

SPECIFICATION OF THE ESSENTIAL TERMS OF THE CONTRACT

Oil and Gas Institute in Krakow, 31-503 Krakow, ul. Lubicz 25 A, telephone: (12) 421-00-33, fax: (12) 421-00-50, www.inig.pl, hereinafter referred to as the Orderer, invites potential contractors to participate in the delivery of the Natural Gas Leak Rate Detector to Oil and Gas Institute, Department in Warsaw – the procedure repeated.

PROCEDURE: **competitive bidding procedure about the value of the order above 14 000 euro.**

The conduct about allowing the public order is led on the basis of the law from the Act of January 29, 2009 „Public Procurement Law” (Law Gazette, 2010, No. 113, Clause 759).

Common Procurement Vocabulary (CPV) 38.43.11.00-6 The apparatus to detecting gases

The PROCEDURE has been published:

- in the Public Procurement Bulletin on the website of the UZP portal – <http://www.portal.uzp.gov.pl> ,
- on the Orderer's website www.inig.pl,
- on the bulletin board at the seat of the Orderer.

INFORMATION RELATING TO THE ORDER

1. Description of the subject of the order:

Object of the order is delivery to the seats of Oil and Gas Institute, Department in Warsaw, 01-224 Warszawa, Kasprzaka 25 the Natural Gas Leak Rate Detector which detailed technical and guarantee requirements are contained in enclosure of **Annex 1 to SIWZ** (*specification of the essential terms of the contract*).

The deadline of the realization of the object of the order : to 2 weeks from the date of the inclusion of the contract.

2. Does not perpetrate folding partial offers.

3. Does not perpetrate the possibility of the part in the realization of the subcontractors order.

4. The Orderer does not anticipate placing an additional order.

5. The Orderer does not allow for submitting variant offers.

6. The Orderer does not anticipate:

- Concluding a frame agreement;
- Establishing a dynamic purchasing system;
- Choosing the most favorable offer by means of electronic auction;
- Depositing a bid security.

7. Conditions required from the Contractors

- Equipment delivered within the realization of the contract has to be the by factory new, not used device.
- The offer must be made in writing, in **Polish or English**, in the form ensuring full clarity of the text. The offer must be signed by a person authorized to represent the firm outside and to incur liabilities corresponding with the price of the offer. All the places in which the Contractor has made changes should be initialed by the person signing the offer.
- Pursuant to Article 9 of the Act Public Procurement Law, the Orderer **agrees** to submission of the offer and other documents in English.
- Does not allow for submitting variant offers.
- The Contractors competing for the order must satisfy the requirements of Article 22, Section 1 of Public Procurement Law, must not be excludable pursuant to Article 24, Sections 1 of the Act, and must fulfill the conditions defined in this specification.
- The content of the offer has to content passed on the Contractors of the specification of the essential terms of the contract answer.

8. Conditions for participation in the procedure

The Contractors competing for the order must fulfill the following conditions:

- 1) must have qualifications to perform a definite activity or work if legal regulations impose such obligation;
- 2) must have knowledge and experience;
- 3) must have appropriate technical potential and employees capable of fulfilling the order;
- 4) must fulfill the conditions regarding the economic and financial situation.

9. Description of the method to assess whether the above-mentioned conditions have been fulfilled

The assessment concerning the fulfillment of the conditions for Contractors' participation in the procedure will be made on the basis of completeness and correctness of the presented statements and documents, demanded by the Orderer, as well as on the basis of the contents of these documents, according to the formula (fulfills/does not fulfill). The statements and documents will be examined in respect of formal and legal requirements, validity, as well as whether information contained therein confirms the fulfillment of the Orderer's requirements.

10. List of statements or documents to be submitted by the Contractors in order to confirm the fulfillment of the conditions for participation in the procedure

To show that the Contractor fulfills the conditions specified in Article 22, Section 1 of the Act of January 29, 2004 – Public Procurement Law, the Orderer demands the following documents, on the basis of The decree Prime Minister from December 30, 2009 r. (Law Gazette 2009, No. 226, Clause 1817) in the matter the kinds the documents, what The Orderer from The Contractors can demand, and forms these documents in which can be folded:

- 1) statement that The Contractors fulfils the conditions of the part in the conduct. The statement about fulfilling the conditions is contained in enclosure of **Annex 3 to SIWZ** (*specification of the essential terms of the contract*).

