



**TO
ALL INTERESTED PARTIES**

**INVITATION
FROM BULGARTRANSGAZ EAD
FOR PARTICIPATION IN COMPETITION BY DOCUMENTS' SUBMISSION**

DEAR LADIES AND GENTLEMEN,

By this invitation we invite you to submit your tender in the competition by documents' submission with subject: "Selection of Bulgartransgaz EAD authorized representative for performing procedural representation of the company before the Arbitration Court at the Chamber of Commerce in Zurich".

1. Subject:

Performing the procedural representation of Bulgartransgaz EAD before the Court of Arbitration with Zurich Chamber of Commerce "on the disputes arising in connection with the conclusion, performance and interpretation of the Contract № 484/11.02.2009, concluded between Bulgartransgaz EAD and Furmanite International Limited under the terms of the existing arbitration agreement between the disputing parties".

1.1. Basic legal elements of Lease Contract № 484/11.02.2009, rights and obligations of the parties thereto.

With regard to the main elements of Lease Contract № 484 / 11.02.2009 - leased property which is the subject of the contract, term of lease, price payable by the Lessee, as well as rights and obligations of the parties under the contract, the parties have agreed on the following:

By the said Lease Contract Bulgartransgaz EAD, as Lessor shall provide to Furmanite International Limited, as Lessee, equipment for hot tapping for temporary use against the obligation of the Lessee to pay a price to the Lessor and to return the equipment after the expiry of agreed period of use.

The equipment which is the subject under the Contract shall be delivered and respectively accepted by delivery and acceptance protocols signed between the parties at the place of transfer – Republic of Bulgaria, town of Botevgrad, 61, Acad. St. Romanski Str. The risk of accidental loss or damage to the leased property shall pass to the Lessee at the time of signing the bilateral protocol for its receiving.

In paragraph 3.1. of the Contract it is provided that the Lessee shall pay to the Lessor a rental price of EUR 800 EUR excluding VAT per day for the period of use, which cannot be less than 40 calendar days. To protect the company's interests in the contract it is provided the Lessee to pay in advance the total outstanding rent for the duration of the contract. The contract was concluded

for a period of 40 days, and according to paragraph 7.2. the equipment shall be delivered to the Lessee after he pays in advance the total outstanding rent for that period.

Seven days before the expiration of the initial period of use from 40 calendar days the Lessee may notify the Lessor in writing of its wish to extend the period of use of the leased property, and the term shall be considered to be extended after receiving the written consent from the Lessor.

To protect the interests of Bulgartransgaz EAD in Section 9 of the contract are provided some penalties for late payment of the rental price, and for late return of the leased property after the expiry of the approved by the Lessor terms of use and respectively for its use without the express written consent of the Lessor as follows:

- In case of delayed payment of the rental price for the period of use, the Lessee shall pay a penalty equal to 1% of the outstanding amount for each day of delay.
- In case of failure to return the leased property after the expiration of the terms under the contract, the Lessee shall pay a penalty of 1 /one/ percent of the daily rental price for each day of delay, as well as the amount of the rental price of EUR 800 per day for that period.

This is a bilateral contract, and the rights and obligations of the parties are described in detail in the contract. The main obligations of the Lessor, which respectively are rights in respect of the Lessee, are as follows:

- to provide the property subject of this contract in the form and condition that meet the use for which the property is rented;
- to ensure the undisturbed use of the leased property;
- not to transfer in any way the title of ownership or the use on the leased property, and not to burdened the same with encumbrances for the period of duration of this contract.

Given the bilateral nature of the contract and with a view of the performance by the Lessor of its main obligation to deliver the rented equipment in the form and condition that correspond to the use for which the property is rented, which is reflected in the delivery and acceptance protocol signed between the parties, it is of essential importance for the disputes that have arisen between the parties the obligations taken by the Lessee under the contract and their failure respectively.

Obligations of the Lessee:

Section 5, paragraph 5.2. of the contract provides that all costs for repairs and technical maintenance of the equipment and such for consumables and fuels, including the transportation to the place of use, and back to the place of return of the equipment shall be on the account of the Lessee. Furthermore, the Lessee shall:

- to return the leased property at the expiry of the agreed period in condition not worse than that in which it was received;
- to pay the rental price in the agreed amount and within the prescribed period;
- to compensate the Lessor for the damages caused during the use of the leased property by him or its employees, and
- not to provide the property to other users/subtenants – against payment or without payment.

