

## LNG procurement - call for competition

Updated information: 14 March 2022

To increase the security of gas supply, the German government has provided THE with financial resources to procure LNG and store it in gas storage facilities in the German market area (including the 7 Fields storage facility located in Austria).

THE procures the LNG on the basis of a framework agreement which shall be awarded to several companies in a competitive, non-discriminatory procedure (negotiated procedure without prior call for competition).

The procedure will be carried out as follows:

1. In the first stage, interested companies can submit an **application for qualification**, on the basis of which THE will examine the expertise, performance and reliability of the applicants based on the published eligibility criteria. Interested market participants are requested to enclose a signed copy of the Non-Disclosure Agreement (NDA) provided by THE with their application.

Applications including the signed NDA will be accepted until **Thursday 17/03/2022** via email to [LNGBeschaffung@tradinghub.eu](mailto:LNGBeschaffung@tradinghub.eu).

More information and documents on the application, including the NDA, can be found [here](#).

2. In the second stage, THE will email the **draft framework agreement** to the qualified applicants, who have also submitted the signed NDA within the stipulated time in the first stage (hereinafter referred to as the "Bidders"), expectedly on Friday, 18.03.2022, with a request for review and communication of any comments until presumably Tuesday, 22.03.2022, 16:00 hours.

THE will hold **negotiation talks** with the bidders via video conference expectedly on Wednesday, 23.03.2022. However, THE reserves the right to refrain from conducting negotiation talks and to continue the process without such talks.

THE will, presumably on Thursday, 24.03.2022, in the morning, send the **final contract text** to the bidders with the request to return a signed copy by presumably Thursday, 24.03.2022, 23:59 hours. THE will subsequently, i.e. presumably on Friday, 25.03.2022, **award** the contract to the bidders who have sent a signed copy by the deadline and conclude the framework agreement by sending a countersigned copy. THE will not make a selection decision in this respect. THE will conclude the framework agreement with all bidders who agree to the final text of the agreement and send a signed copy within the deadline.

3. On the basis of the framework agreement, THE will award **individual contracts** for LNG procurement. The individual contracts are expected to be awarded in several tranches of one cargo each, i.e. approx. 1 terawatt hour of gas. The procedure for each tranche will be as follows:
- THE invites all Framework Contractors to submit a tender for the relevant Tranche within a period specified by THE.
  - The Framework Contractors have the opportunity to submit offers for the LNG quantity to be procured within the announced deadline on the basis of a term sheet provided by THE at short notice by e-mail to [LNGBeschaffung@tradinghub.eu](mailto:LNGBeschaffung@tradinghub.eu).
  - The contract shall then be awarded in favour of the most economically advantageous tender in accordance with the Term Sheet. The following award criteria will be applied with the following weighting:
    - Lowest price (60 %).
    - Delivery date: Earliest date of storage (20 %).
    - Storage location: Highest withdrawal rate (20 %).

The procurement of LNG under the individual contracts shall in each case be subject to the following **conditions** being met:

- The price offered is reasonable, i.e. neither unusually low nor unusually high.
- Sufficient storage capacities are available for the LNG volume to be ordered. This is to be assured by the framework contractors in the term sheet.

The **individual contract for the first tranche** is expected to be awarded on Friday, 25.03.2022. For this purpose, THE will also send the term sheet for the individual contract for the first tranche and an invitation to submit a bid, together with the final text of the framework agreement to the bidders, probably on Thursday, 24.03.2022, in the morning. It is expected that the bidders will be requested to submit their bids together with the countersigned copy of the final framework agreement by 23:59 hours on Thursday, 24.03.2022. The award of the individual contract for the first tranche is then expected to be made on Friday, 25.03.2022.

#### 4. Procedural principles

The following procedural principles apply to both the award of the framework agreement and the award of the individual contracts:

##### a) Contracting entity

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##### b) Communication

Communication with applicants, tenderers and framework contractors will be by e-mail via [LNGBeschaffung@tradinghub.eu](mailto:LNGBeschaffung@tradinghub.eu).

**Applications and offers** are requested by e-mail only. Verbal or telephonic offers or offers in written form will not be considered.

Any **questions** for applicants and bidders must also be submitted by e-mail only.

##### c) Subject matter and term of the framework agreement

The framework agreement covers the regasification, transport and storage of natural gas in a storage facility in the German market area (including the 7 Fields storage facility located in Austria) until 01.04.2023. The subject of the framework agreement is LNG in a **maximum quantity** of 10 terawatt hours.

The **term of the framework agreement** ends on 01.04.2023.

d) Individual orders

The individual contracts will be awarded exclusively within the framework of the competitive procedure outlined in section 3 above.

**Please note that the framework contractors are not entitled to commissioning under an individual order on the basis of the framework agreement.**

The individual orders concern deliveries with a **delivery deadline of Friday, 29.07.2022** at the latest. The gas quantities must be stored by this date at the latest.

e) Lot formation and procedure

No lots shall be formed when awarding the framework agreement. The award of the individual contracts shall be made in individual quantity lots (see section 3 above). The procedure will be conducted in accordance with §§ 97 ff. of the German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen – GWB*) in conjunction with the *Sektorenverordnung (SektVO)*.

f) No reimbursement of costs

Please note that no costs will be reimbursed for the preparation of application documents, tenders, participation in negotiation meetings or for any other expenses in connection with the award procedure here.

g) Competent body for appeal/review procedures

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