In order to show the lack of reasons for eliminating the Contractor from the bidding procedure in the circumstances specified in Article 24, Section 1 of the Act, the Orderer demands the following documents:

- 1) statement on the lack of reasons to be eliminated. This statement is contained of **Annex 4 to SIWZ** (*specification of the essential terms of the contract*).
- 2) valid copy from the proper register if separate regulations require registering, in order to show the lack of reasons for elimination, according to Article 24, Section 1, Clause 2 of the Act, issued **not earlier than six months before the deadline for submission of bids**, and in the case of natural persons – a statement according to Article 24, Section 1, Clause 2 of the Act.

If the Contractor's **seat or place of residence is out the territory of the Republic of Poland**, instead of the above-mentioned document, the Contractor submits the document issued in the country where the Contractor's seat or place of residence are, confirming that no liquidation has been started nor bankruptcy has been declared, issued **not earlier than six months before the deadline for submission of bids**.

If in the country of the person origin or in the country in which the performer has seat or the place of the residence he does not seem above mentioned documents, replace them the document including the statement made before a notary, proper judicial, administrative organ or the organ of the professional or economic council suitably country of the the person or country in which the performer has seat or the place of the residence origin.

All the above-mentioned documents may be presented as originals or photocopies, their conformity to the originals having been certified by a person/persons entitled to sign the offer, with the note "I hereby certify that this is a true copy of the original".

This certification should be made in a way enabling the identification of the signature.

If the offer or certification concerning the conformity of the copies to the original documents are signed by a person not mentioned in the Contractor's registration document, an appropriate authorization to represent the Contractor should be enclosed with the offer.

If the Contractor in the submitted offer gives the information the making up secrets of the enterprise in meaning of the Article 11 Clause 4 Act of April 16, 1993 about fighting the dishonest competition (Law Gazette No. 47, Clause 211 with further amendments) – hereinafter referred to as the „law about fighting the dishonest competition” - and he wants indicated information not to be subject to disclosing to a third party, he should make a statement of

restriction of these information as a secret of the enterprise. The Contractor restriction can not concern information, which do not make up the secret of the enterprise in the understanding of the law about fighting the dishonest competition, how also to relate to performer (firm), his address names, and the offered price. You should enclose announcement about the restriction of information making up the secret of the enterprise to the offer.

11. Way of making the offer

- The offer must be made in writing, in **Polish or English**, in the form ensuring full clarity of the text. The offer must be signed by a person authorized to represent the firm outside and to incur liabilities corresponding with the price of the offer. All the places in which the Contractor has made changes should be initialed by the person signing the offer.
- Pursuant to Article 9 of the Act, the Orderer **agrees** to submission of the offer and other documents in **English**.
- Bid form – **Annex 2 to SIWZ** should contain:
 - Name and address of the Contractor
 - Date for executing the subject of the order
 - The period of the given guarantee and specification of all the remaining requirements defined by Orderer.
 - Total price of the offer (the price covering the whole of the specified and demanded subject of the order: net value + VAT = gross value)
- *The offer price must include all the costs affecting the price: delivery to the seat Orderer in Warsaw, the insurance in the time the transportation, the guarantee and all remaining costs necessary to pay for proper realization of the object of the order according to all requirements of SIWZ.*
- You should add the detailed description of offered equipment to the offer, according to all technical requirements contained in the specification.
- In case the offer is submitted by a Contractor being a foreigner, not subject to taxation on the territory of the Republic of Poland, the Contractor is obliged to submit such information together with the price given. A foreign Contractor **gives the net offer price only**.
- A foreign Contractor to whom the regulations of March 11, 2004 on the goods and services tax (Law Gazette, No. 54, Clause 535 with further amendments) apply, the regulations concerning intra-Community purchase of goods – hereinafter referred to as the „regulations concerning intra-Community purchase of goods” – calculates the offer price **excluding** the amount of VAT due in Poland (the consequence resulting from the necessity of considering Article 91, Section 3 a of the Public Procurement Law).
- For the purpose of comparing the offers of foreign Contractors with the offers of domestic Contractors, the Orderer will add to the net offer price given by a foreign Contractor the amount of VAT due which, as per contract, shall be paid by the Orderer.
- The offer price should be given in Polish zloty (PLN). It is also allowed to express the prices in USD.
- If the offer price is expressed, with the consent of the Orderer, in USD, the Orderer, so as to compare the prices, will convert dollars into zlotys, based on the mean NBP rate announced on the day of bid opening in this bidding procedure.
Net value.....zloty, VAT.....%, i.e.....zloty
Gross value.....zloty
in words.....
- **The prices given are valid during the whole contractual period.**
- The offer and all the Annexes must be signed by a person/ persons authorized to represent the Contractor, in accordance with the registration act, statutory requirements and legal regulations.
- If the offer and the Annexes are signed by the authorized representative of the Contractor, the appropriate legal grounds should be given.
- Corrections in the offer must be made legibly and signed by the authorized person.
- All the pages of the offer should be numbered, fastened together (stapled together) in a durable way, preventing the offer from getting incomplete.
- The content of the offer must correspond to the content and requirements defined in SIWZ.
- The offer has to be prepared in Polish or English, readable writing.

