

No.65947/07.11.2019

Submitted for approval in the OGMS of 17/18 December 2019

REPORT

REGARDING QUARTER III 2019 SNTGN TRANSGAZ SA MEDIAS PROCURED ASSETS, SERVICES AND WORKS HAVING A VALUE HIGHER THAN EUR 500,000/PROCUREMENT (FOR THE PROCUREMENT OF ASSETS AND WORKS) AND EUR 100,000/PROCUREMENT (FOR SERVICES)

SUMMARY

Considering Order 278/09.03.2015 of the Minister of Economy, Trade and Tourism, the Report contains information regarding Q III 2019 procurement of assets, services and works having a value higher than EUR 500,000/procurement (for the procurement of assets and works) and EUR 100,000/procurement (for services), for the publication on the Company's website within 5 days from submission at the Bucharest Stock Exchange of the Quarterly Report prepared according to the provisions of Art. 227 of Law 297/2004 on capital market, as further amended and supplemented.

DETAILED CONTENT

Considering Order 278/09.03.2015 of the Minister of Economy, Trade and Tourism, Art.1, paragraph (1), the summarized records in Annex 1 and Annex 2 of the Report regarding the procurement of assets, services and works having a value higher than EUR 500,000/procurement (for the procurement of assets and works) and EUR 100,000/procurement (for services).

The procurements are based on the sectoral procurement annual plans approved by BoA Resolution 3/31.01.2019: **the 2019 Sectoral Procurement Annual Plan (PAAS 2019)** having a value of **Lei 2,723,171,227.46** and **the 2019 Sectoral Procurement Annual Plan - NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova (PAAS 2019 - Moldova)**, having a value of **Lei 890,330,194**.

Following 19 amendments of the PAAS 2019, prepared until the end of quarter III 2019 and necessary after the revision of the execution programmes at the basis of the revenue and expense budget, the total value of PAAS was of Lei **2.892.845.297,95**, and the value of the **PAAS 2019 – Moldova** was **Lei 894.971.266,00**.

The procurements presented in Annex 1 and Annex 2 of the Report were performed according to Law 99/2016 on the sectoral procurements and the Methodological norms for application approved by GR 394/2016 (as further amended and supplemented), by open tender and simplified procedures published in the Electronic Public Procurement System (SEAP) as well as by negotiated procedure without prior call for competition.

In quarter III 2019 procurements of goods, services and works **in lei** were concluded, as follows:

- 2 (two) procurements of **Works**, with an aggregated value of **Lei 44.096.273,81**
- 3 (three) procurements of **Assets**, with an aggregated value of **Lei 106.982.948,09**
- 5 (five) procurements of **Works**, with an aggregated value of **Lei 17.216.007,39**

At the same time, in quarter III 2019, procurements **in Euro** were concluded as follows:

- 1 (one) procurements of **Works**, with a value of **EUR 64.300.000,00**
- 2 (two) procurements of Services, with an aggregated value of **EUR 2.543.946,60**

The procurements concluded in quarter III 2019 are detailed in Annex 1 and Annex 2.

Annexes:

- Annex 1 - Record of procurement of assets and works having a value higher than EUR 500,000/procurement (quarter III-2019)
- Annex 2 - Record of procurement of services having a value higher than EUR 100,000/procurement (quarter III-2019)

**Chairman
of the Board of Administration
Remus Gabriel Lăpușan**

Annex 1 to Report no.65947/07.11.2019

Record of procurement of assets and works having a value higher than EUR 500,000/procurement (Q III-2019)

