* included in the scope of solicited works:

- Staking out underground grids and lines
- Non-destructive testing
- Topographical surveying, as-built surveying

A separate order will be issued (or a separate contract for work will be concluded) for each individual project.

The selected Contractor must report for work towards the provision of performances within 30 calendar days from the placement of a binding order or, as the case may be, from the execution of the relevant contract for work.

In the course of implementation of the work, the Contractor must not work on more than two different projects (i.e., at more than two different sites) at the same time.

2. Qualification Procedure and Requirements

- a) Prospective bidders who wish to participate in the qualification procedure shall confirm their interest in being added to the list by way of an e-mail sent to the following address: marketa.vanzurova@net4gas.cz. In this e-mail, the prospective bidder shall specify the business name and seat of the company, its identification number, the name, phone number, and e-mail address of its contact person, and the requested qualification level.
- b) The contact person of the Principal sends an invitation to the prospective bidder, calling on it to submit its qualification documents via the electronic portal Proe.biz.
- c) After filling in the registration form attached to the invitation, the bidders shall submit the required qualification documents in electronic form via the Proe.biz portal that can be accessed at www.net4gas.proebiz.com. Prospective bidders have 10 working days from the transmission date of the invitation to submit the required documents.
- d) The Principal may call for additional explanations / for supplementary documents.
- e) The evaluation committee of the Principal assesses whether the criteria are fulfilled and the Principal thereupon notifies the prospective bidder of whether or not they qualify.
- f) Qualified bidders are added to the list of qualified suppliers, in the category of 1st-level qualification and possibly in the category of 2nd-level qualification.
- g) The selection of the Contractor for individual projects takes the form of tender procedures (including the option of electronic auctions), in which the evaluation criterion is the price of performances. These tender procedures are conducted via the electronic portal Proe.biz, and the solicitation of bids will be circulated among all suppliers on the list for the given qualification level. The outcome of the tender procedure is the conclusion of a contract for work.
- h) The Principal reserves the right not to draw upon the services of a qualified supplier (Contractor) in the following events:
 - The Contractor is in material breach of professional or contractual obligations, i.e., in particular, it fails to comply with any technical requirements for the performance of works, including the Technical Requirements or the Occupational Safety and Health requirements (Schedules No. 5 and 6 to this Invitation);



- The Contractor suspends the implementation of the work without good cause;
- The Contractor fails to observe the performance deadlines set out in the individual order or in the individual contract for work, exceeding them by 15 working days;
- The amount of contractual penalties payable under the provisions of the individual order (the contract for work awarded to the Contractor) is equal to or greater than 10% of the price of the individual work;
- The Contractor carries out work in conflict with the applicable technical standards or the generally binding provisions of statutory law;
- An insolvency procedure has been initiated against the Contractor's estate;
- A decision has been handed down pursuant to which the supplier's company is to be dissolved and liquidated without a legal successor;
- There exists proof of, or circumstantial evidence for, tampering with the tender procedure by bidders who compete for the given contract;
- Any certificate held by the supplier which is necessary for completing the work expires, and the supplier fails to arrange for an extension of the certificate's validity for the subsequent period.

3. Contract Awarding Authority (Principal)

Principal: NET4GAS, s.r.o.
Seat: Na Hřebenech II 1718/8, 140 21 Prague 4 – Nusle
Banking connection: ČSOB, Prague 5, account No. 17470543/0300
ID No. (IČ): 27260364

Contact person in matters of the qualification procedure:

Mgr. Markéta Vanžurová, Specialist, Procurement and Logistics, phone No.: +420 220 223 825, e-mail: marketa.vanzurova@net4gas.cz

Please submit all your questions regarding the qualification procedure in writing, via e-mail to the above address.

4. Other Provisions

- Bidders are not entitled to compensation for the work associated with compiling and submitting the documentation for qualification purposes.
- The Principal does not accept joint bids by several bidders.
- Bids which are incomplete within the meaning of the conditions and requirements set out in the Invitation will not be evaluated.
- This tender procedure is not governed by the Public Procurement Act.