12. Criteria for the assessment of the offers

When choosing the most favorable offer the Orderer will be guided by:

- **Gross offer price** (offer price covering the whole of the specified subject of the order) **100%**

According to the criterion – offer price /with VAT/

$$Wc = \frac{\text{minimal price}}{\text{price presented in the offer}} \times 100$$

The offer with the greatest number of points will be considered the most favorable offer.

13. The required order delivery date

The deadline of the realization of the object of the order : to 2 weeks from the date of the inclusion of the contract.

14. Bid validity period - 30 days

The running of the bid validity period begins when the deadline for submission of bids ends.

15. Place and date for submission of bids

- The offer should be submitted to the seat of the Institute – 31-503 Kraków, ul. Lubicz 25 A, secretariat – room 113, second floor, **by 1 p.m.**, Eastern Standard Time (EST) **on August 19, 2010** in a closed envelope with the notice „**Competitive bidding procedure the delivery of the Natural Gas Leak Rate Detector to Oil and Gas Institute, Department in Warsaw - the procedure repeated, DZ-2710-38/10**”.
- If the offer comes to the Orderer by mail or some other way (for example by courier service), the date for submitting the offer is the date on which it is delivered to the seat of the Orderer and not the date on the stamp or on the courier service order.
- Offers submitted after the deadline date will not be considered and returned to the Contractor.
- Costs connected with preparing and submitting the offer are incurred by the Contractor.

16. Bid opening place and date

The opening of bids will be on **August 19, 2010 at 1.15 p.m.** at the seat of the Institute, second floor, room 107.

17. Persons entitled to communicate with the Contractors

Each Contractor has the right to ask the Orderer to explain the specification of the essential terms of the contract. The questions of the Contractors must be put in writing and sent to the address:

Instytut Nafty i Gazu (Oil and Gas Institute)

ul. Lubicz 25 A

31-503 Kraków

or

fax. 12 430 38 85

or

by electronic mail

Each party, at the request of the other party, shall immediately confirm the receipt of the documents by fax or e-mail.

a) Information on technical matters is provided by:

Grzegorz Demusiak, telephone +48 22 632 48 73 from Monday to Friday, from 8.00 a.m. to 2.00 p.m.

fax +48 22 632 63 13, e-mail: demusiak@inig.pl

b) Information on procedural matters is provided by:

Monika Stachnik, telephone +48 12 421 00 33, extension 246, from Monday to Friday, from 8.00 a.m. to 2.00 p.m., fax. +48 12 430 38 85, e-mail: tunek@inig.pl

Tomasz Kusia, telephone +48 12 421 00 33, extension 226, from Monday to Friday, from 8.00 a.m. to 2.00 p.m., fax. +48 12 430 38 85, e-mail: kusia@inig.pl

The Orderer shall immediately answer all the Contractors, pursuant to Article 38 of the Public Procurement Law, unless the question is submitted to the Orderer less than six days before the deadline for submission of bids or two days before the deadline for submission of bids – on condition that the application for explaining the content of the specification of the essential terms of the contract is submitted to the Orderer not later than the end of the day on which half of the time fixed for submission of bids passes.