The disputes and controversies arisen between the parties under the contract shall be resolved by the Court of Arbitration with Zurich Chamber of Commerce, Switzerland by applying the provisions of Swiss civil law.

Although the rented equipment was returned in July 2010 to the Lessor, Furmanite International Limited did not fulfill its contractual obligations in respect of which Bulgartransgaz EAD has claims against the Lessee of about EUR 600,000. The claims of Bulgartransgaz EAD under the provisions of the contract are for unpaid rental price, for late return of the rented equipment after the expiration of deadlines for rent and respectively its use without the express written consent of the Lessor, for not carried out technical maintenance of equipment after completion of its use.

1.2. In connection with the controversial issues under the Contract № 484 / 11.02.2009 Bulgartransgaz EAD assigned under the Public Procurement Act the preparation of legal analysis and evaluation of disputes arisen in connection with the conclusion, performance and interpretation of Contract № 484 / 11.02.2009, as well as for the implementation of legal aid and assistance in the attempt to reach agreement for amicable settlement of the controversial relationships and/or carrying on protection of the legitimate rights and interests of Bulgartransgaz EAD.

Based on contract №1329 / 21.03.2013 concluded with the selected contractor Law Company "Penkov, Markov & Partners" a legal analysis of 29.03.2013 is presented, stating that Bulgartransgaz EAD has reason to bring their claims before the said arbitration.

According to the prepared legal analysis, the amounts that could be claimed by Bulgartransgaz EAD are amounting to EUR 2 400 888, but the value of the claim is subject to assessment by the legal representative in the preparation of the statement of claim and its subsequent confirmation by Bulgartransgaz EAD.

Invitations were sent to Furmanite International Limited for negotiations for an amicable settlement of the dispute, which the company has not responded to. Following the denial to negotiate, two invitations were sent to Furmanite International Limited for voluntary payment, in response to which, Furmanite rejected the claims for payment of Bulgartransgaz EAD as unfounded.

Given the above, Bulgartransgaz EAD have taken all possible steps to amicable settlement of relations between the parties, and the only way to satisfy the claim of Bulgartransgaz EAD is bringing a claim by Bulgartransgaz EAD against Furmanite International Limited and commencement of arbitration proceedings before the Court of Arbitration with Zurich Chamber of Commerce.

According to contract №1329 / 21.03.2013, Law Company "Penkov, Markov & Partners" has an obligation to provide assistance to the legal representative of Bulgartransgaz EAD before the Court of Arbitration with Zurich Chamber of Commerce, Switzerland, as well as to provide consent for carrying the legal representation by the Swiss law firm and/or lawyer, experts in the field of international commercial arbitration before the Court of Arbitration with Zurich Chamber of Commerce. In pursuance of the contract, law firms were proposed to which this invitation will be sent.

2. Conditions for participation:

2.1. Applicants must meet the following cumulative requirements:

1. To have the capacity to carry out legal representation before the Court of Arbitration with Zurich Chamber of Commerce;
2. The persons under item 1 should have been carried legal representation in at least 3 /three/ arbitration proceedings before the Court of Arbitration with Zurich Chamber of Commerce, Zurich which ended in the last 5 (five) years from the date of presenting the tender in favor of the party represented by the applicant in the proceedings;
At least 1 /one/ of these arbitration proceedings before the Court of Arbitration with Zurich Chamber of Commerce under item 2 should be ended in favor of the party represented by the lawyers in the proceedings, with a successful claim with value not less than EUR 2 000 000 or the equivalent amount in another currency, calculated at the official exchange rate of the Bulgarian National Bank on the closing date for submission of tenders;
3. There are no circumstances justifying suspicions of a conflict of interest with respect to Furmanite International Limited, including professional and/or personal contacts and/or common interests with Furmanite International Limited and/or its officials and/or agents;
4. There are no circumstances justifying suspicion of professional and/or personal interests of completion of the arbitration proceedings with a judgment to the detriment of Bulgartransgaz EAD.

