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**REGULATIONS ON PROCUREMENT OF PJSC ALROSA**

**(new version)**

**TABLE OF CONTENTS**

[Introduction 4](#_Toc79414516)

[Acronyms and Abbreviations 5](#_Toc79414517)

[Glossary 6](#_Toc79414518)

[Chapter 1. General provisions 13](#_Toc79414519)

[Article 1. Regulatory framework of procurement 13](#_Toc79414520)

[Article 2. Procurement objectives, principles, and organizational and methodological foundations for the fulfillment of goals and principles of procurement. Restriction of competition 13](#_Toc79414521)

[Article 3. List of procurement processes 15](#_Toc79414522)

[Chapter 2. Subjects of procurement 16](#_Toc79414523)

[Article 4. General provisions 16](#_Toc79414524)

[Article 5. Customer 16](#_Toc79414525)

[Article 6. Procurement bodies 18](#_Toc79414526)

[Article 7. Procurement organizer 19](#_Toc79414527)

[Article 8. Seller announcing a competitive sales procedure 19](#_Toc79414528)

[Article 9. Supplier, bidder, eligible bidder, winning bidder 20](#_Toc79414529)

[Chapter 3. Information support 21](#_Toc79414530)

[Article 10. Official publication 21](#_Toc79414531)

[Article 11. Types of information published and publication terms 21](#_Toc79414532)

[Article 12. Prohibition of open publication of information. The right not to publish information 23](#_Toc79414533)

[Chapter 4. Methods, forms, and additional elements of procurement, conditions of their selection 25](#_Toc79414534)

[Article 13. Procurement methods and conditions of their selection 25](#_Toc79414535)

[Article 14. Procurement forms and conditions of their selection 32](#_Toc79414536)

[Article 15. Additional elements of procurement and conditions of their selection 33](#_Toc79414537)

[Chapter 5. Procurement planning 37](#_Toc79414538)

[Article 16. Procurement planning procedure 37](#_Toc79414539)

[Chapter 6. Preparation for the procurement procedure 39](#_Toc79414540)

[Article 17. General provisions 39](#_Toc79414541)

[Article 18. General approaches to establishing requirements 39](#_Toc79414542)

[Article 19. Requirements for products procured 39](#_Toc79414543)

[Article 20. Requirements for information about the initial maximum price 41](#_Toc79414544)

[Article 21. Requirements for contract terms 43](#_Toc79414545)

[Article 22. Requirements for bidders, subcontractors (co-contractors), collective bidders 44](#_Toc79414546)

[Article 23. Bid security 47](#_Toc79414547)

[Article 24. Contract performance security 49](#_Toc79414548)

[Article 25. Requirements for the content, form, execution, and scope of bids 51](#_Toc79414549)

[Article 26. Criteria and procedure for the review, assessment and comparison of bids. The procedure for determining the counterparty following the procurement 51](#_Toc79414550)

[Article 27. Requirements for notification and procurement documentation 52](#_Toc79414551)

[Article 28. Announcement of procurement and holding of a conference for the explanation of procurement parameters 54](#_Toc79414552)

[Chapter 7. Announcement and holding of the procurement procedure 56](#_Toc79414553)

[Article 29. General procurement procedure, other procurement from a sole supplier 56](#_Toc79414554)

[Article 30. General procedure of procurement from a sole supplier 67](#_Toc79414555)

[Article 31. Procedure of procurement following competitive sales announced by the
seller of products 67](#_Toc79414556)

[Article 32. Suspension of bidders 68](#_Toc79414557)

[Article 33. Invalidation of procurement (other than procurement from a sole supplier) 68](#_Toc79414558)

[Article 34. Use of forms and additional elements of procurement other than procurement from
a sole supplier 69](#_Toc79414559)

[Chapter 8. Contract conclusion and performance 74](#_Toc79414560)

[Article 35. Contract conclusion 74](#_Toc79414561)

[Article 36. Negotiations for specification of contract terms 75](#_Toc79414562)

[Article 37. Counterparty’s refusal and evasion of contract conclusion 76](#_Toc79414563)

[Article 38. Contract performance 76](#_Toc79414564)

[Article 39. Contract amendment and termination 76](#_Toc79414565)

[Article 40. Register of contracts made following the procurement 77](#_Toc79414566)

[Chapter 9. Special procurement situations 78](#_Toc79414567)

[Article 41. Procurement of innovative and high-tech products 78](#_Toc79414568)

[Article 42. Procurement for the right to make framework unit price agreements 79](#_Toc79414569)

[Article 43. Procurement for the right to make a life cycle contract 79](#_Toc79414570)

[Article 44. Procurements that contain information that constitutes a state secret and procurements that contain information subject to publication in the UIS according to a resolution of the Russian Government or a coordination body of the Russian Government 80](#_Toc79414571)

[Article 45. Procurement from SMBs 81](#_Toc79414572)

[Article 46. Procurement of goods of Russian origin or work (services) performed (rendered) by Russian entities 88](#_Toc79414573)

[Article 47. Participation of foreign bidders in procurement procedures 90](#_Toc79414574)

[Article 48. Procurement for projects in foreign countries 91](#_Toc79414575)

[Article 49. Major procurement 91](#_Toc79414576)

[Chapter 10. Appeal of actions (omission) of the customer, procurement organizer, procurement body 93](#_Toc79414577)

[Article 50. Right to appeal 93](#_Toc79414578)

[Article 51. Deadline for sending complaints to the Customer 93](#_Toc79414579)

[Chapter 11. Responsibility of procurement subjects. List of unscrupulous suppliers. ATTESTATION OF SUPPLIERS. 94](#_Toc79414580)

[Article 52. Responsibility of procurement subjects 94](#_Toc79414581)

[Article 53. List of unscrupulous suppliers 94](#_Toc79414582)

[Article 54. Attestation of suppliers 94](#_Toc79414583)

Introduction

Goals

The Regulations on Procurement of PJSC ALROSA (hereinafter the “Regulations”) have been developed to ensure efficient procurement of PJSC ALROSA.

Objectives

The objectives of the Regulations are:

* regulation of procurement processes at all stages: planning, procurement, and reporting;
* determination of powers, duties, and responsibilities of procurement parties;
* establishment of a unified procurement terminology.

Scope

These Regulations are binding on the employees of PJSC ALROSA involved in the procurement process.

These Regulations govern the procurement, except as provided for in Part 4 of Article 1 of Federal Law No. 223-FZ of July 18, 2011 “On the Procurement of Goods, Work, and Services by Certain Types of Legal Entities”, including the procurement of goods, work, or services from related parties, in accordance with Appendix No. 2 to the Regulations.

If the notification and procurement documentation are published before the effective date of these Regulations or amendments hereto, the procurement procedure and the summarizing of its results will be performed in the manner that was in effect on the publication date of the notification and procurement documentation.

If any issues are not covered by these Regulations, the necessary details and information can be specified in the procurement documentation with regard to the goals and principles of procurement activities established in the Regulations and legal requirements.

Approval and amendment procedure

The Regulations are approved, changed, and invalidated based on a resolution of the Supervisory Board of PJSC ALROSA.

Acronyms and Abbreviations

**“IRD”** means an internal regulatory document of PJSC ALROSA approved by it in accordance with the established procedure.

**“UIS”** means a unified information system for procurement.

**“Law 209-FZ”** means Federal Law No. 209-FZ of July 24, 2007 “On the Development of Small and Medium-Sized Business in the Russian Federation”.

**“Law 223-FZ”** means Federal Law No. 223-FZ of July 18, 2011 “On the Procurement of Goods, Work, and Services by Individual Types of Legal Entities”.

**“Law 44-FZ”** means Federal Law No. 44-FZ of April 5, 2013 “On the Contractual System in the Procurement of Goods, Work, and Services for State and Municipal Needs”.

**“CSP”** means the Contract Service procurement.

**“R&D”** means research and development work.

**“IMP”** means the initial (maximum) contract price (lot price).

**“RLA”** means a regulatory legal act of the Russian Federation.

**“E&D”** means experimental and design work.

**“ORD”** means an organizational regulatory document of PJSC ALROSA approved by it in accordance with the established procedure.

**“PP”** means the procurement plan.

**“PP of Innovative Products”** means the procurement plan of innovative products, high-technology products, and medicines.

**“D&S”** means the design and survey work.

**“GD 925”** means of the Russian Government Decree No. 925 of September 16, 2016 “On the Priority of Goods with Russian Origin, and Work and Services Performed by Russian Persons Versus Goods Originating in a Foreign Country, and Work and Services Performed by Foreign Persons”.

**“GD 932”** means Decree of the Russian Government No. 932 of September 17, 2012 “On the Approval of the Rules for Making a Plan of Procurement of Goods (Work or Services) and Requirements for the Plan Form”.

**“GD 616”** means Decree of the Russian Government No. 616 of June 21, 2012 “On the Approval of the List of Electronically Procured Goods, Work, and Services”.

**“PP 2013”** means the Russian Government Decree No. 2013 of December 3, 2020 “On the Minimal Purchase Share of Goods with Russian Origin”.

**“RUS”** means the register of unscrupulous suppliers.

**“SMB”** means a small or medium-sized business.

**“ETP”** means the electronic trading platform.

Glossary

**“Attestation”** means a procedure for verifying suppliers for compliance with the established mandatory requirements for their legal status, financial stability, reliability and business reputation, which is performed as part of quality assurance of products, work, and services delivered and anti-corruption and fraud prevention measures.

**“Alternative Proposal”** means a proposal submitted by a bidder as part of the bid, which is additional to the main one and contains one or more characteristics of proposed products and/or organizational and technical solutions and/or contract terms and/or other parameters changed in relation to those contained in the main proposal in accordance with the terms of the procurement documentation, and is appended with an alternative price (where necessary).

**“Procurement Announcement”** means distribution of information by any means about the upcoming (current) procurement with the purpose to raise market awareness.

**“Auction”** means a method of competitive procurement categorized as bidding, where the winning bidder who will be awarded the contract is the person whose bid meets the requirements established by the procurement documentation and who has offered the best contract price.

**“Auctioneer”** means the person who conducts the auction procedure.

**“State Secret”** refers to government-protected information on its military and foreign policies, economic, intelligence, counterintelligence, and investigation activities the dissemination of which may compromise the security of the Russian Federation.

**“ALROSA Group”** refers to PJSC ALROSA and its subsidiaries. The list of business entities included in ALROSA Group as per Federal Law No. 135-FZ of July 28, 2006 “On the Protection of Competition” is approved on an annual basis based on an order of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA.

**“Divisible Lot”** means a lot that can be distributed among several winners.

**“Day”** means a calendar day, except where the Regulations expressly set the term in business days, in which case, a business day is any day other than a day off and/or a bank holiday under the law.

**“Decentralized Procurement”** means a type of procurement initiated by the Company’s divisions and carried out within the allocated budget.

**“Contract”** means an agreement between the Customer and one or more persons for the establishment, change, or termination of civil rights and obligations (agreement, contract, arrangement, etc.)[[1]](#footnote-2).

**“Life Cycle Contract”** means a contract for goods and/or work providing for maintenance and repairs during the entire service life of goods provided or work deliverable created, as well as the costs for their disposal through the efforts or at the expense of the supplier.

**“Procurement Documentation”** means a set of documents intended for bidders and containing information determined by the Regulations and the laws.

**“Additional Elements”** means additional elements of the procurement procedure.

**“Qualified Bidder”**means a bidder who has submitted a bid on time, and whose bid (main and/or alternative proposal) was admitted to participate in the procurement procedure.

**“Subsidiaries”** refers to the subsidiaries of ALROSA Group. A company is recognized a subsidiary, if by virtue of its prevailing participatory interest in its authorized capital, based on an agreement made between them, or otherwise PJSC ALROSA has the ability to determine the decisions made by such a company.

**“Unified Information System for Procurement”** is an information system used for the procurement of goods, work, and services for state and municipal needs, which is a collection of information contained in databases, information technologies and technical means used to form, process, store, and disclose such information through the website of the unified information system in the Internet information and communications network.

**“Customer”** refers to PJSC ALROSA for the needs of whom procurement is carried out.

**“Legislation”** means the applicable laws (of the Russian Federation or other laws applicable to the regulated legal relations).

**“Closed Competitive Procurement”** means a procurement information about which will not be published in the UIS by virtue of law, which is carried out by sending invitations to participate in a closed competitive procurement with the attachment of competitive procurement documentation to at least two (2) persons who are able to deliver goods, work, or services being the scope of such procurement.