The Orderer does not anticipate a meeting with the Contractors.

In the correspondence sent to the Orderer the reference number **DZ-2710-38/10** should be given. Pursuant to Article 27 of the Public Procurement Law, in this bidding procedure all the statements, applications, notices and information shall be sent by both the Orderer and Contractors in writing, by fax or e-mail, to the above-mentioned address.

The Orderer will not give any oral or telephone information, explanations or answers to the questions asked to the Orderer concerning the matters which require that the written form be observed.

In special and duly justified cases the Orderer may, at any time before the end of the deadline for submission of bids, modify the content of the specification of the essential terms of the contract.

The thus-introduced modifications, changes or supplements shall be placed on the website www.inig.pl

All the modifications, supplements and settlements or changes, including date changes, as well as questions to the Contractors together with the explanations make the integral part of the specification of the essential terms of the contract and will be binding when submitting bids. The information on prolonging the time fixed for submission of bids, if it is necessary for introducing changes in the offers resulting from the modification, will be given by the Orderer on the website. All the rights and obligations of the Contractors as regards the dates fixed earlier will be subject to the new time limit.

18. Contract terms which will be introduced into the contract

- The Orderer will conclude the contract with the Contractor that will submit the most favorable offer.
- According to Article 94 Clause. 1 point 2 of the Public Procurement Law: *The Orderer contain the contract in the matter of the public order, with restriction of Article 183, in the deadline: not shorter than 5 days for the day shadow information about the choice of the most profitable offer (...)*
- The contract will be concluded taking into consideration the decisions and requirements resulting from the content of this specification and the data contained in the offer.
- The Orderer foresees allowing payments on account on the rank of the realization of the order.
- Counting from the date of the inclusion of the contract the performer obliges oneself to realization of object of order in deadline to 2 weeks.
- The Contractor will give the guarantee on the delivered apparatus on the period not shorter than the guarantee of the manufacturer.
- The apparatus should be delivered to Oil and Gas Institute, Department in Warsaw, 01-224 Warszawa, Kasprzaka 25.
- The Contractor bears the costs of the delivery (they were counted in the price presented in the Contractor's offer).

19. Legal remedies

- Considering the content of the announcement, the Contractors and other persons, if their legal interest, as far as the obtaining of the order is concerned, has sustained or may sustain a loss as a result of infringing the regulations of the Act by The Orderer, are entitled to legal remedies specified in Section VI of the Public Procurement Law.
- The activities on which a protest may be lodged are defined in Article 180 of the Public Procurement Law.

20. Announcement of the results of the competitive bidding

The results of the competitive bidding procedure will be announced in accordance with the requirements of the Public Procurement Law – all the Contractors participating in the contract award procedure will be aware in the written form, on web page INiG and in the publicly accessible place.

21. Annexes to SIWZ

No. 1 Description of the subject of the order.

No 2 Bid form.

No 3 Contractor's statement pursuant to Article 22, Clause 1 of the Public Procurement Law.

No. 4 Contractor's statement pursuant to Article 24, Clauses 1 of the Public Procurement Law.

Kraków, 010-08-2010

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Signature of the Director of the
Institute

DETAILED TECHNICAL AND GUARANTEE REQUIREMENTS FOR THE DEVICE

Natural Gas Leak Rate Detector **Hi Flow Sampler** or equivalent, not worse in relation to technical parameters and accessories:

Natural Gas Leak Rate Detector is a portable, intrinsically safe, battery-powered instrument designed to determine the rate of gas leakage around various pipe fittings, valve packings, and compressor seals found in natural gas transmission, storage, and compressor facilities.