3. Content of tenders:

3.1. The applicants should present the following documents:

1. A document certifying the capacity of the applicants to carry out legal representation before the Court of Arbitration with Zurich Chamber of Commerce;
2. A declaration, stating on the applicant's choice at least 3 /three/ arbitration proceedings before the Court of Arbitration with Zurich Chamber of Commerce, which resulted in favor of the party represented by the lawyers in the proceedings, with enclosed to it relevant evidence (power of attorney, contract for carrying legal representation, arbitration award) from which it is apparent that the applicant had carried the legal representation and the value of the recognized part of the respective claim;
3. A declaration of address of practicing legal activity in free form;
4. A declaration for lack of circumstances under Section 2, item 3 and item 4 in free form;
5. Price for carrying legal representation formed as follows:
 - 5.1. Part of price for legal representation in a specified fixed amount to be paid after signing the contract. The price must be offered including VAT and excluding VAT, and for the purpose of evaluation the price excluding VAT will be considered.
 - 5.2. Part of the price for legal representation as a percentage of the value of the successful claim, which amount will be paid after the completion of the arbitration proceedings and on the basis of the recognized part of the claim. The applicants must offer specific percentage of the value of the successful claim.
6. Information for the amount of due arbitration fees and expenses, as specified in Section 1, paragraph 1.2. amount of the claim in which to be specified the values for proceedings with one arbitrator and respectively for proceedings with three arbitrators.

*The price under paragraph 5.1. should be quoted in EUR, and should include all costs for carrying the legal representation, including the preparation of the statement of claim and the documents related thereto, administrative and transport costs, business trips, etc. In the case of counterclaim of Furmanite International Limited in the proceedings an increase of the price is allowed under paragraph 5.1. with not more than 20% of the offered value after further negotiations between Bulgartransgaz EAD and the chosen legal representative.

** The price of services shall not include the arbitration fees and expenses, which shall be paid separately by Bulgartransgaz EAD.

The tender shall be submitted in Bulgarian language. When an applicant in the procedure presents documents in a foreign language in their tender, such documents should be also presented in translation into Bulgarian language. For large volumes of documents it is allowed translation to be presented only of parts of the respective document, from which it must be evident the information required under the conditions and requirements of this invitation.

Documents in the tender should be signed by the representative/s of the applicant.

3.2. The tenders will be evaluated and ranked according to "Methodology for determining the comprehensive evaluation of tenders", Appendix No. 1 to this invitation.

3.3. If found missing documents and/or irregularities in the tender of any applicant, Bulgartransgaz EAD shall reserve the right to request in writing by the applicant the missing documents to be produced and/or irregularities to be removed within a specified period. Upon failure to submit the necessary documents and information, such applicant shall be excluded from participation.

4. DEADLINE AND METHOD FOR SUBMISSION OF TENDERS

Deadline for submission of tenders: **until 5:00 pm on 08.04.2015**. The tenders should be in the form of written proposals and must be submitted in a sealed envelope by the applicant personally or by his authorized representative or sent by registered mail with acknowledgment of receipt, or by courier service to the following address: Bulgartransgaz EAD - Headquarters, 1336 Sofia, residential district Lyulin 2, 66, Pancho Vladigerov Blvd.

The applicants must submit tenders in such a way as to ensure their arrival at the specified address before the expiry of the aforesaid deadline. The risk of delay or loss of tenders is for the applicants.

In the event that the tender of a applicant is submitted after the expiry of the deadline under paragraph 4 of this invitation, the tender shall not be considered and shall be returned to the sender.

5. The selection of legal representative will be carried out by approving the report of the work of the competition committee by the Executive Director of Bulgartransgaz EAD. The applicants will be notified in writing about the results of the competition.

The selection of legal representative may be challenged by any of the applicants in the competition within 5 days of receipt of the notification of the results before the Management Board of Bulgartransgaz EAD by filing an objection to the address for submission of tenders.

6. REQUIREMENTS FOR CONCLUDING A CONTRACT

The selected legal representative will be presented with a draft contract for legal representation, which is mandatory for the contractor, and the latter cannot object to the clauses stipulated in thereto.

Upon signing the award contract, the applicant selected for contractor is required to submit a Declaration under Art. 4, paragraph 7 of the Law on Measures against Money Laundering (LMML) and a Declaration under Article 6, paragraph 2 of Law on Measures against Money Laundering.

According to Art. 6, paragraph 2 of the Law on Measures against Money Laundering when a client is a legal entity, it is required to be identified the individuals who are beneficial owners and therefore this information needs to be specified in the declaration under Art. 6, paragraph 2 of the Law on Measures against Money Laundering. The provision of Art. 6, paragraph 2 of the Law on Measures against Money Laundering does not contain exceptions for legal entities which are public companies, and the same should submit a Declaration under Art. 6, paragraph 2 of the Law on

Measures against Money Laundering which states the individuals who are the beneficial owners of the public company at the date of submission of the Tender.