**“Procurement (Procurement Procedure)”** means a series of actions performed in accordance with the Regulations and the rules established in the procurement documentation (if any) to meet the Customer's demand for products.

**“Contract Service Procurement”** means the procurement within the scope of competence of the Contract Service.

**“Procurement from a Sole Supplier”** means a non-competitive procurement, as a result of which a contract with a specific supplier is made without receiving and comparing competitive bids from other suppliers.

**“Procurement Activities”** means the activities carried out by the Customer in accordance with the Regulations, including planning, preparation, and performance of procurement, conclusion, and fulfillment of contracts, and reporting on the results of such activities.

**“Procurement Body”** means a collegial procurement management body that makes decisions in the process of procurement activities within the scope of competence defined in the Regulations and other IRDs. When carrying out the procurement procedure, the procurement body may depending on the competence established by the IRD be named as “central procurement committee”, “procurement committee” or “procurement commission”.

**“Request for Proposals”** means a method of competitive procurement, in which the winning bidder is the bidder whose bid (as per the criteria established in the procurement documentation) most fully meets the requirements of the procurement documentation and contains the best conditions for the provision of goods, work, or services.

**“Request for Quotations”** means a method of competitive procurement, in which the winning bidder is the bidder whose bid meets the requirements established in the request for quotations notification, and which has the lowest contract price.

**“Request for Prices”** means a method of competitive procurement, where the winning bidder is the bidder whose bid meets the requirements established in the request for quotations notification and has the lowest contract price.

**“Application”** means a set of documents submitted by a bidder for the participation in the procurement as prescribed by the procurement documentation.

**“Procurement Notification”** or **“Notification”** means an officially published document intended for bidders and announcing the beginning of the procurement procedure. The procurement notification is an integral part of the procurement documentation (except for procurement conducted by way of request for quotations).

**“Measurability”** means the ability to convert the measured characteristics of a measurement object into a form making it possible to determine its absolute or relative (in comparison with other comparable objects) value in accordance with predetermined rules[[2]](#footnote-3).

**“Innovative Products”** means new or improved products (or process flows) sold on the market, as well as those classified as such according to the criteria for classifying products as innovative and/or high-tech by authorized federal executive authorities of the Russian Federation.

**“Commercially Confidential Information”** means any information (production, technical, economic, organizational and other), including intellectual deliverables in a scientific and technical field, as well as information on the methods of professional activities, that has actual or potential commercial value due to it being unknown to third parties, that cannot be accessed by third parties on a free legal basis, and that is treated by its owner as a trade secret.

**“Qualification”** is a stage of the procurement procedure the purpose of which is to verify the bidder’s compliance with the uniform qualification requirements established in the notification and/or procurement documentation.

**“Collective Bidder”** means a bidder who is represented by an association of legal entities and/or individuals, including individual entrepreneurs, the relationship between whom is formalized as per the terms of the procurement documentation, and who has the status of a supplier, bidder, qualified bidder, or winning bidder.

**“Competitive Negotiations”** means an additional element of procurement, which is a procedure for discussing with the qualified bidder the conditions of the bid submitted by the qualified bidder to improve it before summarizing the procurement results.

**“Counterparty”** means a legal entity or an individual, including an individual entrepreneur, registered in accordance with Russian laws or the laws of a foreign country with whom an agreement is planned to be signed or have been signed.

**“Competitive Tender”** means a method of competitive procurement categorized as bidding, in which the winning bidder is the bidder whose bid for the competitive procurement (final proposal) meets the requirements established by the competitive procurement documentation and contains, as determined following the assessment and comparison of bids (final proposals) based on the assessment criteria specified in the procurement documentation, the best contract terms.

**“Competitive Procurement”** means a procurement carried out subject to all of the following conditions:

1. The information on competitive procurement is communicated by the Customer in one of the following ways:
2. a) by publishing a notification of competitive procurement in the UIS that will be available to an unlimited number of persons with attachment of competitive procurement documentation;

b) by sending invitations to participate in a closed competitive procurement with attachment of competitive procurement documentation to at least two (2) persons who are able to deliver goods, work, or services being the scope of such procurement.

1. A competition is maintained between the bidders in the competitive procurement for the right to be awarded the contract with the Customer on the terms proposed in their bids (final proposals);
2. The scope of a specific procurement is described in compliance with the requirements set forth in Part 6.1 of Article 3 of Law 223-FZ.

**“SMB Only Competitive Procurement”** means a competitive procurement in an electronic form intended only for SMBs subject to the specifics established by the Russian Government as per Clause 2 of Part 8 of Article 3 of Law 223-FZ.

**“Contract Service”** is a structural subdivision of PJSC ALROSA that performs the functions stipulated by the Regulations, other IRDs and ORDs.

**“Selection Criterion”** means a feature that determines the acceptability or unacceptability of a qualified bidder’s bid.

**“Assessment Criterion”** means a feature that determines the preference of a qualified bidder’s bid.

**“Lot”** means products purchased by the Customer that are clearly distinguished in the procurement documentation and for which a separate contract is generally made.

**“Initial (Maximum) Contract Price (Lot Price)”** means the maximum permissible contract price (lot price) set in the notification and in the procurement documentation in accordance with the terms of the Regulations.

**“Failed Procurement”** means a procurement for which no decision was made on its rejection and in which no winner was determined.

**“Non-Electronic Form of Procurement”** means a form of the procurement procedure that does not meet the criteria of the electronic procurement form.

**“Bid Security”** means ensuring proper fulfillment of the bidder’s obligations related to the submission of the bid, the participation in the procurement procedure, and the obligation to enter into the contract, if a decision is made to award the contract to this bidder.

**“Contract Performance Security”** means ensuring proper fulfillment of the counterparty’s obligations under the contract (including reimbursement of the Customer for losses from the counterparty’s action (omission), imposition of penalties, fines, or forfeits established by the contract).

**“Discussion of Terms”** means an additional element of the procurement, which involves negotiating with bidders to clarify the required characteristics (consumer properties) of the products procured.

**“ETP Operator”** means a legal entity being a commercial organization established under Law 223-FZ.

**“Customer’s Option”** means the Customer’s right to increase or decrease the quantity of goods, work, or services provided within the limits established by the contract, without changing the rest of its conditions (including the cost of a production unit).

**“Procurement Organizer”** refers to the person carrying out procurement in the interests and on behalf of the Customer as prescribed by the Regulations, and other IRDs and ORDs on procurement.

**“Official Publication”** means, in case of open (published) procurement, publication of information about the procurement in the UIS; and, in case of non-published procurement, sending or transfer of information about the procurement to suppliers and bidders.

**“Assessment”** means making a judgment about the measurement of one or a number of characteristics.

**“Offer”** means a draft contract sent by the Customer to the person recognized the winning bidder (or another person with whom the contract is made following the procurement procedure).

**“Negotiations to Specify the Contract Terms”** means the procedure for discussing the terms of the contract with the supplier held at the Customer’s initiative at the stage of contract award and aimed at changing (specifying) the contract terms for more favorable ones for the Customer.

**“Rebidding”** means an additional element of procurement, which involves a procedure for the submission of revised bids by qualified bidders to increase the preference of previously submitted bids.

**“Winning Bidder”** means the bidder of a successful competitive procurement, whose application was recognized the best in the prescribed manner.

**“Supplier”** means any legal entity or natural person, including an individual entrepreneur (as well as an association of such persons).

**“Assessment Procedure”** means the rules established in the procurement documentation, according to which the bids are assessed and compared.

**“Prequalification”** is an additional element of procurement, which is a separate stage of the procurement procedure held to select bidders who meet the qualification requirements established in the procurement documentation and who will be granted the right to participate in the further procurement procedure among them.

**“Preference”** means a characteristic feature of the assessment object (including products, bidder, or contract terms) taken into account when forming an assessment criterion, the absence of which cannot serve as the basis for bid rejection, and the presence of which increases the degree of preference.

**“Reduced Price”** means the bid price reduced to a single basis taking into account the costs of product delivery, VAT, payment deferrals, etc., which is determined using the method specified in the procurement documentation based on the data proposed by the bidder and/or generally known data (tariffs, quotes, etc.).

**“Seller Announcing a Competitive Sales Procedure”** is any owner or other legal manager of products who sells the products by announcing a competitive sales procedure.

**“Products”** means goods, work, services and other objects of civil rights acquired by the Customer for a fee.

**“Design Equipment”** means the equipment provided for by the design documentation of the Yakutniproalmaz Institute or the design organization, on the basis of which the Customer carries out new construction (or reconstruction).

**“Framework Agreement”** means the agreement that defines the general terms of binding relations between the parties, which can be specified and clarified by the parties by signing separate agreements or otherwise on the basis of or pursuant to the framework agreement.

**“Bid Ranking”** means the process of placing bids in a descending order of their preference (the most preferred bid is ranked the first).

**“Register of Unscrupulous Suppliers”** means the registers of unscrupulous suppliers published in the UIS the formation of which is prescribed by Law 223-FZ or Law 44-FZ.

**“Register of Russian Software”** means a unified register of Russian programs for electronic computer machines and databases, which is created in accordance with Article 12.1 of Federal Law No. 149-FZ of July 27, 2006 “On Information, Information Technologies, and Information Protection”.

**“Customer’s Website”** refers to the official website of PJSC ALROSA in the Internet information and communications network (http://www.alrosa.ru).

**“Complex Products”** means the products the purchase of which fulfills any of the following conditions:

* + - * The Customer cannot clearly and unambiguously describe all the requirements for the products procured;
			* The Customer is interested in receiving proposals with innovative products.

**“Special Request for Prices”** means a method of procurement based on the competitiveness of bidders (other than bidding), where the winning bidder is the bidder whose bid meets the requirements established in the notification and the procurement documentation, and has the lowest contract price.

**“Special Tender”** means a method of procurement based on a competitiveness of bidders (other than bidding), where the winning bidder is the bidder whose bid (as per the criteria established in the procurement documentation) most fully meets the requirements of the procurement documentation and contains the best conditions for the provision of goods, work, or services.

**“List of Unscrupulous Suppliers”** means a list of bidders, winning bidders, and counterparties who committed proven violations in the procurement process, which is maintained in accordance with the IRD.

**“Method of Procurement”** means an established standard sequence of actions and a number of civil law consequences of such actions, which distinguishes one type of procurement from all others.

**“Small and Medium-Sized Business Entities”** means business entities (legal entities and individual entrepreneurs) categorized as small business entities, including microcompanies and medium-sized enterprises, as per Law 209-FZ.

**“Tender”** means a method of competitive procurement other than bidding, where the winning bidder is the bidder whose bid (as per the criteria established in the procurement documentation) most fully meets the requirements of the procurement documentation and contains the best conditions for the provision of goods, work, or services.

**“Technical and Commercial Proposal”** means a bidder’s offer, which includes technical and commercial parts.

**“Bidding”** means a procurement conducted in the form of a competitive tender, auction, request for proposals or request for quotations subject to the requirements of Articles 447–448 of the Civil Code of the Russian Federation.

**“Requirement”** means a rule or condition binding upon bidders.

**“Bidder”** means any legal entity (or several legal entities representing one bidder) regardless of the organizational and legal form, form of ownership, location and place of capital origin, or any individual (or several individuals representing one bidder), including an individual entrepreneur (or several individual entrepreneurs representing one bidder).

**“Procurement Form”** means a type of procurement stipulated by the Regulations.

**“Centralized Procurement”** means a type of procurement performed by the Company’s management apparatus and its divisions – the Contract Service, the Logistics Department, the Capital Construction Department, the Almazavtomatika Specialized Trust, and the Yakutniproalmaz Institute – for the needs of the Company and its divisions out of the planned centralized funds.

**“Electronic Trading Platform”** means a software and hardware complex of organizational, informational and technical solutions chosen by the Customer in accordance with the legislation, enabling the Customer’s interaction with suppliers and bidders through electronic communication channels, as well as conducting procurement procedures in an electronic form via the Internet.

**“Electronic Procurement Form”** means a form of a procurement procedure that involves the exchange of information between the Customer and the bidder in the form of electronic documents, namely:

* + - * for competitive procurement: the information is exchanged between the Customer and the supplier (bidder, qualified bidder, winning bidder) using the functionality of the electronic trading platform as per Law 223-FZ;
			* for other types of procurement:

a) until the contract is made, the information between the Customer and the supplier (bidder, qualified bidder, winning bidder) is exchanged through the electronic trading platform;

b) until the contract is made, the information between the Customer and the supplier (bidder, qualified bidder, winning bidder) is exchanged through any publicly available electronic functionality for receiving bids from bidders in the form of an electronic document (including signed with an electronic signature), which makes it possible to ascertain that the bid originates from the bidder, (e-mail, a Customer site in the unified information system in the Internet information and communications network), except as expressly set forth in the Regulations.