A component's leak rate is measured by sampling at a high flow rate so as to capture all the gas leaking from the component along with a certain amount of surrounding air. By accurately measuring the flow rate of the sampling stream and the natural gas concentration within that stream, the gas leak rate can be calculated using Equation below. The instrument automatically compensates for the different specific gravity values of air and natural gas, thus assuring accurate flow rate calculations.

$$\text{Leak} = \text{Flow} \times (\text{Gas sample} - \text{Gas background}) \times 0.01$$

where:

- Leak = rate of gas leakage from source (LPM)
- Flow = sample flow rate (LPM)
- Gas sample = concentration of gas from leak source (%)
- Gas background = background gas concentration (%)

To ensure that the instrument is capturing all the gas that is escaping from the component, two measurements are performed at two different flow rates. The first measurement is taken at the highest possible flow rate, followed by a second measurement at a flow rate that is approximately 70–80% of the first. If the two calculated leak rates are within 10% of each other, then it can be assumed that all gas has been captured during the test.

The instrument is packaged inside a backpack, thus leaving the operator's hands free for climbing ladders or descending into manholes.

The instrument is controlled by a handheld unit consisting of an LCD and a 4-key control pad, which is attached to the main unit via a 6 foot coiled cord.

The gas sample is drawn into the unit through a flexible 1.5 inch I.D. hose.

Various attachments connected to the end of the sampling hose provide the means of capturing all the gas that is leaking from the component under test.

The main unit consists of an intrinsically safe, high-flow blower that pulls air from around the component being tested through a flexible hose and into a gas manifold located inside the unit. The sample is first passed through a venturi restrictor where the measured pressure differential is used to calculate the sample's actual flow rate. Next, a portion of the sample is drawn from the manifold and directed to a combustibles sensor that measures the sample's CH₄ concentration in the range of 0.05 to 100% gas by volume. A second identical combustibles sensor channel measures the background CH₄ level within the vicinity of the leaking component. The final element in the sampling system is a blower that exhausts the gas sample back into the atmosphere away from the sampling area.

The measured flow rate and the measured CH₄ levels (both leak and background levels) are used to calculate the leak rate of the component being tested, with all measured and calculated values being displayed on the handheld control unit.

The Unit should have the following set of standard equipment:

- Natural Gas Leak Rate Detector (High Flow Sampler) Unit
- Backpack
- 6 Foot, 1.5 Inch Hose Assembly
- Battery Pack (Qty. 2)
- Battery Charger w/ Power Supply
- Control Unit with LCD and 4-button keypad
- Assortment of Attachments (for complete capture of the gas leak)
 - Flange Strap 34", 80"
 - Capture Bag 36" x 36"
 - Beveled Nozzle 6.5" and 24"
 - Bag Nozzle w/ box of disposable bags
 - Bellows Tool
- US or UK manual

Plus additional accessories consisting of:

- 12 Foot, 1.5 Inch Hose Assembly
- 1 Extra Battery Pack , Total (3)
- 2 Extra Sensors
- PKG of 2 Sensor Filters
- Box of Disposable Bags
- International Power Cord (230 V, 50 Hz – for Polish market)

It should also contain Calibration Kit:

- Complete kit with on-demand regulator, 3 feet of tubing, calibration hose adapter, and a female quick connecting fitting

and Calibration Gases:

- 100% Methane, 58 L Tank
- 2,5% Methane, 103 L Tank

Remark:

Additionally, independent of the instrument described above, a set of 3 Three Cubic Foot Anti-Static Measurement Bags with special neck to fit over vent openings for Natural Gas emission Measurement by Bagging method should be enclosed.

Natural Gas Leak Rate Detector should have Technical Data not worse than Parameters listed below:

Information Displayed:

- Date and Time,
- Battery voltage,
- Sampling flow rate in LPM,
- Background gas concentration in ppm or % by volume,
- Leak concentration in ppm or % by volume,
- Leak rate in LPM,
- Percent difference between leak rate measurements #1 and #2, Latitude, Longitude, Altitude, and Time of Fix, when the optional GPS receiver is attached.