- The Principal reserves the following rights:
 - Cancellation of the tender procedure even without giving reasons.
 - Adjustment of the dates for the commencement of work, along with an adequate adjustment of the deadlines for completing individual tasks.
 - Changing, or specifying in more detail, the subject matter of individual tender procedures within the time period for the submission of bids.
 - Not to return bids to bidders.
 - Negotiating any and all conditions of performance under the contract with the bidders (e.g. in the form of an e-auction).
 - Announcing another tender round.
 - Not to enter into the contract with the bidder, even without giving reasons.
 - Not to enter into a contract for work that comprises the entire subject matter of the tendered contract.
 - Narrowing or, as the case may be, extending the scope of the subject matter of the contract.
 - Presenting a new draft agreement (contract).
- The bidder undertakes to preserve secrecy with respect to the subject matter of the tender procedure and the subsequent contracts, and with respect to the confidential information made available to it in connection with them. For the purposes of this provision, the following information in particular qualifies as "confidential information":
 - any and all information of commercial, technical or financial character concerning customers of NET4GAS, s.r.o.
 - other information which the relevant Party has labeled as confidential.

The duty to secrecy applies throughout the existence of the contractual relationship between the Parties and thereafter, unless and until the confidential information enters the public domain (other than by a breach of contract by the obliged Party). The Contractor undertakes to bind all its employees and corporate officers who were provided with confidential information for the purpose of implementing the subject matter of this Agreement by an obligation to keep such information secret vis-a-vis any and all third parties, whereas this obligation shall be unlimited in time.
- Foreign bidders shall prove their qualification in the bid based on the laws of the country in which they entertain their seat, place of business, or place of residence, in such scope as required by the Principal. If a specific document is not issued under the laws of the country of the seat, place of business, or place of residence of the foreign supplier, then the foreign supplier must prove its compliance with this particular portion of the qualification criteria by way of an affidavit. If an obligation which must be fulfilled as a part of the qualification procedure is not prescribed in the country of the seat, place of business, or place of residence of the foreign supplier, then the foreign supplier shall confirm this fact in an affidavit. Foreign suppliers shall submit the documents in evidence of their compliance with the qualification criteria in the original language, unless the Principal stipulates otherwise.
- Bidders who have further questions regarding this qualification procedure are obliged to communicate them in writing via e-mail to the Principal's contact person in charge of this procedure. Information which is distributed by the Principal based on such an enquiry becomes an integral part of the Invitation, equal in relevance to the rest.



5. Qualification criteria (and requirements for proof of compliance with these criteria)

A. 1st-level qualification

Prospective bidders who wish to be included in the list for 1st-level qualification shall submit the following documents:

- An extract from the public part of the Commercial Register (in photocopied form), not older than 90 days and signed by the prospective bidder's authorized representative (so as to evidence that the copy matches the original)
- An extract from the public part of the Trade Licensing Register (in photocopied form), signed by the prospective bidder's authorized representative (so as to evidence that the copy matches the original)
- An affidavit on the prospective bidder's integrity and financial capability, following the template set out in Schedule No. 2 and signed by the prospective bidder's authorized representative
- An economic report evaluating the prospective bidder's financial health, issued by BISNODE (Dun & Bradstreet), which as at the last day of the time period for proving compliance with the qualification criteria is not older than 30 days. Bids coming from bidders with a failure score rating of less than 50 – i.e., entities which belong to the 50% least creditworthy companies – in the database of BISNODE (Dun & Bradstreet) will not be evaluated. The bidder must itself procure the economic report directly from BISNODE (Dun & Bradstreet) at its own cost and submit it as a part of the bid in photocopied form, furnished with the stamp and signature of the prospective bidder's authorized representative (so as to evidence that the copy matches the original).
Contact details: **BISNODE D&B ČESKÁ A SLOVENSKÁ REPUBLIKA**, Siemensova 2717/4, 155 00 Prague 5, e-mail: custserv@bisnode.cz, phone No.: +420 274 000 600, www.bisnode.cz
- Proof of insurance (valid insurance contract, in the form of a simple photocopy, or insurance police) in connection with the to-be-completed subject matter of the work, in the following scope:
 - Builder's risk insurance with an insurance limit of at least CZK 15 million, including
 - complementary insurance covering the costs of debris removal with an insurance limit of at least CZK 3 million
 - complementary insurance covering the 24-month warranty period
 - complementary transport insurance
 - Builder's third-party liability insurance with an insurance limit of at least CZK 15 million including a cross-liability coverage clause with an insurance limit of at least CZK 15 million, and existing property liability insurance with an insurance limit of at least CZK 15 million. NET4GAS, s.r.o. will be listed as an insured party in the cross-liability coverage clause (in its capacity as the investor to whom injured parties may take recourse with a claim for damages).
 - Professional third-party liability insurance / product liability insurance with an insurance limit of at least CZK 15 million.