**“Expert”** means a person with special knowledge and experience in the areas related to the subject matter of procurement, who is engaged to use such knowledge and experience in the process of procurement.

**“Electronic Store”** is an Internet trading platform intended for the issuance of public offers by competing suppliers, which is open (including on registration and payment terms) to any buyer and has approved rules for the performance and recording of transactions results.

1. General provisions
2. Regulatory framework of procurement
	1. Regulations and other IRDs and ORDs
		1. These Regulations are the main IRD of the Customer in the field of procurement. The Customer has the right to demand that suppliers, bidders, qualified bidders, and winning bidders comply with these Regulations adopted and published as prescribed by law.
		2. IRDs and ORDs developed in pursuance of these Regulations may supplement and provide guidelines for the implementation of the provisions of these Regulations and shall not contradict them. The provisions of these Regulations take precedence over the provisions of any IRD or ORD.
		3. These Regulations shall be applied by the Customer, except where the procurement is to be carried out in accordance with Law 44-FZ and the RLA adopted in pursuance thereof. If procurement is carried out in accordance with Law 44-FZ, the provisions of these Regulations operate in the part that does not contradict Law 44-FZ and the RLA adopted in pursuance thereof.
	2. Provisions of the Regulations
		1. The provisions of these Regulations are based on the assumption of reasonableness and good faith of persons applying them.
		2. The provisions of these Regulations shall apply regardless of the section of the Regulations they are contained in, including the Introduction and Glossary sections.
		3. The text of footnotes in the Regulations is not a norm and is intended to clarify and interpret the document.
		4. Chapter 9 contains the provisions that clarify the general provisions of the Regulations regarding special procurement situations.
3. Procurement objectives, principles, and organizational and methodological foundations for the fulfillment of goals and principles of procurement. Restriction of competition
	1. Goals of procurement
		1. The goals of the Customer’s procurement activities include:
			1. Timely and full satisfaction of needs for products, including for commercial use, with necessary indicators of price, quality and reliability;
			2. Efficient use of funds allocated for the purchase of products, reduction of direct and indirect costs of manufactured products;
			3. Expanding the opportunities for the participation of legal entities and individuals, including individual entrepreneurs, in the procurement of products for the Customer’s needs, and stimulating such participation;
			4. Promotion of fair competition;
			5. Increasing investment attractiveness by regulating the procurement activities;
			6. Prevention of corruption and other abuses in the organization of procurement activities.
	2. Principles of procurement
		1. When organizing procurement, the Customer is guided by the following principles:
			1. Information openness and transparency of procurement activities;
			2. Equality, fairness, non-discrimination and no unreasonable competition restrictions for bidders;
			3. Targeted and cost-effective spending of funds for the purchase of products (taking into account the cost of product life cycle, if necessary) and taking of measures aimed at reducing the Customer’s costs;
			4. Establishing measurable requirements;
			5. Professionalism of persons carrying out procurement activities.
	3. Organizational and methodological approaches to the implementation of goals and principles of procurement
		1. To achieve the set goals and principles of procurement, the following organizational and methodological approaches are used:
			1. Introducing effective tools for management and organization of procurement processes, and monitoring of their effectiveness;
			2. Building and updating a regulatory legal, organizational and technological base of procurement on a unified basis across ALROSA Group;
			3. Introducing modern information technologies in the procurement processes (including electronic procurement form);
			4. Ensuring effective activities of persons participating in the procurement processes:
				1. establishment of competencies and responsibilities for decisions made in the field of procurement and for the achieved target results, determined as per IRD;
				2. application of various motivation mechanisms, including determination of key performance indicators, and ensuring regular professional development.
		2. When organizing procurement, the Customer is governed by the following principles:
			1. Procurement planning;
			2. Establishment of requirements justified in terms of the Customer’s interests and needs for products purchased, contract terms, and bidders with regard to possible rationing of needs;
			3. Application of the most suitable methods, forms and elements of procurement for a specific procurement situation;
			4. Decision-making by the procurement body in the process of procurement procedures, where possible and appropriate;
			5. Control over the contract fulfillment and the use of products procured;
			6. Establishment of responsibility and motivation measures for employees involved in procurement.
	4. Ensuring fairness and equality
		1. The establishment of any requirements, preferences, or criteria should be justified by the Customer’s reasonable interests.
		2. The Customer ensures equal rights to declare their proposals to all bidders.
		3. The Customer ensures fair consideration and assessment of positive and negative characteristics of proposals based on the requirements, criteria, and assessment procedure established in the procurement documentation.
4. List of procurement processes
	1. Procurement activities include the following processes:
		* 1. Procurement planning (Chapter 5 of the Regulations);
			2. Preparation for the procurement procedure (Chapter 6 of the Regulations);
			3. Announcement and conduct of the procurement procedure (Chapter 7 of the Regulations);
			4. Contract conclusion and performance (Chapter 8 of the Regulations);
			5. Reporting;
			6. Analysis of procurement results.
5. Subjects of procurement
6. General provisions
	1. The subjects of procurement include persons immediately involved in or influencing the procurement process: the Customer, the procurement body, the procurement organizer, the seller who announced the competitive sales procedure, the supplier, the bidder, the qualified bidder, the winning bidder.
	2. The statuses of the subjects of procurement may be combined or changed during the procurement procedure in accordance with the Regulations.
	3. IRDs and ORDs may supplement and clarify the powers and functions (as established by the Regulations) of such subjects of procurement as: the Customer, the procurement body, and the procurement organizer.
7. Customer
	1. The Customer organizes procurement activities in accordance with the Regulations and, where necessary, IRDs and ORDs. The responsibility for organizing procurement activities is vested in the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA and Deputy Chief Executive Officer of PJSC ALROSA, whose scope of competence includes procurement matters.
	2. The procurement activities of the Customer are carried out by:
		* 1. Governing bodies of PJSC ALROSA in cases established by the legislation, the Charter of PJSC ALROSA, and the resolutions of the Supervisory Board of PJSC ALROSA;
			2. the Contract Service that is responsible for ensuring procurement system functioning;
			3. other Customer structural units.
	3. The Customer has the right to exercise the following systemic powers with respect to procurement:
		* 1. Create permanent or temporary procurement bodies that make decisions in the course of procurement, appoint authorized persons; to the extent not contrary to the legislation and established in the Regulations, transfer any of their functions to other persons, including the procurement organizers;
			2. Determine the procurement methods of the Customer and ALROSA Group;
			3. Adopt, in the prescribed manner, IRDs and ORDs that regulate procurement matters, including those determining the procedure for IMP formation, the cases and procedure for changing prices upon contract conclusion and/or performance, the procedure for including information and documents on the contract performance in the register of contracts;
			4. Check, analyze and control procurement activities;
			5. Establish target and reference procurement indicators, including with respect to the rationing of needs for products;
			6. Determine the regularity and procedure for assessing the demand for products;
			7. Determine and approve the regularity, procedure and forms of reporting by issuing ORDs;
			8. Determine the infrastructure of procurement activities, including definition of the ETP, implementation of unified IT solutions, and identification of informations support sources;
			9. Define and establish the categories of products procurement, procurement situations and mandatory procurement terms associated with such categories; formulate requirements for procurement strategies and/or develop and adopt procurement strategies;
			10. Determine the need for and conduct CSP;
			11. Determine, by issuing an ORD, the procurement organizers and the conditions of their work for individual procurements;
			12. Develop and approve educational standards for employees engaged in procurement; test their professional knowledge, and organize educational events;
			13. Interact with public authorities, other institutions and organizations on the arrangement of procurement procedures;
			14. Create reports and analyze the progress of procurement activities, including analytical reporting and analysis of procurement activities of ALROSA Group subsidiaries;
			15. Form recommendations for determining measures of responsibility and methods of motivating of the Company’s employees involved in procurement;
			16. Perform other procurement management functions as per IRDs and ORDs.
	4. The functions of the Contract Service with respect to procurement include:
		* 1. Formation of PPs and PPs of innovative products in the manner prescribed by IRDs;
			2. Consolidation of procurement requests and procurement distribution between the Contract Service and the Customer’s divisions;
			3. Procurement lotting (split-up and consolidation of procurement requests by product nomenclature);
			4. Determining procurement methods;
			5. Determining the optimal method for calculating the IMP and control over the IMP calculation for procurement carried out by the Customer’s divisions;
			6. IMP calculation for procurement carried out by the Contract Service;
			7. Organization and conduct of procurement within the scope of competence of the Contract Service, control of procurement organized not by the Contract Service;
			8. Other functions, including those defined in Clause 5.3 of the Regulations in accordance with the Regulations on the Contract Service approved by the resolution of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA, the resolutions of the Customer’s governing bodies, IRDs and ORDs.
	5. The functions of the Contract Service for ALROSA Group:
		* 1. Control of procurement planning by subsidiaries;
			2. Organization and carrying out of price monitoring upon procurement by subsidiaries;
			3. Organization and conduct of consolidated (joint) procurement procedures, control of procurement organized by units other than the Contract Service;
			4. Other functions, including those defined in Clause 5.3 of the Regulations in accordance with the Regulations on the Contract Service approved by the resolution of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA, the resolutions of the Customer’s governing bodies, IRDs and ORDs.
	6. The functions of the Customer divisions with respect to procurement include:
		* 1. Formation of a draft procurement plan of the Customer’s divisions in the manner prescribed by IRDs;
			2. Submission of documents and materials to the Contract Service for the formation of PP and PP of innovative products, reports, as well as documents, materials, and information on the procurement activities at the request of the Contract Service;
			3. Organization and conduct of procurement procedures on behalf of the Customer (except for the procurement falling within the scope of competence of the Contract Service);
			4. Performing other procurement-related functions in accordance with IRDs and ORDs.
8. Procurement bodies
	1. Procurement bodies are created to make collegial decisions in the course of procurement.
	2. The Customer’s procurement bodies include:
		* 1. Central Procurement Committee;
			2. Procurement Committees;
			3. Procurement Commissions.
	3. The official and personal composition of the Central Procurement Committee and the Procurement Committee is determined by the order of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA.
	4. The official and personal composition of the Procurement Commissions is determined based on the order of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA or based on the resolution of its authorized person.
	5. The scope of competence of the Central Procurement Committee includes:
		1. Summing up the procurement results (choosing the winning bidder or awarding the contract to the sole bidder in a failed competitive procurement, or refusing to conduct a procurement, or declaring the procurement invalid) with the initial (maximum) contract price (lot price) of over 50,000,000 rubles, including VAT.
		2. Changes to decisions previously made by the committee except as provided for in Cause 6.7 of the Regulations.
		3. Making decisions with respect to the procurement of additional volume of products under concluded contracts valued over 50,000,000 rubles, including VAT.
		4. Fulfillment of the following functions in the process of procurement organized by the Contract Service under contracts with the initial (maximum) contract (lot) price of over 10,000,000 rubles, including VAT:
			1. Approval of the procurement notification and documentation;
			2. Making a decision choosing the winning bidder(s) in the procurement;
			3. Making a decision to award the contract to the sole bidder in a failed competitive procurement;
			4. Making other decisions in accordance with the Regulations on the Central Procurement Committee and the Procurement Committees of PJSC ALROSA, and other ORDs and IRDs.
	6. The scope of competence of the Procurement Committee for procurements with the IMP of over 3,000,000 (decentralized procurement) and from 5,000,000 (centralized procurement) to 50,000,000 rubles with VAT include:

summing up the procurement results (selection of the winning bidder or awarding the contract to the sole bidder in a failed procurement, or refusal to conduct a procurement, or procurement invalidation);

changing the decisions previously made by the procurement committee, including the decisions on changing the volume of products procured, except as provided for in Clause 6.7 of the Regulations;

making other decisions in accordance with the Regulations on the Central Procurement Committee and the Procurement Committee of PJSC ALROSA, and other ORDs and IRDs.

* 1. Without a resolution of the procurement bodies, changes can only be made to the essential conditions of the contract awarded following the procurement that do not entail an increase in the contract price, in part of:

reducing the period for the fulfillment of obligations under the contract by the counterparty;

reducing the price of products with preserving their properties and technical characteristics in comparison with originally declared;

excluding individual items from the list (nomenclature) of products defined in the contract, and the purchase plan of the respective structural subdivision for the period of time stated in the current contract, with a proportionate decrease in the contract price;

reducing the amount of the advance payment and establishing a more acceptable form of payment for the Customer.