Pursuant to Art. 3, paragraph 5, item 1 of the Implementing Regulations of the Law on Measures against Money Laundering, beneficial owner of a client - legal entity is:

- an individual or individuals who directly or indirectly own more than 25 percent of the shares or the capital of a client - legal entity or other similar structure, or directly or indirectly control it;
- an individual or individuals in whose benefit is managed or distributed 25 percent or more of the property when the client is a foundation, a non-profit organization or other person carrying out fiduciary management of property or distribution of property in favor of third persons;
- a group of individuals in whose benefit is established or acts a foundation, a non-profit organization or a person performing fiduciary management of property or distribution of property in favor of third persons, if these persons have not been determined, but are determinable by certain indications.

In this regard, it is necessary in the declaration under Art. 6, paragraph 2 of the Law on Measures against Money Laundering to indicate information in scope according to Art. 3, paragraph 5, item 1 of the Implementing Regulations of the Law on Measures against Money Laundering.

After signing the contract, the selected legal representative will be provided with all documents relating to the dispute which are available to Bulgartransgaz EAD, including the legal analysis prepared by Law Company "Penkov, Markov & Partners".

Contact persons for additional information and questions:

Vesela Ruseva, email: vruseva@bulgartransgaz.bg, tel. 02/939 64 15, fax: 02/925 00 63.

Lyubomir Krastev, email: lyubomir.krastev@bulgartransgaz.bg, tel. 02/939 61 64.

Waiting for your proposals.

Attachments:

1. «Methodology for determining the comprehensive evaluation of tenders».

Georgi Gegov
Executive Director
of Bulgartransgaz EAD



METHODOLOGY ON DETERMINING THE COMPREHENSIVE EVALUATION OF TENDERS

In competition by documents' submission with subject: "Selection of Bulgartransgaz EAD authorized representative to perform procedural representation of the company before the Arbitration Court at the Chamber of Commerce in Zurich."

This Methodology contains precise instructions to determine the comprehensive evaluation of each tender, the indicators and their relative weight for determining the comprehensive evaluation, as well as precise guidelines to determine the evaluation by each indicator.

The Committee shall examine the tenders received and **in full compliance with Bulgartransgaz EAD requirements** rank them by the specified indicators and their relative weight, according to the comprehensive evaluation by the following formula:

$$Q = C + F, \text{ where:}$$

Q - comprehensive evaluation;

C - Part of the cost for performing authorized representation in particular a certain amount that will be paid after signing the contract.

* For the purpose of evaluation, the price in Euro without VAT will be taken into account.

F - Part of the cost for performing authorized representation, which is a percentage of the value of the recognised claim, which amount will be paid after completion of the arbitration proceedings and based on the recognized part of the claim.

Indicators and their relative weight to determine the evaluation:

No	Indicator	Weight of the evaluation's indicator in %
C	Part of the cost for performing authorized representation, in particular a certain amount that will be paid after conclusion of the contract in Euro without VAT.	30
F	Part of the cost for performing authorized representation, which is a percentage of the value of the recognised claim, which amount will be paid after completion of the arbitration proceedings and based on the recognized part of the claim.	70
Total:		100

Methodology on forming the comprehensive evaluation:

$$Q = [(\min C1 / C1i) * 30] + [(\min F1 / F1i) * 70], \text{ where:}$$

minC1 is the lowest proposed amount of the part of the cost for performing authorized representation to a specified amount to be paid after signing the contract.

C1i is the proposed value of the part of the cost for performing authorized representation to a specified amount to be paid after signing the contract by the respective participant.

min F1 is the lowest proposed amount as a percentage of the value of the recognized claim, which amount will be paid after completion of the arbitration proceedings and based on the recognized part of the claim.

F1i is the proposed amount as a percentage of the value of the recognized claim, which amount will be paid after completion of the arbitration proceedings and based on the recognized part of the claim by the respective participant.

For the purposes of complex evaluation formation, the results of all calculations when applying the Methodology will be rounded to the nearest two decimals.

Offers' ranking shall be performed in ascending order of the received comprehensive evaluation and the tender with the highest score shall be ranked first.