No.	CONTRACT SCOPE	Procurement procedure	No. / Contract date	Contract value / frame agreement (Lei)	Contract value / frame agreement (EURO)	Contract / frame agreement duration
1	WORKS	2	3	4	5	6
1	Enhancement of the Romanian gas transmission system between Onesti – Isaccea and reverse flow at Isaccea – phase 2 (Interconnection of the National Transmission System with the International transmission system and reverse flow at Isaccea – phase 2); Upgrading the Gas Compressor Station Onesti and Upgrading the Gas Compressor station Silistea	OPEN TENDER COMPLETELY ONLINE	669/05.07.2019	-	64,300,000.00	60 months
2		SIMPLIFIED PROCEDURE COMPLETELY ONLINE	789/27.08.2019	5,867,428.40	-	24 months
3	New NTS developments for taking over gas from the Black Sea shore (Vadu -T1); NTS extension by the construction of the gas transmission pipeline from the gas taking over point from the Black Sea (the area of the Vadu locality) at the Transit 1 pipeline (the area of the Gradina locality)	OPEN TENDER COMPLETELY ONLINE	749/07.08.2019	38,228,845.41	-	36 months
TOTAL WORKS				44,096,273.81	64,300,000.00	
ASSETS (PRODUCTS)						

1	Pressure regulators	OPEN TENDER COMPLETELY ONLINE	826/19.09.2019	6,984,573.00	-	15 months
	Natural gas meant for technological consumption during 1 October 2019 – 30 September 2020	NFIPPCO under the conditions of art. 117, para. 1, letter g of Law 99/2016	835/26.09.2019	91,208,664.00	-	12 months
2	Furnizare energie electrica la locurile de consum ale SNTGN Transgaz SA	NFIPPCO under the conditions of art. 117, para. 1, letter g of Law 99/2016	787/26.08.2019	8,789,711.09	-	16 months
	TOTAL ASSETS (PRODUCTS)			106,982,948.09		

Note: NFIPPCO - negotiation without prior invitation to a competitive tender procedure

Contracts and Sectoral Procurement Division Director
Avram Bogdan Luca

Head of Planning department
Grosu Mirela

Prepared by
Carmen Mar/lnache

Record of procurement of services having a value higher than EUR 100,000/procurement (Q III-2019)

No.	CONTRACT SCOPE	Procurement procedure	No. / Contract date	Contract value / frame agreement (Lei)	Contract value / frame agreement (EURO)	Contract / frame agreement duration
	1	2	3	4	5	6
CONTRACTS/ FRAMEWORK AGREEMENTS FOR SERVICES CONCLUDED IN EURO						
1	Communication services - Frameworks agreement	OPEN TENDER COMPLETELY ONLINE	831/24.09.2019 832/24.09.2019 833/24.09.2019	-	1,815,010.60	24 luni
2	Communication services through VSAT satellite for the SCADA system	OPEN TENDER COMPLETELY ONLINE	680/12.07.2019	-	728,936.00	24 luni
TOTAL					2,543,946.60	
CONTRACTS/ FRAMEWORK AGREEMENTS FOR SERVICES CONCLUDED IN LEI						
1	Maintenance services, auto repairs and regular technical inspections (ITP) for cars	OPEN TENDER COMPLETELY ONLINE	674/11.07.2019 675/11.07.2019 676/11.07.2019 677/11.07.2019	1,876,053.79	-	18 luni
2	Repair and intervention services for the MRSs and odorization installations Armax Gaz type or by components produced by Armax Gaz	OPEN TENDER COMPLETELY ONLINE	740/02.08.2019	1,491,036.00	-	12 luni
3	Repair and intervention services for the MRSs and odorization installations Tartarini, Fiorentini and RMG type, or components manufactured by Tartarini, Fiorentini and RMG	OPEN TENDER COMPLETELY ONLINE	825/19.09.2019	888,129.60	-	12 luni
4	Internal accomodation services - Framework agreement	OPEN TENDER COMPLETELY ONLINE	708/19.07.2019 709/19.07.2019 710/19.07.2019 711/19.07.2019 712/19.07.2019	11,560,100.00	-	24 luni
5	Rental services and services for the maintenance of mobile ecological toilets - Framework agreement	SIMPLIFIED PROCEDURE COMPLETELY ONLINE	732/29.07.2019 733/29.07.2019 734/29.07.2019	1,400,688.00	-	48 luni
TOTAL				17,216,007.39		