The decision is made by the person entitled to award contracts on behalf of the Company.

* 1. The functions of the procurement bodies, the procedure of their work, and the scope of competence of the procurement bodies are determined by the Regulations on the Central Procurement Committee and the Procurement Committees of PJSC ALROSA, the Regulations on the Procurement Commission of PJSC ALROSA, and other IRDs and/or ORDs.
1. Procurement organizer
	1. Upon procurement, the procurement organizer shall comply with the requirements of the legislation, the Regulations, constituent documents, and other IRDs and ORDs in force.
	2. The Customer or another legal entity (third-party procurement organizer) can be the procurement organizer.
	3. If a third-party procurement organizer is involved, the Customer enters into an agreement with them, which establishes the terms of interaction, including the scope of functions and powers transferred, the procedure for receiving and fulfilling the Customer’s orders by the procurement organizer, the formation procedure and the amount of the procurement organizer’s fee.
	4. The provisions established in the Regulations for the Customer shall also be applied by the procurement organizer, with the exception of cases specifically stipulated by the Regulations.
2. Seller announcing a competitive sales procedure
	1. The seller who has announces a competitive sales procedure establishes their rights and obligations, functions, and conditions for participation in the competitive sales procedure, including conditions binding on bidders.
3. Supplier, bidder, eligible bidder, winning bidder
	1. The supplier independently reviews the documents published in the prescribed manner (including PP, PP of innovative products, notification and/or procurement documentation) and makes a decision on the participation in the procurement procedure.
	2. Depending on the stage of the procurement procedure, the supplier may have the status of a bidder, qualified bidder, winning bidder, or counterparty.
	3. The rights and obligations of the supplier, bidder, qualified bidder, winning bidder, and counterparty are established by the legislation, the Regulations, notification and/or procurement documentation (if any).
	4. Unless the Regulations provide otherwise, the term “bidder” means both a bidder and a qualified bidder.
4. Information support
5. Official publication
	1. The Regulations and the information about published (open) procurement are published in the UIS in accordance with Law 223-FZ and RLAs adopted in pursuance thereof.
	2. In the event of technical or other problems arising during the UIS maintenance by the authorized person and blocking access to the UIS for more than 1 business day, the information to be posted in the UIS is posted by the Customer on the Customer’s website with its subsequent publication in the UIS within 1 working day after date of elimination of technical or other issues.
6. Types of information published and publication terms
	1. Unless these Regulations provide otherwise, the Customer officially posts the following information within the established timelines:
		* 1. The Regulations, amendments to the Regulations – within 15 days from the approval and/or acceptance date;
			2. PP made for one calendar year – within 10 days after the approval date, but no later than December 31 of the current calendar year;
			3. PP of innovative products – within 10 days after the approval of the PP of innovative products for each subsequent five to seven-year period, but no later than December 31 of the current year;
			4. Amendments to the PP and the PP of innovative products – within 10 days after the amendment date;
			5. Notification, procurement documentation (excluding request for quotations):
				1. for a competitive tender — no later than 15 days before the deadline for bids submission;
				2. for an auction — no later than 20 days before the deadline for bids submission;
				3. for a request for proposals — no later than 7 business days before the deadline for bids submission;
				4. for a request for quotations — no later than 5 business days before the deadline for bids submission;
				5. for a tender — no later than 7 days before the deadline for bids submission;
				6. for a request for prices — no later than 5 days before the deadline for bids submission;
				7. for a special tender — no later than 7 days before the deadline for bids submission;
				8. for a special request for prices — no later than 5 days before the deadline for bids submission;
				9. for a procurement following a competitive sales procedure announced by the product seller – no later than the contract signing date;
				10. for a SMB only competitive procurement – the documentation (except for the request for quotations in an electronic form) and notification of:
* a competitive tender in an electronic form:
	+ - * + at least 7 days before the deadline for the submission of bids on the competitive tender, if the contract IMP does not exceed 30,000,000 rubles, including VAT;
				+ at least 15 days before the deadline for the submission of bids on the competitive tender, if the contract IMP is over 30,000,000 rubles, including VAT;
* an auction in an electronic form:
	+ - * + at least 7 days before the deadline for the submission of bids on the auction, if the contract IMP does not exceed 30,000,000 rubles, including VAT;
				+ at least 15 days before the deadline for the submission of bids on the auction, if the contract IMP is over 30,000,000 rubles, including VAT;
* a request for proposals in an electronic form – at least 5 business days before the deadline for the submission of bids;
* a request for quotations – at least 4 business days before the deadline for the submission of bids;
	+ - 1. Changes to the notification and/or procurement documentation:
				1. no later than 3 days from the date of the decision to implement such changes;
				2. in case of changes implementation into the notification or procurement documentation, the deadline for bids submission will be extended so that at least a half of the deadline for bids submission as set for the respective procurement method in Clause 5 of this article of the Regulations remains from the official publication of such changes to the end of the deadline for the submission of bids;
			2. Clarification of the notification/procurement documentation – no later than 3 days from the date of the decision to provide such clarifications and no later than the established date before the deadline for the submission of bids, depending on the procurement method, provided that the request for clarification of the notification/procurement documentation was received in the manner and within the period stated in the notification/procurement documentation;
			3. Decision to cancel competitive procurement – on the day this decision is made, and for other procurement methods – no later than 3 days from the decision date;
			4. Protocols drawn up during the procurement – no later than 3 days from the date of signing such protocols;
			5. Information about the changes in the volume and/or price of products purchased, the terms of contract fulfillment pertaining to information contained in the protocol drawn up following the procurement – no later than 10 days from the effective date of such changes in the contract;
			6. Information and documents included in the register of contracts under the contract made by the Customer following the procurement, including under the contract made by the Customer following the procurement from a sole supplier (contractor) of goods, work, or services the cost of which exceeds the amount established by Clause 12.2.1) of the Regulations – no later than 3 business days after the effective date of the contract and in the amount established as per the legislation;
			7. Information included in the register of contracts, under the contract with a subcontractor being a small or medium-sized business entity, when establishing a requirement in the procurement documentation to involve subcontractors (co-contractors) from among small and medium-sized businesses to fulfill the contract – no later than 3 working days from the effective date of the contract and in the amount established as per the legislation;
			8. Information and documents included in the register of contracts as a result of amendments to the contract, or contract fulfillment or termination – no later than 10 days from the date of the contract amendment, fulfillment, or termination, and to the extent established by the legislation;
			9. Information on contracts made following the procurement, as per Part 19 of Article 4 of Law 223-FZ – on a monthly basis not later than the 10th day of the month following the reporting month;
			10. List of goods, work, and services procured from SMBs – within 10 days from the date of approval;
			11. Annual report on the procurement of products from SMBs – no later than February 1 of the year following the past calendar year;
			12. Annual report on the procurement of innovative products and high-tech products, including from SMBs – no later than February 1 of the year following the reporting year starting from January 1, 2017, following the procurement of innovative products and high-tech products, including from SMBs, starting from January 1, 2016;
			13. Other documents to be published as per Law 223-FZ and the RLAs adopted in pursuance thereof – within the time frame established therein.
	1. When conducting open (published) procurement in an electronic form, the Customer ensures simultaneous (on the day of official publication) publication of documents listed in Clauses 11.1.5) – 11.1.9) of the Regulations, on the ETP with the obligatory indication of the place of their official publication (provided there are no technical issues mentioned in Clause 10.2 of the Regulations).
	2. For the procurement of software for electronic computers and databases, as well as the rights to use such software, including temporary, to which the exceptions under Clauses 19.8.1) – 19.8.2) of the Regulations apply, the Customer publishes information about such procurement on the Customer’s website justifying the impossibility to observe the restriction on the admission of software originating from foreign countries – no later than 7 days from the date of official publication of information about the procurement.
	3. The Customer has the right to publish in the UIS and/or on the Customer’s website, in any open source, any information related to procurement, the publication of which is not prohibited or limited by the legislation and/or these Regulations.
	4. Protocols drawn up in the course of, and following, the procurement, applications for bids for procurement, final proposals of bidders, procurement documentation, notification of the request for quotations, changes made to the procurement documentation, clarifications of the provisions of the procurement documentation , as well as other documents related to the procurement, will be stored by the Customer for 3 years. For certain types of documents, longer storage periods may be established based on the requirements of the legislation or the Company’s IRDs.
1. Prohibition of open publication of information. The right not to publish information
	1. Unless the legislation directly provides otherwise, the Customer does not post the following information in the UIS, on the Customer’s website, or on the ETP:
		* 1. Information about the procurement constituting a state secret, to the extent such information is specified in the notification, the procurement documentation, and in the draft contract (Article 44 of the Regulations);
			2. Information about a specific procurement for which a resolution of the Government of the Russian Federation was made in accordance with Part 16 of Article 4 of Law 223-FZ (Article 44 of the Regulations).
			3. Information on the procurement of products according to the lists and/or groups of goods, work, and services for which a resolution of the Government of the Russian Federation was made in accordance with Part 16 of Article 4 of Law 223-FZ (Article 44 of the Regulations).
	2. The publication of the following information in the UIS and on the Customer’s website is not obligatory:
		* 1. On the procurement of products the IMP of which does not exceed 100,000 rubles, excluding VAT; and if the Customer’s annual revenue for the reporting financial year is more than 5,000,000,000 rubles, the information on the procurement of products, the IMP of which does not exceed 500,000 rubles excluding VAT (regardless of the selected procurement method);
			2. On the procurement of services for raising funds of organizations on deposits (including the placement of deposits), receiving credits and loans, trust management of funds and other property, issuing bank guarantees and sureties providing for the fulfillment of obligations in cash, opening and maintaining accounts, including letters of credit, on the procurement of brokerage and depository services;
			3. On the procurement related to the conclusion and fulfillment of sale and purchase, lease (sublease), and trust management agreements for state or municipal property, or other agreements providing for the transfer of ownership and/or use rights with respect to immovable property.
2. Methods, forms, and additional elements of procurement, conditions of their selection
3. Procurement methods and conditions of their selection
	1. List of procurement methods
		1. These Regulations provide for the following procurement methods:
			1. Competitive procurement through bidding:
				1. competitive tender (open competitive tender, electronic competitive tender, closed competitive tender);
				2. auction (open auction, electronic auction, closed auction);
				3. request for proposals (electronic request for proposals, closed request for proposals);
				4. request for quotations (electronic request for quotations, closed request for quotations);
			2. competitive procurement other than bidding:
				1. tender (open tender, electronic tender, closed tender);
				2. request for prices (open request for prices, electronic request for prices closed request for prices).
			3. special tender (open special tender, electronic special tender, closed special tender);
			4. special request for prices (open special request for prices, electronic special request for prices closed special request for prices);
			5. procurement from a sole supplier;
			6. procurement following a competitive sales procedure announced by the seller of products.
		2. Awarding the contract to the sole bidder in a failed procurement is not a procurement method[[3]](#footnote-4).
		3. If using a particular procurement method is mandatory as per the legislation, the procurement method established by the legislation will be used.
	2. Competitive tender
		1. A competitive tender is characterized by a combination of the following features:
			1. The winner in a competitive tender is the bidder whose bid (final proposal) for the competitive procurement meets the requirements established by the competitive procurement documentation and contains, as determined following the comparison of bids (final proposals) based on the assessment criteria specified in the procurement documentation, the best contract terms;
			2. As a rule, the competitive tender provides for several criteria for the assessment and comparison of bids;
			3. The collegial decision on the winning bidder is made by the procurement body;
			4. The Customer or other person announcing the competitive tender on the Customer’s behalf assumes the rights and obligations of the competitive tender organizer in accordance with the Regulations and the legislation.
		2. The competitive tender may be held for the procurement of any products regardless of the amount of the IMP, except where the only assessment criterion is the contract price offered by the bidder.
		3. A competitive tender is held if the subject matter of the contract is the provision of audit services or services for maintaining a register of shareholders with a registrar.
	3. Auction
		1. An auction is characterized by a combination of the following features:
			1. The auction winner is the qualified bidder who offered the best contract price;
			2. The best contract price is determined by reducing the IMP of the contract stated in the notification by the “auction step”, which is set in the procurement documentation, or by reducing the minimum price from among the prices submitted by bidders as part of their auction bids by the “auction step” or step multiple of the “auction step”. If the contract price is reduced to zero, and the auction is held for selling the right to be awarded the contract, the winner in the auction will be the person who offered the highest price for the right to the contract;
			3. The fact of determining the auction winner is documented either by the procurement body, or by the auctioneer, or automatically (using a computer program) according to the rules established in the procurement documentation;
			4. The Customer or other person announcing the auction on the Customer’s behalf assumes the rights and obligations of the competitive tender organizer in accordance with the Regulations and the legislation.