The insurance must be valid throughout the implementation of the work until its full completion and handover and for the subsequent 24-month warranty period. The prospective bidder shall prove compliance with this qualification criteria by submitting an original affidavit, signed by the bidder's authorized representative, in which the prospective bidder represents and undertakes that it will enter into an insurance contract within the meaning of this item once it has been selected as the contractor/supplier.



- References for work carried out over the past five years on B2 high-pressure gas pipelines in the name of the prospective bidder:
 - At least three references for installation work on DN 300 pipelines with a minimum financial volume of CZK 500,000 per individual reference.
 - At least three references for installation work on DN 500 pipelines with a minimum financial volume of CZK 1,000,000 per individual reference.

The Principal will accept the prospective bidder's references if they meet the requirements in terms of minimum financial volume and if the scope of the reference covers at least the following work: preparatory work and earthwork, welding and installation work, testing and inspections.

References shall be listed in the table in Schedule No. 3, and each reference must be furnished with a confirmation by the client of proper workmanship.

The references will be confirmed on the part of NET4GAS, s.r.o. as follows: the prospective bidder submits the completed table in Schedule No. 3 to marketa.vanzurova@net4gas.cz at least eight days before the deadline for submitting documents expires. Confirmed references will be scanned in and sent no later than three days before the deadline for submitting documents expires.

- A quality management system certificate pursuant to the ČSN EN ISO 9001:2001 standard
- A quality management certificate for welding work pursuant to ČSN EN ISO 9001:2009 and ČSN EN ISO 3834-2:2006
- A valid certificate for installation and repair of steel gas pipelines and connections in open trenches, with no limitations as to pipe diameters and superatmospheric pressure issued by an accredited certifying authority.
- A European / International Welding Engineer (EWE, IWE) certificate issued in accordance with ČSN EN 12732 a ČSN EN ISO 14731.
- A list of at least five welders in an employment relationship with the prospective bidder, and their certification (which must conform to the G-S5 certificate).
- A list of at least two installation crews, including the certification of their members - i.e., a list by names of workers in the following professions:
 - Welder
 - Metal prep worker
 - Supervising technician

- Certification of employees carrying out the visual inspection of welding seams pursuant to EN 473 or the APC STANDARD 201.
- License for manufacturing, installing, repairing, inspecting, and testing selected gas equipment, issued by ITI within the meaning of Sec. 6a) (1) (c) of Act No. 174/1968 Coll., as amended, and Sec. 3 of decree No. 21/1979 Coll. of the ČÚBP and ČBÚ, as amended.
- Certificate of the professional qualification to test, inspect, repair, install, and service selected pressure equipment issued by ITI within the meaning of Sec. 6a) (1) (d) of Act No. 174/1968 Coll., as amended, and decree No. 21/1979 Coll. of the ČÚBP and ČBÚ, as amended.



- A list of the prospective bidder's own capacities in terms of machinery required for the following works:
 - Earthworks;
 - Welding work (welding tent);
 - Equipment for the construction of junctions;
 - Equipment and technology for demagnetizing pipes during welding.
- The prospective bidder shall submit a completed and initialed version of the draft agreement.

B. 2nd-level qualification

Prospective bidders who wish to be included in the list for 2nd-level qualification shall submit the following documents:

- An extract from the public part of the Commercial Register (in photocopied form), not older than 90 days and signed by the prospective bidder's authorized representative (so as to evidence that the copy matches the original)
- An extract from the public part of the Trade Licensing Register (in photocopied form), signed by the prospective bidder's authorized representative (so as to evidence that the copy matches the original)
- An affidavit on the prospective bidder's integrity and financial capability, following the template set out in Schedule No. 2 and signed by the prospective bidder's authorized representative
- An economic report evaluating the prospective bidder's financial health, issued by BISNODE (Dun & Bradstreet), which as at the last day of the time period for proving compliance with the qualification criteria is not older than 30 days. Bids coming from bidders with a failure score rating of less than 50 – i.e., entities which belong to the 50% least creditworthy companies – in the database of BISNODE (Dun & Bradstreet) will not be evaluated. The bidder must itself procure the economic report directly from BISNODE (Dun & Bradstreet) at its own cost and submit it as a part of the bid in photocopied form, furnished with the stamp and signature of the prospective bidder's authorized representative (so as to evidence that the copy matches the original).
Contact details: **BISNODE D&B ČESKÁ A SLOVENSKÁ REPUBLIKA**, Siemsenova 2717/4, 155 00 Prague 5, e-mail: custserv@bisnode.cz, phone No.: +420 274 000 600, www.bisnode.cz
- Proof of insurance (valid insurance contract, in the form of a simple photocopy, or insurance police) in connection with the to-be-completed subject matter of the work, in the following scope:
 - Builder's risk insurance with an insurance limit of at least CZK 15 million, including
 - complementary insurance covering the costs of debris removal with an insurance limit of at least CZK 3 million
 - complementary insurance covering the 24-month warranty period
 - complementary transport insurance
 - Builder's third-party liability insurance with an insurance limit of at least CZK 15 million including a cross-liability coverage clause with an insurance limit of at least CZK 15 million, and existing property liability insurance with an insurance limit of at least CZK 15 million. NET4GAS, s.r.o. will be listed as an insured party in the cross-liability coverage clause.
 - Professional third-party liability insurance / product liability insurance with an insurance limit of at least CZK 15 million.



The insurance must be valid throughout the implementation of the work until its full completion and handover and for the subsequent 24-month warranty period. The prospective bidder shall prove compliance with this qualification criteria by submitting an original affidavit, signed by the prospective bidder's authorized representative, in which the prospective bidder represents and undertakes that it will enter into an insurance contract within the meaning of this item once it has been selected as the contractor/supplier.

- References for work carried out over the past five years on B2 high-pressure gas pipelines in the name of the prospective bidder:
 - At least three references for installation work on DN 700 pipelines with a minimum financial volume of CZK 1,000,000 per individual reference.

The Principal will accept the prospective bidder's references if they meet the requirements in terms of minimum financial volume and if the scope of the reference covers at least the following work: preparatory work and earthwork, welding and installation work, testing and inspections.

References shall be listed in the table in Schedule No. 3, and each reference must be furnished with a confirmation by the client of proper workmanship.

The references will be confirmed on the part of NET4GAS, s.r.o. as follows: the prospective bidder submits the completed table in Schedule No. 3 to marketa.vanzurova@net4gas.cz at least eight days before the deadline for submitting documents expires. Confirmed references will be scanned in and sent no later than three days before the deadline for submitting documents expires.

- A quality management system certificate pursuant to the ČSN EN ISO 9001:2001 standard
- A quality management certificate for welding work pursuant to ČSN EN ISO 9001:2009 and ČSN EN ISO 3834-2:2006
- A valid certificate for installation and repair of steel gas pipelines and connections in open trenches, with no limitations as to pipe diameters and superatmospheric pressure issued by an accredited certifying authority.
- A European / International Welding Engineer (EWE, IWE) certificate issued in accordance with ČSN EN 12732 a ČSN EN ISO 14731.
- A list of at least five welders in an employment relationship with the prospective bidder, and their certification (which must conform to the G-S5 certificate).
- A list of at least two installation crews, including the certification of their members - i.e., a list by names of workers in the following professions:
 - Welder
 - Metal prep worker
 - Supervising technician
- Certification of employees carrying out the visual inspection of welding seams pursuant to EN 473 or the APC STANDARD 201.
- License for manufacturing, installing, repairing, inspecting, and testing selected gas equipment, issued by ITI within the meaning of Sec. 6a) (1) (c) of Act No. 174/1968 Coll., as amended, and Sec. 3 of decree No. 21/1979 Coll. of the ČÚBP and ČBÚ, as amended.
- Certificate of the professional qualification to test, inspect, repair, install, and service selected pressure equipment issued by ITI within the meaning of Sec. 6a) (1) (d) of Act No. 174/1968 Coll., as amended, and decree No. 21/1979 Coll. of the ČÚBP and ČBÚ, as amended.



- A list of the prospective bidder's own capacities in terms of machinery required for the following works:
 - Earthworks;
 - Welding work (welding tent);
 - Equipment for the construction of junctions;
 - Equipment and technology for demagnetizing pipes during welding.

- The prospective bidder shall submit a **completed and initialed version of the draft agreement**.

The bid must be drawn up in Czech and submitted via the electronic portal in electronic form, using one of the generally accessible formats *.doc, *.xls or *.pdf.

Issued in Prague on (date)

Mgr. Markéta Vanžurová, Specialist, Procurement and Logistics