Display: 8 line by 20 character LCD

Communication: Three DB9 connectors providing serial data transfer at 115200 baud to a personal computer, bar code reader, and GPS receiver

Measurable Leak Rate: 1.42 to 226 LPM – at maximum rate of gas sampling, and 1.42 to 170 LPM at reduced flow of gas sample

Accuracy of Calculated Leak Rate: $\pm 10\%$ of reading

Temperature operating: 0 to 50 °C

Temperature storage: -40 to 60 °C

Detection Method: Catalytic oxidation / Thermal conductivity

Range of Natural Gas Sensors: Catalytic oxidation - from 0 to 5% by volume methane, Thermal conductivity – from 5 to 100% by volume methane

Battery:

- Type: Intrinsically Safe NiMH rechargeable pack
- Voltage: 4.8 V, max.
- Recharge Time: not longer than 8 to 10 hours
- Run Time: more than 4.5 hours of continuous operation at 20 °C

Memory: Stores at least 1000 individual test parameters

Dimensions: 457 L x 305 W x 178 H mm

Weight: not more than 20 lbs (0.9 kg)

Agency Approvals: (minimum):

- Designed to be intrinsically safe for use in hazardous locations Class I, Division 1, Groups A, B, C & D in North America
- CAN/CSA-C22.2 No. 157 – (June 1992)
- ANSI (June 27, 2002)/UL913-2002 Intrinsically Safe Apparatus and Associated Apparatus for use in Class I, Division 1, Hazardous (Classified) Locations
- CE Mark – Declaration of Conformity statement

Conditions of the guarantee:

Guarantee for the device valid 12 months, however not shorter than the guarantee of the manufacturer.

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BID FORM

In reply to the announcement about the competitive bidding process for **the delivery of the Natural Gas Leak Rate Detector to Oil and Gas Institute, Department in Warsaw - the procedure repeated, DZ-2710-38/10**

Contractor's name
Address
Telephone/fax, e-mail.....

submits this

OFFER:

The delivery of the Natural Gas Leak Rate Detector (name and the type of the device)

.....
The net/gross price of the offer is..... Zloty / USD.
(in words)

We will make the object of the order in the deadline ... weeks from the date of the inclusion of the contract, however not longer than 2 weeks from the date of the inclusion of the contract.

We will give on the delivered device ... months of the guarantee, counting since the day of signature of the minutes of the receipt (*not less than 12.*)

We declare, that the price of the offer takes into account us all due the elements rewards resulting from the title of preparation, realization and the accounts of the object of the order: delivery to the seat Orderer in Warsaw, the insurance in the time the transportation, the guarantee and remaining necessary to correct realizing the object of order and all requirements SIWZ.

We declare that the passed price is valid during the whole contractual period.

The annexes to this form, making an integral part of the offer:

1. The detailed description of offered equipment, according to all technical requirements contained in the specification.
2. Statement that the Contractors fulfils the conditions of taking part in the tender.
3. Statement about the lack of reasons for elimination.
4.

.....

locality, date

.....

stamp and signature

.....

STATEMENT PURSUANT TO ARTICLE 22, CLAUSE 1 OF THE PUBLIC PROCUREMENT LAW

CONTRACTOR'S NAME:

.....

ADDRESS:

As the bidder in

the competitive bidding procedure
the delivery of the Natural Gas Leak Rate Detector
to Oil and Gas Institute, Department in Warsaw - the procedure repeated, DZ-2710-38/10

I hereby declare that:

- 1) we have qualifications to perform the definite activity or work if legal regulations impose such an obligation;
- 2) we have necessary knowledge and experience,
- 3) we have technical potential, and our employees are capable of fulfilling the order;
- 4) considering our economic and financial situation.

Locality, date 2010

signature of the person/persons authorized
to represent the Contractor

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STATEMENT PURSUANT TO ARTICLE 24, CLAUSES 1 OF THE PUBLIC PROCUREMENT LAW

CONTRACTOR'S NAME:

.....

ADDRESS:

As the bidder in

the competitive bidding procedure
the delivery of the Natural Gas Leak Rate Detector
to Oil and Gas Institute, Department in Warsaw - the procedure repeated, DZ-2710-38/10

I hereby declare that:

we are not subject to elimination from the contract award procedure pursuant to Article 24, Clauses 1 of the Public Procurement Law, in the peculiarity, that not open in the face of us liquidation neither the bankruptcy was not announced or they set the circumstance enabling applies about the definite order in Article 24, Clauses 1 point 2 of the Act.

Locality, date 2010

signature of the person/persons authorized
to represent the Contractor