13.3.2. An auction may be held for the procurement of any products, to the extent the only assessment criterion is the price offered by the bidder for the contract to be awarded following the procurement procedure.

* 1. Request for proposals
		1. A request for proposals is characterized by a combination of the following features:
			1. The winner in a request for proposals is the bidder whose bid (as per the criteria established in the procurement documentation) most fully meets the requirements of the procurement documentation and contains the best conditions for the provision of goods, work, or services;
			2. It may only be held in a closed or electronic form;
			3. As a rule, the request for proposals provides for several criteria for the assessment and comparison of bids;
			4. The collegial decision on the winning bidder is made by the procurement body.
		2. A request for proposals may be held for the procurement of any products with a combination of the following conditions:
			1. Regardless of the amount of the IMP, with the exception of SMB only competitive procurement in which the IMP of one or more lots is not to exceed 15,000,000 rubles, including VAT;
			2. the price is not the only assessment criterion;
			3. no tender is held.
	2. Request for quotations
		1. A request for quotations is methodologically similar to the request for proposals, but differs from it in that the winner is chosen by the minimum price proposed by the bidder.
		2. A request for quotations may be held for the procurement of any products with a combination of the following conditions:
			1. Regardless of the amount of the IMP, with the exception of SMB only competitive procurement in which the IMP of one or more lots is not to exceed 7,000,000 rubles, including VAT;
			2. It may only be held in a closed or electronic form;
			3. The only assessment criterion is the price offered by the bidder for the contract to be awarded following the procurement procedure.
	3. Tender
		1. A tender is methodologically similar to the request for proposals, but is not bidding within the meaning of Articles 447–449.1 of the Civil Code of the Russian Federation.
		2. A tender may be held for the procurement of any products with a combination of the following conditions:
			1. the price is not the only assessment criterion;
			2. no tender or request for proposals was held.
	4. Request for prices
		1. A request for prices is methodologically similar to the request for quotations, but is not bidding within the meaning of Articles 447–449.1 of the Civil Code of the Russian Federation.
		2. A request for prices may be held for the procurement of any products with a combination of the following conditions:
			1. The IMP of one or more lots is no more than 30,000,000 rubles with VAT (inclusive);
			2. The only assessment criterion is the price offered by the bidder for the contract to be awarded following the procurement procedure.
	5. Procurement from a sole supplier
		1. Procurement from a sole supplier may be chosen in the following cases:
			1. A contract is made or extended for goods, work, or services within the profile of natural monopoly entities in accordance with Federal Law No. 147-FZ of August 17, 1995 “On Natural Monopolies” at legally regulated prices (rates) from such entities;
			2. A contract is made for services related to the use of utility infrastructure (sewerage, water supply, water discharge, heat supply, gas supply (except for services for the sale of liquefied gas), services for the maintenance of electricity supply networks and electrical equipment by organizations that share the electricity infrastructure with PJSC ALROSA, connection (process connection) to utility networks), electricity supply procured at prices (tariffs) regulated in accordance with the legislation;
			3. A contract is made for the supply of products the prices (tariffs) of which are subject to state regulation at the Schedule and Tariff Center, or the prices (tariffs) of which are regulated and controlled by regional departments of the Ministry of Transport of the Russian Federation;
			4. A contract for the provision of communication services is made or extended, to the extent the Customer has a formed infrastructure, dedicated communication channels, data transmission channels and connecting lines, as well as information flows belonging to a certain supplier;
			5. A power supply (electricity purchase and sale) contract is made with an organization that is not a guaranteed supplier of electricity;
			6. A contract is made for goods, work, or services that are delivered only by an executive authority (local authority) within the scope of its powers or by its subordinate state (municipal) institution or state (municipal) unitary enterprise the powers which are established by federal laws, regulatory legal acts of the President of the Russian Federation, regulatory legal acts of the Government of the Russian Federation, regulatory legal acts of the respective constituent entity of the Russian Federation, or regulatory acts of local authorities;
			7. A contract is made for the supply of products for which the supplier has exclusive rights confirmed by applicable documents;
			8. A contract is made for an exclusive right to intellectual deliverables or the right to use an intellectual deliverable from a person who has the exclusive right to such intellectual deliverables or to a means of individualization certified by a document of title;
			9. A contract is made with the supplier or the supplier’s representative for warranty and routine maintenance of previously purchased products or the supply of spare parts and consumables for these products, if such maintenance cannot be provided by another supplier because of the existing warranty or license for the right of use;
			10. A supplementary agreement is made to the life cycle contract for the purchase of products that were not initially covered by this contract, but that are necessary for its successful fulfillment and if the competitive selection of the supplier of such products is not applicable given the contract circumstances;
			11. A contract is made with the supplier who is the only manufacturer of products, including on the basis of a license (accreditation), in the applicable territory, if attracting contractors from other regions based on a resolution of the procurement body is economically unprofitable for the Customer;
			12. A contract or a supplementary agreement (except for a supplementary agreement to the life cycle contract – Clause 13.8.1.10 of the Regulations) is made with the supplier for the supply for additional goods, work, or services in the amount of up to 50% of the value of the initial contract, taking into account all supplementary agreements to the contract, and to the extent one of the following conditions is fulfilled:
				1. carrying out additional procurement of goods for standardization reasons and to ensure compatibility with the existing goods, equipment, or components;
				2. when additional work (services) are procured to ensure compatibility with previously procured work (services), new procurement can be made from the same counterparty;
			13. A contract or a supplementary agreement with the supplier is made for additional work or services that were not included in the initial contract with this supplier and are inseparable from the main contract except as with significant difficulties and in the amount of up to 50% of the value of the initial contract, if the need for such work or services became apparent during the performance of initial contract;
			14. An contract is made for the supply of products the price of which, due to special circumstances, is significantly lower than normal market prices (sales, procurement from a supplier liquidating its business; from bankruptcy commissioners; by agreement with creditors or under a similar procedure; from a supplier that due to certain circumstances provides significant discounts to the Customer, for example, counter deliveries);
			15. A contract is made for services for raising funds of organizations on deposits (including the placement of deposits), receiving credits and loans, trust management of funds and other property, issuing bank guarantees and sureties providing for the fulfillment of obligations in cash, opening and maintaining accounts (cash management services), including letters of credit, for Bank-Client services, brokerage and depository services;
			16. A contract or agreement is made aimed at fulfilling the Customer’s obligations as a bidder or winning bidder of the procurement announced by third parties;
			17. A contract is made with patent attorneys for the Customer’s trademarks, or a contract is made for legal services;
			18. A contract is made for services for delivering programs of vocational or additional education, professional or targeted training;
			19. A contract is made for visiting cultural events, including theaters, cinemas, concerts, performances, museums, exhibitions, or sports events;
			20. A contract is made for services related to the arrangement of visits of delegations (hotel services or rental of accommodation, transport services, computer equipment operation, catering, communication services and other related costs);
			21. A contract is made for the participation of the Customer’s employees in seminars, meetings, trainings, forums, conferences and other similar events;
			22. A contract is made for the procurement of products with a legal entity which is related to the Customer as per Clause 2, paragraphs 1, 4 or 9, of Article 105.1 of the Tax Code of the Russian Federation, and is not included in the list under Appendix No. 2 to the Regulations;
			23. A contract is made for the procurement or lease of a sample of products for testing in the Customer’s conditions to make a decision on the possibility of further use of such products by the Customer;
			24. A contract is made for the acquisition of ownership or a lease (sublease) contract is made (extended) for the right of temporary possession and/or use of real estate (including land plots, buildings, or premises necessary for the Customer’s production and economic activities), property complexes, equipment; a contract of purchase and sale, lease (sublease), or a contract for trust management of state or municipal property, or other contract for the transfer of ownership and/or use rights (including a contract for sale, lease, etc.) with respect to real estate, or an agreement related to the conclusion and performance of such contracts;
			25. A civil contract is made for the provision of work or services by individuals (other than individual entrepreneurs) using their personal labor, including with lawyers and notaries;
			26. A contract or a transaction is made without a single document (agreement) for an amount up to 100,000 rubles without VAT, or, if the Customer’s annual revenue for the reporting financial year exceeds 5,000,000,000 rubles, for an amount up to 500,000 rubles without VAT;
			27. A contract is made for services related to sending of employees on business trips (such services include: travel to and from the place of business trip, rental of accommodation, transport services, meals);
			28. A contract is made in pursuance of the obligations under an agreement made by the Customer with a third party subject to the combination of the following conditions:
				1. the Customer does not have time to carry out competitive procurement as required by the Regulations considering the period for the fulfillment of the Customer’s obligations under a contract with a third party, or given a direct reference by a third party to the Customer’s obligation to make an agreement with a specific supplier;
				2. the Customer does not have necessary products in stock in the amount required for the fulfillment of the Customer’s obligations (other than the procurement of work or services);
				3. the volume of products procured shall not exceed the volume of such products required to fulfill obligations to a third party within the period required by the Regulations for conducting competitive procurement and making a contract following such procurement;
			29. A contract is made with an author for exercising author control over the development of design documentation for a capital construction object, or for author supervision over the construction, reconstruction, or overhaul of a capital construction object;
			30. A contract is made for the payment of ETP services for the participation in a procurement procedure conducted on the ETP by third parties;
			31. A contract is made for posting materials in specific publications, on websites on the Internet, or in the media (without intermediaries);
			32. A contract is made for the supply of printed publications or electronic publications (including software and hardware tools and information protection tools used in them) between certain authors and the publishers of such publications if said publishers own exclusive rights or exclusive licenses to use such publications, and for services for providing access to such electronic publications;
			33. A contract is made in connection with the initiation by the Customer of the termination of a previous contract because of its non-performance (improper performance) and if the Customer has no time to conduct competitive procurement:
				1. with the bidder who was ranked the second or next upon the summarizing of the procurement results, following which a contract was made (subject to the bidder’s consent; the contract with each subsequent bidder is made if each previous bidder refuses to enter into the contract);
				2. with a supplier who did not take part in the procurement (if it is impossible to make an agreement with the bidder in such procurement – Clause 13.8.1.33а) of the Regulations);

the contract is made within the volume of products, the performance terms and the price of the terminated contract (if the contract is made with the procurement bidder – within the price declared by the bidder during the procurement and taken into account when summing up the procurement results, but not exceeding the price of the terminated contract by more than 10%); if before the termination of the contract, the supplier partially fulfilled the obligations under the contract, a new contract will be made for a lesser quantity of products procured subject to the amount of products received under the previous contract with a proportionate reduction in the contract price and, if necessary, with a change in the contract terms (if the period of the contract performance was established with specific dates);