Contracts and Sectoral Procurement Division Director
Avram Bogdan Luca

Head of Planning department
Grosu Mirela

Art.3. Approves, based on Report no. 5051/28.01.2019, the request for the approval by the Ministry of Economy of our incurring aggregated monthly expenses for 2019, in compliance with the provisions of art. 8, paragraph (2) of GO no. 26/21 August 2013 „*the economic operators that due to the specificity of the activity they carry out concentrate its performance on a relevant period of the year, they are allowed to incur during this period expenses higher than 1/12 of the total expenses approved by the revenue and expense budget for the previous year, the level of such expenses being approved by the main budget administrator under the subordination, coordination, authority or portfolio of which it is placed*” at the deadline when Transgaz’ Revenue and Expense Budget for 2019 and forecasts for 2020-2021 will be submitted to General Shareholders’ Assembly, for approval.

Responsible:

*Lupean Marius
Chief Financial Officer*

Art.4. Approves under Report no. DSMC/1936/14.01.2019 "Transgaz’ Policy for granting sponsorship and social assistance for 2019*.

Responsible:

*Elisabeta Ghidiu
Director of the Strategy and Corporate
Management Division*

Art.5 Approves based on Report no. DSMC/2335/15.01.2019 the funding of the “National Gas Transmission System Development Plan for 2018-2027” to be submitted to the General Shareholders’ Assembly for approval.

Responsible:

*Elisabeta Ghidiu
Director of the Strategy and Corporate
Management Division*

Art. 6. Approves under Report no. 4435/23.01.2019, **the annual sectoral procurement programme for 2019 (PAAS 2019)** in total value of Lei 2,723,171,227.46, out of which procurements carried forward since 2018 amounting to Lei 1,926,077,709.76 and new procurements for 2019 amounting to Lei 797,093,517.71 and based on Report no. 4433/23.01.2019 the Annual Programme for Sectoral Procurements 2019 (PAAS 2019 – Moldova) consisting only of procurements carried forward since 2018 in total value of **Lei 890,330,194.00.**

Responsible:

Avram Luca

*Director Sectoral Procurements and Contracting
Division*



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No. DG 12031/17.032015

Sent for analysis in the GMS meeting of 27 April 2015

REPORT ON THE ADDITIONAL REPORTING AND PUBLISHING OBLIGATIONS ACCORDING TO MECT ORDER. 278/09.03.2015

1. `presentation of quarterly information on the procurement of assets, services and works having a value higher than 500,000 Eur/procurement (for the procurement of assets and works) and EUR 100,000/procurement (for services) performed by the Company` and
2. `preparation by the company`s management and publication on the Company`s website of an annual report on the sponsorship granted by the company.`

SUMMARY

Considering MECT Order 278/9 March 2015, the company has additional reporting and publishing obligations regarding the procurement and sponsorship activities. Following issuance of the Order the Majority Shareholder decided to include in the agenda of the first General Meeting of the Shareholders of SNTGN TRANSGAZ SA a Report on the additional reporting and publishing obligations according to MECT Order. 278/09.03.2015.

DETAILED CONTENT

According to MECT Order 278/09.03.2015, Art. 1. (1) and Art. 2 (1) SNTGN Transgaz SA has additional reporting as follows:

1. `presentation of quarterly information on the procurement of assets, services and works having a value higher than 500,000 Eur/procurement (for the procurement of assets and works) and EUR 100,000/procurement (for services) performed by the Company` and
2. `preparation by the company`s management and publication on the Company`s website of an annual report on the sponsorship granted by the company.`

Regarding the quarterly report at point 1:

This information containing the data required by the order issued by the Majority Shareholder will constitute a distinct report of the Board of Administration of SNTGN Transgaz SA, which will be published on the company's website within 5 days from the date of transmission to the Bucharest Stock Exchange of the Quarterly Report prepared according to Art. 227 of Law 297/2004 on the capital market, as further amended and supplemented. For accuracy, the above-mentioned article will be corroborated with Art. 113 (C) of the CNVM Regulation 1/2006, with subsequent amendments and supplementations. Therefore, quarterly reporting according to MECT Order 278/09.032015 must be properly prepared and published on the company's website within 5 days of the publishing