* + - 1. A contract is made that contains information constituting a state secret;
			2. A contract is made the information about which is not to be published in the UIS based on a resolution of the Government of the Russian Federation;
			3. A contract is made in the event of an urgent need for a certain product, including for the purpose of preventing and/or liquidating (eliminating) accidents, emergency or other circumstances that can significantly affect the Customer’s activities (production downtime, infliction of losses on the Customer, etc.), in the amount necessary for carrying out such actions, to the extent all of the following conditions are fulfilled:
				1. if due to the specified circumstances (or their threat) there is a clear danger to human life or health, the state of the environment, or there is a risk of significant losses to the Customer and/or third parties or process flow stoppage;
				2. to eliminate the consequences of these circumstances or to prevent them, certain products are required, but competitive procurement is unacceptable due to the lack of time for its implementation;
				3. the Customer does not have an emergency stock of goods required to prevent (eliminate the consequences) of these circumstances (or their threat), or the Customer is not able to prevent (eliminate the consequences) of these circumstances (or their threat) on its own without using the appropriate products;
				4. the products range and volume do not exceed the amount necessary for elimination of the consequences of the stated circumstances (or a risk of such circumstances);
			4. a contract is made for the procurement of products to pay off the Customer’s debts or under barter transactions regardless of their amount;
			5. A contract is made for certification services;
			6. A contract is made for the provision of services for displaying rough diamonds and polished diamonds with a subsidiary located outside the Russian Federation within the approved tariffs and with a compensation of technical services (transportation, insurance of rough diamonds and polished diamonds).
			7. A contract is made in pursuance of the resolution of the Company’s Supervisory Board, if, based on this resolution, the contract can only be made with a specific counterparty (for example, sponsorship agreements).
			8. A contract is made to ensure procurement of products of Russian origin (including products supplied if the purchased works and services are provided) as per PP 2013.
		1. Procurement from a sole supplier in cases listed in Clause 13.8.1 of the Regulations are carried out on the basis of a collegiate resolution of the procurement body or on the basis of a resolution of the Customer’s head (or person authorized by the Customer). The procedure for making decisions on procurement from a sole supplier, including the establishment of a procurement body or the Customer’s authorized person making the decision on procurement, is set forth by an IRD and/or ORD.
		2. Procurement from a sole supplier in cases not stated in Clause 13.8.1 of the Regulations can only be carried out based on the ORD of the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA, if there is an urgent need for products to secure the rights and protect the interests of the Customer.
	1. Special tender
		1. A special tender is characterized by a combination of the following features:
			1. The winner is the bidder whose bid (as per the criteria established in the procurement documentation) most fully meets the requirements of the procurement documentation and contains the best conditions for the supply of goods, work, or services;
			2. The collegial decision on the winning bidder is made by the procurement body;
			3. It is not a tender as per Articles 447–449 of the Civil Code of the Russian Federation.
		2. A special tender may be held for the procurement of any products with a combination of the following conditions:
			1. There are deviations (in order to fully meet the Customer’s needs for products with necessary price, quality, and reliability indicators, or to fulfill the resolutions of the Customer’s Supervisory Board, resolutions of state authorities) from the rules for describing the subject matter of procurement, provided for in paragraphs 2) and 3) of Clause 19.2 of the Regulations, or from other requirements for competitive procurement;
			2. The price is not the only assessment criterion;
			3. No competitive tender, request for proposals, or tender is held.
	2. Special request for prices
		1. A special request for prices is characterized by a combination of the following features:
			1. The winning bidder is the bidder whose bid meets the requirements established in the request for quotations notification and has the lowest contract price;
			2. The collegial decision on the winning bidder is made by the procurement body;
			3. It is not a tender as per Articles 447–449 of the Civil Code of the Russian Federation.
		2. A special request for prices may be held for the procurement of any products with a combination of the following conditions:
			1. The IMP of one or more lots is no more than 30,000,000 rubles with VAT (inclusive);
			2. There are deviations (in order to fully meet the Customer’s needs for products with necessary price, quality, and reliability indicators, or to fulfill the resolutions of the Customer’s Supervisory Board, resolutions of state authorities) from the rules for describing the subject matter of procurement, provided for in paragraphs 2) and 3) of Clause 19.2 of the Regulations, or from other requirements for competitive procurement;
			3. The only assessment criterion is the price offered by the bidder for the contract to be awarded following the procurement procedure.
			4. No auction, request of quotations and request of prices are held.
	3. Procurement following a competitive sales procedure announced by the seller of products
		1. Procurement following a competitive sales procedure announced by the seller of products is conducted when the products procured are sold by sellers by organizing competitive sales, and the Customer decides to participate in such a procedure.
1. Procurement forms and conditions of their selection
	1. Procurement forms and their list
		1. The Regulations provide for the following forms of the procurement procedure, which may be combined with the procurement methods in accordance with this article of the Regulations:
			1. published (open) or non-published;
			2. electronic or non-electronic;
	2. Published and non-published
		1. As to official publication, the form of the procurement procedure may be: published (the procurement is open, the information is officially posted in the UIS, on the Customer’s website and, if necessary, in other open information sources, any bidder can take part in the competitive procurement) and non-published (information on the procurement is not posted in the UIS, on the Customer’s website, or in other open sources of information, and only invited bidders can take part in the procurement).
		2. A non-published form of the procurement procedure is allowed in one of the following cases:
			1. Legal norms require the Customer to publish information in the UIS, on the Customer’s website, and in open sources of information;
			2. Legal norms establish the right for the Customer not to publish information, and the Customer exercises this right.
	3. Electronic or non-electronic
		1. In terms of the procedure for receiving bids and other documents from bidders in the procurement process, the form of the procurement procedure can be: electronic or non-electronic.
		2. The procurement procedure is conducted in an electronic form on a mandatory basis in cases established by law. In all other cases, holding a procurement, including competitive procurement, in an electronic form is at the Customer’s option.
2. Additional elements of procurement and conditions of their selection
	1. General provisions
		1. Additional elements may be used in any procurement, unless expressly prohibited by these Regulations or Law 223-FZ.
		2. Additional items include:
			1. discussion of terms;
			2. prequalification;
			3. qualification selection;
			4. alternative proposals;
			5. multi-lot procurement;
			6. lot divisibility;
			7. competitive negotiations;
			8. rebidding;
			9. selection of several winning bidders.
		3. Additional elements are used in accordance with the description of the procedure for using these elements in the notification and/or procurement documentation.
		4. Information on the right to use additional elements is provided in the notification and/or procurement documentation.
		5. If the notification and/or procurement documentation contains no indication of the possibility of using additional elements, they do not apply.
	2. Discussion of terms
		1. The terms can be discussed by the Customer when upon any procurement.
		2. The terms can be discussed in the following forms:
			1. Discussion of functional characteristics (consumer properties) of goods, the quality of work or services, and other terms of contract fulfillment with the procurement bidders to clarify the required characteristics of the procurement item in the notification and procurement documentation, and the draft contract;
			2. Discussion of proposals of functional characteristics (consumer properties) of goods, the quality of work or services, and other terms of contract fulfillment contained in their bids with the procurement bidders to clarify the required characteristics of the procurement item in the notification and procurement documentation, and the draft contract.
		3. Discussion of terms may be required in any of the following cases:
			1. The impossibility of establishing clear (unambiguous) requirements for the products procured and for the terms of the contract to be awarded (procurement of innovative products, R&D, E&D, D&S, other complex consulting services and other products);
			2. The need to clarify both the position of the Customer and the position of qualified bidders.
	3. Prequalification
		1. Prequalification is carried out prior to the submission of bids with technical and commercial proposals. Prequalification is intended to verify the compliance of bidders in procurement with the uniform qualification requirements established in the notification and/or procurement documentation.
		2. Prequalification is performed only for a published (open) procurement.
		3. Only the bidders selected based on the prequalification results take part in further competitive procurement.
		4. Prequalification may be required in any of the following cases:
			1. Procurement for R&D, E&D, D&S, and other complex products;
			2. Bidders are to be selected based on the Customer’s interests as per Clause 2.4 of the Regulations (including in view of the market specifics, to maintain trade secret during the fulfillment of the contract);
			3. The procurement of other products, if the preparation of bids takes high time and labor costs due to the complexity and volume of requirements for the description of products and/or documents required from bidders.
	4. Qualification
		1. The qualification is carried out on the basis of bids submitted by the procurement bidders and may be stipulated by the Customer in cases where it is necessary or expedient to verify compliance with the requirements for bidders separately from other stages of the procurement.
		2. The sequence of qualification with respect to other stages of procurement is determined by the procurement documentation.
	5. Alternative proposals
		1. When conducting a special tender or a special request for prices, the Customer may provide for the supplier’s right to submit alternative proposals.
		2. The provision of the Regulations on the supplier’s right to submit only one bid in cases of submitting alternative proposals does not apply.
		3. A procurement with an option of submitting alternative proposals may be carried out in cases where the Customer deems it appropriate to compare various options for satisfying the Customer’s needs (characteristics of the products offered, and/or organizational and technical solutions, and/or contract terms, and/or other parameters in accordance with the terms of the procurement documentation), including the procurement of innovative products.
	6. Multi-lot procurement
		1. The Customer has the right to combine several lots within one procurement procedure.
		2. A multi-lot procurement may include lots for one or several Customers.
		3. A multi-lot procurement may be conducted if all of the following conditions are fulfilled:
			1. The possibility of reducing the costs of the Customer(s), as well as the labor costs of bidders for preparing, conducting, and participating in the procurement procedure;
			2. The Customer’s need to reserve the right to recognize the procurement as valid or invalid for each individual lot.
	7. Lot divisibility
		1. The Customer has the right to provide for an option to procure products in parts of a lot, including from several winning bidders.
		2. Procurement with a divisible lot may be conducted in any of the following cases:
			1. To reduce the risks of supply disruption;
			2. The possibility for the Customer to benefit from the isolation of individual lot positions in the bidders’ proposals;
			3. To expand competition and improve its quality, bidders with different capabilities in terms of product volume are allowed to take part in the procurement.
	8. Competitive negotiations
		1. When holding a competitive tender, a request for proposals, a request for quotations, a tender, a special tender, a request for prices, or a special request for prices, the Customer may provide for an option of competitive negotiations during the procurement.
		2. Competitive negotiations may be required in any of the following cases:
			1. Negotiations between the Customer and the qualified bidders with the purpose to clarify the procurement documentation in a multi-stage procedure (before a new stage);
			2. As a preliminary measure before rebidding in order to clarify the possibility of increasing the preference of the proposals of qualified bidders, including with respect to the contract price (price per unit of products).
	9. Rebidding
		1. When holding a competitive tender, a request for proposals, a request for quotations, a tender, a special tender, a request for prices, or a special request for prices, the Customer may provide for an option of rebidding during the procurement.
		2. Rebidding is conducted if the Customer decides to entitle the qualified bidders to voluntarily increase the preference of their previous bids by improving any of the following characteristics or a combination thereof:
			1. price;
			2. timelines;
			3. payment terms;
			4. other bid characteristics.
		3. When holding a SMB only competitive tender, rebidding is carried out only in the form of submission of additional bids by bidders to reduce the contract price, the cost of operating and repairing goods, or using the work or service deliverables.
	10. Selection of several winning bidders
		1. The Customer may provide for an option to select several winning bidders in any of the following cases:
			1. The lot is divisible;
			2. It is necessary to make several (including framework) contracts for the same volume of products.
3. Procurement planning
4. Procurement planning procedure
	1. General provisions
		1. The Customer plans procurement over a long term and a short term by forming procurement plans:
			1. PP – for a period of at least one calendar year;
			2. PP of innovative products – for a period of five to seven years.
		2. PPs and PPs of innovative products are the Customer’s action plans for making contracts for the supply of products for the Customer’s needs during the planned calendar year(s).
		3. Suppliers are informed of the Customer’s needs for products through official publication of PPs and PPs for innovative products.
		4. PPs and PPs of innovative products are formed on the basis of:
			1. A plan for the acquisition of material and technical products and design equipment;
			2. A plan for acquisition of services for capital construction, design and survey work, overhaul and routine repairs, and contract work;
			3. Other plans and programs.
		5. When planning procurement, the Customer takes into account the standard or estimated duration of the process cycle of work, services, products, product supplies, and the timelines of procurement and contract award procedure.
		6. PPs and PPs of innovative products are formed in accordance with Law 223-FZ and GD 932 subject to the following:
			1. PPs and PPs of innovative products do not include information about procurement which constitutes a state secret, provided that such information is contained in the notification, procurement documentation, or draft contract, nor information on the procurement for which a resolution was made of the Government of the Russian Federation in accordance with the legislation;
			2. Based on the Customer’s decision, the PP may omit the information about the procurement of products the IMP of which does not exceed 100,000 rubles, excluding VAT; and if the Customer’s annual revenue for the reporting financial year is more than 5,000,000,000 rubles, the information on the procurement of products, the IMP of which does not exceed 500,000 rubles excluding VAT.
	2. Procurement planning sequence
		1. Procurement is planned in the following order:
			1. Formation and adjustment of procurement plans based on the Customer’s needs for a calendar year and for five to seven years (for PPs and PPs of innovative products, respectively);
			2. Verification of compliance of draft PPs and PPs of innovative products with the legislation and IRDs;
			3. Coordination and approval in the prescribed manner of PPs and PPs of innovative products;
			4. Official publication of PPs and PPs of innovative products;
			5. Adjustment of the PPs and PPs of innovative products, if necessary, and official publication of adjusted PPs and PPs of innovative products;
			6. Formation of reports on the fulfillment PPs and PPs of innovative products and analysis of such reports.
		2. The information on the procurement included in PPs is the basis for the preparation of such a procurement. In the absence of information on procurement in a PP, official publication of the notification and/or procurement documentation is not allowed (except for procurement from a sole supplier due to urgency as per Clause 13.8.1.36) of the Regulations).
	3. Specifics of formation, coordination, and approval of PPs
		1. PPs include lots, the notification and/or procurement documentation for which the Customer plans to officially publish in the planned year (including lots for innovative, high-tech products, and medicines for the planned calendar year).
		2. PPs are formed, reconciled, and approved in the manner determined by IRDs.
	4. Specifics of formation, coordination, and approval of PPs of innovative products
		1. PPs of innovative products include lots subject to the Customer’s search and selection of innovative and high-tech solutions.
		2. When planning procurement of innovative and high-tech products, the Customer may use the lists (registers) of innovative and high-tech products approved by RLAs.
		3. When planning the procurement of innovative and high-tech products, the procurement method and other parameters are chosen subject to these Regulations.
		4. PPs of innovative products are formed, reconciled, and approved in the manner determined by IRDs.
	5. Adjustment of procurement plans
		1. PPs and PPs of innovative products are formed in the manner prescribed by IRDs.
		2. PPs and PPs of innovative products are adjusted and reconciled, and adjusted PPs and PPs of innovative products are approved in the manner determined by IRDs.
		3. Adjusted PPs and PPs of innovative products are officially published in the manner stated in the Regulations (Chapter 3).
5. Preparation for the procurement procedure
6. General provisions
	1. When preparing for a specific procurement, the Customer determines in advance:
		* 1. Requirements for products procured;
			2. Information about the IMP, which will be indicated in the notification and procurement documentation;
			3. Requirements for the terms of the contract to be made following the procurement;
			4. Requirements for bidders;
			5. Requirements for bid security (if necessary);
			6. Requirements for contract performance (if necessary);
			7. Requirements for the scope, form, and execution of bids;
			8. Criteria and procedure for reviewing, selecting, assessing, and ranking the bids by their preference for the Customer, as well as the procedure for determining the winning bidder.
	2. When preparing for a procurement from a sole supplier or a procurement following the a competitive sales procedure announced by the seller of products, the information specified in Clauses 17.1.7) and 17.1.8) of the Regulations.
7. General approaches to establishing requirements
	1. Requirements are formulated depending on the Customer’s needs, based on the objectives of procurement activities (Clause 2.1.1 of the Regulations) and should be primarily aimed at choosing a supplier following a competitive procurement procedure, who is able to perform the contract properly.
	2. It is prohibited to establish requirements where bids are not considered and there is no established procedure for confirming compliance with such requirements.
	3. The rules for the formulation of requirements for inclusion in the procurement documentation, as well as the criteria and procedure for review and assessment in accordance with such requirements may be determined by an IRD. Requirements shall be established without any unjustified restriction of competition for bidders.
8. Requirements for products procured
	1. The Customer establishes product requirements taking into account the specifics of products procured in compliance with the following approaches:
		* 1. The Customer aims to procure products meeting the requirements for such products and having the necessary consumer properties and technical characteristics, environmental and industrial safety characteristics;
			2. Requirements for products shall be measurable in numerical values and/or in the form of uncontested indicators (yes / no, presence / absence), except for the procurement of products for which the requirements in numerical values cannot be formulated or described;
			3. When establishing requirements for products, well-known (including standard) indicators, terms and abbreviations are to be used, except for the procurement of products for which there is no normative and technical regulation and/or for which non-standard indicators is widespread;
			4. Requirements for products procured, the specifics of circulation and/or safety requirements of which (including consumer, industrial, and environmental requirements) are stipulated by law, are to be established in accordance with the existing restrictions.
	2. When describing the item of procurement in the competitive procurement documentation, the Customer is governed by the following rules:
* The description of the procurement item shall include the functional characteristics (consumer properties), technical and quality characteristics, as well as the operational characteristics (if necessary) of the procurement item;
* The description of the procurement item shall not include requirements or indications with respect to trademarks, service marks, trade names, patents, utility models, industrial designs, the name of the country of product origin, requirements for products, information, work, or services, if such requirements entail an unreasonable limitation of the number of bidders in the procurement, except where there is no other method ensuring a more accurate and clear description of the said characteristics of the procurement item;
* If the description of the procurement item contains a reference to a trademark, the words “(or equivalent)” shall be used, except as established by paragraphs 1–5 of Clause 19.3 of the Regulations. In this case, the following shall be established: the criteria for determining the conformity of the equivalent and the rules for describing the proposed parameters of the product with indicating the equivalence by bidders in their bids.
	1. It is allowed bot to use the words “(or equivalent)” in the description of a procurement item in the following cases:
		+ 1. If the products on which other trademarks are placed are incompatible, and their interaction with products used by the Customer has to be ensured;
			2. Procurement of spare parts and consumables for machines and equipment used by the Customer in accordance with the technical documentation for such machines and equipment;
			3. Procurement of products necessary for the fulfillment of a state or municipal contract;
			4. Procurement with an indication of specific trademarks, service marks, patents, utility models, industrial designs, country of product origin, and product manufacturer, if this is required by the terms of international treaties of the Russian Federation or the terms of the Customer’s contracts, with the purpose to fulfill the Customer’s obligations under contracts made with legal entities, including foreign legal entities;
			5. If procurement of products with an indication of specific trademarks, service marks, patents, utility models, industrial designs, country of product origin, and product manufacturer is required by law;
			6. If the procurement of products with an indication of a specific trademark, service mark, patent, utility model, industrial design, country of origin, or manufacturer is required by the Company’s ORD/IRD issued by the Chief Executive Officer – Chairman of the Executive Committee, First Deputy Chief Executive Officer, Executive Director, or Chief Engineer (for example, to standardize/unify the products used by the Customer);
			7. If a specific trademark, service mark, patent, utility model, industrial design, country of origin, or manufacturer is indicated in the design documentation or engineering documentation.
	2. If there are grounds provided for in paragraphs 1–5 of Clause 19.3 of the Regulations, the Customer has the right to conduct procurement without using the words “(or equivalent)” by holding a competitive tender, an auction, a request for proposals, a request for quotations, a tender, or a request for prices taking into account the requirements of Article 13 of the Regulations.
	3. If there are grounds provided for in paragraphs 6–7 of Clause 19.3 of the Regulations, if the procurement specifics do not fall within the grounds stated in Clauses 1–5 of Clause 19.3 of the Regulations, the Customer has the right to conduct the procurement without using the words “(or equivalent)” by holding a special tender or a special request for quotations subject to the requirements of Article 13 of the Regulations.
	4. The requirements for products with respect to work or services may combine both the requirements for the process of work (services) and for process deliverables.
	5. Requirements may be set for:
		+ 1. Quality, technical and functional characteristics (customer properties), and other products characteristics;
			2. The stages of delivery of products, work, or services, the timelines of such stages, the terms and conditions of warranty and post-warranty maintenance of products;
			3. The delivery, insurance, assembly, installation, commissioning, and service maintenance of products, training to operate the products;
			4. The conditions for manufacture of products (use or prohibition of certain technologies, permits for the design, construction, or manufacture of products);
			5. The standards, technical specifications, or other regulatory documents that the products and the production process shall comply with, as well as the requirements for supporting documents (certificates, conclusions, instructions, warranty coupons, etc.) that shall be provided as part of the bid, before the signature of the contract or when supplying products within the framework of the contract signed;
			6. Product safety, the process and the results of work or services;
			7. Product size, package, shipment;
			8. Other requirements.
	6. When procurement software for electronic computers and databases, as well as the rights to use such software, including temporary software, the Customer sets a requirement to deliver software the information about which is included in the register of Russian software. The Customer does not establish the above requirement with the publication of information as per Clause 11.3 of the Regulations in the following cases:
		+ 1. The register of Russian software does not contain information about the software of the same class of software as required by the Customer;
			2. The software the information about which is included in the register of Russian software and which corresponds to the same class of software as required by the Customer is not competitive (in terms of its functional, technical and/or operational characteristics it does not meet the software requirements established by the Customer).
	7. To establish requirements for certain types of products, the Customer has the right to conduct a special procedure that is not a procurement (including technical selection as per Appendix No. 1 to the Regulations).
1. Requirements for information about the initial maximum price
	1. Information about the IMP means information about the IMP of the contract (lot price) or the price formula that establishes the rules for calculating the amounts payable by the Customer to the supplier (contractor) during the fulfillment of the contract, and the maximum value of the contract price, or the unit price of goods, work, or services and the maximum value of the contract price. In some cases provided for by the IRD, when conducting a special tender or a special request for prices, the indication “NMC is not defined” may imply the information about the IMP.
	2. For IMP determination the following methods (and their combinations) are used:
		* 1. The comparable market price method that implies a contract IMP establishment on the basis of information on market prices for identical goods, works, or services planned for procurement or, in their absence, other congeneric goods, works, or services;
			2. The method of identical products prices analyses with further adjustments that is a form of the comparable market price method and is used when there are no goods planned for procurement on the market or it is impossible to find information on their market prices, however there are similar goods, which have some deviations in their functional characteristics and quality and are considered to be “analogues” as per the technical requirements of the Customer;
			3. The parametric method that implies IMP determination on the basis of a parameter, which is important for the Customer and influences the goods prices, and information on prices for identical goods, which have some deviations in the technical parameter value. The parametric method is used when goods with a specific value of the parameter have not been purchased earlier and there are no other reliable quotation sources, at this there is reliable information on prices for identical products with other values of the key parameter;
			4. The tariff method that implies using established tariffs (prices) for the Products purchased;
			5. The costs method that implies Products prices determination as a sum of production costs and standard profit in this field. In case there are no identical and (or) congeneric products on the market, or approved tariffs (prices) for them, the Costs method is preferential.
			6. The design estimate method that implies determination of the IMP for works and services (including construction, reconstruction, modernization, expansion, revamp, start-up and commissioning, regular repairs and overhaul, dismounting, drilling, etc.) on the basis of design estimate documentation;
			7. The base price method that implies determination of the IMP for works and services using a base prices reference book and factors (inflation driven changes and/or other relevant factors) of the base price conversion as per the current level of prices;
			8. The rate method that implies determination of the IMP on the basis of prices (limits) set forth by the Company (for example, approved administrative costs rates, social costs rates, etc.);
			9. Other methods if they are required by law and IRDs or in case other methods application is reasonably impossible or impractical.
	3. In case determination (including approximate determination) of the purchased products volume is impossible or impractical, the initial unit price of the goods, works, or services and the maximal contract value are determined. In case determination of a fixed contract value and (or) the unit price of goods, works, or services is impossible or impractical, the price formula and the maximum contract value are determined. The maximum contract value may be determined on the basis of limits of financing set forth by the Customer, the estimated maximum demand for the products or price formula values, or other relevant factors. The price formula can include constants and variables, including those that reflect market prices as per the date of the contract execution, factors influencing costs under the contract, volumes of production and other factors that influence the contract price and the price of a unit of goods, works, or services. The price formula can determine:
		* 1. the unit price of goods, works, or services;
			2. the contract price.

For determination of the initial unit prices of goods, works and services, the methods described in Clause 20.2 of the Regulations are used.

* 1. Guidelines for application of the methods of initial (maximum) contract price determination are provided in IRDs approved by the Chief Executive Officer — Chairman of the Executive Committee of the PJSC ALROSA.
	2. The bidder’s proposal of the contract price exceeding the IMP is an unconditional basis for refusal to admit the bidder to the procurement. The IMP set in the notification and procurement documentation cannot be exceeded when making a contract based on the procurement results.
	3. The IMP is established taking into account all expenses and taxes (in terms of VAT, the IMP can be given both with and without tax) payable in accordance with the legislation and the draft contract.
	4. The IMP can be set in rubles or in foreign currencies.
	5. To determine the IMP of the contract (procurement item), the Customer may monitor prices and publish requests for the prices using the functionality of electronic trading platforms.
1. Requirements for contract terms
	1. When forming the terms of the contract, the Customer determines:
		* 1. The terms per which counter proposals from bidders are not allowed;
			2. The terms according to which bidders are obliged to provide counter proposals (including in the form of blank fields intended to include the bidder’s proposal), if necessary;
			3. The terms per which bidders have the right to provide counter proposals, if necessary and only during a competitive tender, a request for proposals, a tender, or a special tender.
	2. If there are contract terms per which bidders are obliged or entitled to provide counter proposals, the Customer establishes:
		* 1. a list of such contract terms and conditions;
			2. the procedure for bidders to describe counter proposals with the contract terms: in the form of a protocol of disagreements with the original draft contract, in which the bidder defines counter proposals as mandatory or desirable;
			3. The consequences of provision of counter proposals unacceptable for the Customer with the contract terms that the bidder defined as mandatory: by rejecting the bid;
			4. The Customer’s right not to accept counter proposals with the contract terms that the bidder defined as desirable, while the contract will be made without changing the initial terms defined in the draft contract;
			5. The procedure for reviewing counter proposals with the contract terms before summing up the procurement results.
	3. When procuring products for which it is a customary business practice for the supplier to provide a contract form, it is allowed to formulate brief terms of the draft contract and include the option of accepting the contract form proposed by the qualified bidder.
	4. If the draft contract provides for a security for the return of the advance payment and/or a security for the contract in the form of an independent (bank) guarantee after the signature of the contract (Article 24 of the Regulations), the draft contract shall provide that the advance is paid only after the provision of the security for the return of the advance payment.
	5. The Customer has the right to provide for the Customer’s upward or downward option on the volume of goods, work, or services of no more than 30%, and stipulate the terms and mechanism for its implementation. The procedure for its application is established by the IRD approved by the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA.
2. Requirements for bidders, subcontractors (co-contractors), collective bidders
	1. General requirements
		1. Requirements for bidders are understood as requirements for suppliers participating in the procurement (Article 9 of the Regulations).
		2. Requirements for bidders shall be established taking into account the requirements for goods, work, and services procured, the contract terms, the IMP and other procurement terms.
		3. Bidders shall meet the following mandatory requirements:
			1. registration as legal entities (for bidders that are legal entities), registration as private entrepreneurs (for bidders that are private entrepreneurs), absence of disqualification and (or) legal incapacity implied with respect to them (for bidders that are private persons);
			2. compliance with the legislative requirements, if any, including special requirements regarding the subject of the contract (including licenses, self-regulatory organizations authorizations, requirements connected with the limitations for bidders from some countries of origin effective in the Russian Federation, etc.);
			3. No liquidation procedure (for corporate bidders) and no resolution of an arbitration court on the initiation of any bankruptcy procedures (for corporate or individual bidders);
			4. Individual bidders, including individual entrepreneurs, or the head or members of the collegial executive body, the person acting as the sole executive body, or the chief accountant of corporate bidders shall have no unexpunged or outstanding conviction for an economic crime and/or any crime under Articles 289–291.1 of the Criminal Code of the Russian Federation (except for persons whose criminal record has been expunged or canceled), and shall not be subject to sanctions in the form of debarment from holding the above positions and/or engaging in certain activities related to the performance of the contract being the subject matter of procurement, or administrative penalties in the form of disqualification;
			5. The bidder’s activities are not suspended as prescribed by the Code of Administrative Offenses of the Russian Federation;
			6. The bidder has no arrears on taxes, fees, or other outstanding obligatory payments to any budgets of the budgetary system of the Russian Federation (except for the amounts which are subject to deferral, installment plan, or investment tax credit as per the legislation on taxes and duties, or which are restructured in accordance with the legislation, or for which there is an effective court resolution recognizing the bidder’s obligation to pay these amounts fulfilled, or which are recognized as bad in accordance with the legislation on taxes and duties) for the past calendar year in the amount of over 25% of the book value of the bidder’s assets according to the accounting statements for the last reporting period. A bidder is deemed to comply with the established requirement, if the bidder appealed in the prescribed manner against such arrears or outstanding payments, and no decision for the appeal has been made as of the date when the bid of the supplier (contractor, executor);
			7. The status of a SMB in cases established by law;
			8. The location of the bidder in procurement is real (not fictitious):
* for a legal entity – the place of its state registration according to the information on the Unified State Register of Legal Entities and the charter;
* for a natural person and an individual entrepreneur – the address of the place of residence where the person is registered as required by the legislation of the Russian Federation;
	+ - 1. The bidder (legal entity) has no record of administrative liability for committing an offense under Article 19.28 of the Code of Administrative Offenses of the Russian Federation within two years before the submitting the bid for the procurement;
			2. No conflict of interest between the bidder and the Customer. The bidder shall not be an affiliated person with respect to executives and/or members of the procurement bodies responsible for making decisions on a specific procurement (other than subsidiaries);
			3. The bidder shall not be included in the RUS under Law 223-FZ and/or RUS under Law 44-FZ.
		1. Bidders may be subject to the following additional requirements:
			1. Bidders shall have exclusive rights to intellectual property items related to the performance of the contract;
			2. Bidders shall have experience of implementation of similar projects (that may include some certain quantity of fulfilled contracts that are similar by the products supply volumes and types of services rendered) including for a certain period of time;
			3. Bidders shall have production facilities (including warehouses and service centers) and technological equipment (including special equipment);
			4. Bidders shall have labor resources (specialists in the relevant field working on a full-time basis or based on civil law contracts with an indication of the required work experience in this area and the provision of copies of documents confirming the required qualifications (certificates, attestations), etc.);
			5. There shall be appropriate economic situation and financial resources (certain indicators of financial and economic activities, availability of funds, etc.);
			6. Bidders (engaged subcontractors) and/or manufacturers of products being the subject matter of procurement shall have an appropriate quality management system (management, quality assurance and control). The procurement documentation shall also indicate the standard to which the quality management system shall conform and, if available, the analogue, or the basic requirements for such a system shall be stated;
			7. any other measurable requirements for bidders.
		2. The Customer is also entitled to:
			1. Establish the period of validity of the requirements for bidders, including the requirements to be fulfilled by bidders during the term of the contract;
			2. Require of all bidders or all qualified bidders or all winning bidders to disclose information about the entire chain of beneficiaries (including final ones) with supporting such data with relevant documents, and also require submission of updated information on all changes (if any).
		3. The specifics of establishing requirements for subcontractors (co-contractors) are provided in Clause 22.2 of the Regulations.
		4. The specifics of establishing requirements for persons acting on the part of one bidder are provided in Clause 22.3 of the Regulations.
		5. It is forbidden to restrict the admission of bidders to the procurement by establishing immeasurable requirements for them.
		6. The specifics of establishing requirements for bidders at procuring goods, works, or services only from SMBs are provided in Article 45 of the Regulations.
	1. The specifics of establishing requirements for subcontractors (co-contractors, producers)
		1. The Customer may indicate the supplier’s right or absence thereof to engage subcontractors in the performance of the contract.
		2. If it is allowed to involve subcontractors, the supplier indicates the types of work and services that will be performed by the supplier personally, and that are expected to be subcontracted. If subcontractors may be engaged, the Customer has the right to establish the requirements for distribution of obligations between the main supplier and subcontractors.
		3. Any person can act as a subcontractor for an arbitrary number of bidders, while an independent bidder cannot be a subcontractor for other procurement bidders.
		4. If a special tender or a special request for prices is conducted, the Customer has the right to establish requirements for subcontractors and/or manufacturers (engaged by bidders) of products being the subject matter of procurement.
		5. If a competitive procurement is conducted, the Customer has the right to establish requirements for subcontractors and manufacturers of products being the subject matter of procurement, for:

- work, including with a subsequent supply of goods related to works on design, construction, modernization or repair of especially hazardous or technically complex capital construction facilities;

- goods, works, or services related to the use of atomic energy.

* + 1. If during the procurement procedure it turns out that any of the subcontractors (co-contractors or manufacturers) proposed by the bidder in the bid refused to cooperate for the purpose of this procurement, the bid of this bidder may be rejected.
		2. The Customer has the right to establish a requirement for mandatory engagement of subcontractors (co-contractors) from among SMBs for the fulfillment of the contract, and for bidders to provide a plan as part of their bids for engaging subcontractors (co-contractors) from among SMBs in accordance with the legislation requirements.
		3. The Customer has the right to establish a requirement for the counterparty to provide information about the subcontractors (co-contractors) engaged and the contracts made with them.
		4. The Customer has the right to provide that the replacement of subcontractors (co-contractors or manufacturers) proposed in the bid, which is not agreed with the Customer, is considered a significant violation of the contract terms and the basis for terminating the contract with the counterparty.
		5. The Customer has the right to stipulate a condition in the contract that allows the Customer to unilaterally withdraw from (repudiate) the contract if the counterparty engages subcontractors (co-contractors) who do not have necessary permits to perform the work (licenses, membership in self-regulatory organizations, etc.).
	1. Specifics of establishing requirements for collective bidders
		1. For the purpose of the procurement procedure, persons acting on the part of one bidder are considered a collective bidder. Such persons shall make an agreement to meet the following requirements:
			1. The agreement shall comply with the requirements of the Civil Code of the Russian Federation;
			2. The agreement shall clearly define the rights and obligations of members of the collective bidders both for the purpose of procurement and the contract execution;
			3. The agreement shall contain the distribution of the nomenclature, volumes, cost and terms of delivery of goods, work, or services between members of the collective bidder; moreover, the agreement shall stipulate that the provision of goods, work, or services requiring special legal capacity, as well as the exercise of rights and obligations requiring special legal capacity, shall be performed exclusively by persons who are part of the collective bidder and have the necessary legal capacity;
			4. The agreement shall define the leader who will further represent each of the persons who are members of the collective bidders;
			5. The agreement shall provide for a mechanism for establishing the responsibility of the collective bidder for non-performance or improper performance of the contract with the Customer, including the scope of responsibility (or the procedure for determining the responsibility) of each person who is a member of the collective bidder, as well as the procedure for filing and considering the Customer’s claims;
		2. The requirements established in accordance with paragraphs 1, 3–12 of Clause 22.1.3 of the Regulations are brought to the notice of each member of the collective bidder on an individual basis. Other requirements for bidders stipulated in the procurement documentation are imposed on the members of the collective bidder in their totality, unless otherwise follows from the essence of the requirement.
		3. The Customer has the right to establish quantitative performance indicators for members of the collective bidder, which can be summed up and which shall be demonstrated by at least one of the members of the collective bidder, including the leader.
		4. A member of the collective bidder does not have the right to submit an independent bid, be a member of other collective bidders, or act as a subcontractor (co-contractor) for other bidders.
		5. The bid submitted by a collective bidder may be rejected at any stage of the procurement procedure if it is found out that one or more persons acting on the part of one bidder have withdrawn from the collective bidder, or that one or more persons acting on the part of one bidder no longer comply with the requirements set by the Customer and for this reason the collective bidder have ceased to comply with the requirements established in the procurement documentation.
1. Bid security
	1. The Customer has right to establish a requirement for bidders to provide a security for their bids, including the procedure, period and cases of return of such a security.
	2. Acceptable methods of bid security include cash collateral, an independent (bank) guarantee, or other methods provided for by the Civil Code of the Russian Federation. For a SMB only competitive procurement, the permissible bid security methods are a cash collateral and a bank guarantee.

In this case, the amount and other requirements for such security, including the terms of the bank guarantee, shall be indicated in the procurement notification and procurement documentation.

* 1. Cash security is generally deposited (transferred to the current account stated in the procurement documentation) simultaneously with the submission of the bid, but, in any case, no later than the deadline for the submission of bids. An independent (bank) guarantee is submitted as part of the bid.
	2. The requirement to secure the bid can be set in the amount of 0.1% or more of the IMP.
	3. The method of bid security is chosen by the bidder independently from among the security methods provided for in the procurement documentation. In the procurement documentation, the Customer may provide for one or several methods of bid security.
	4. In each procurement, where it is decided to establish a requirement for bid security, the Customer determines:
		+ 1. The admissible method(s) of bid security;
			2. The amount of the bid security (fixed amount or the procedure for determining it in % of the IMP);
			3. Requirements for the validity period of the bid security;
			4. Requirements for the bank that issued the independent (bank) guarantee, and for the scope of such a guarantee (if it is allowed to secure the bid in the form of an independent (bank) guarantee), which shall meet at least the following requirements:
				1. it shall be irrevocable;
				2. it shall be valid through the validity period of the bid;
				3. It shall be issued by a bank that meets the Customer’s requirements;
				4. the guarantee amount shall not be less than the amount of the bid security;
				5. it shall contain the principal’s obligations, the proper fulfillment of which is secured, including a reference to a specific procurement procedure;
				6. it shall provide for the Customer’s (procurement organizer’s) right to claim payment under the independent (bank) guarantee if the person to whom the contract is awarded evades entering into it, as well as the procedure for sending such a claim and the list of documents to be attached;
				7. it shall provide for the right of the procurement organizer to claim payment under an independent (bank) guarantee in the event of withdrawal or change of the bid submitted by the bidder, if such withdrawal or change take place after the end of the deadline for the submission of bids as established in the procurement documentation, except where the bid is changed in the manner prescribed by the procurement documentation based on the grounds provided for by the Regulations;
			5. The procedure and the terms for the return of the bid security;
			6. The circumstances at the occurrence of which the Customer (procurement organizer) has the right to withhold cash security or apply to the person who issued the independent (bank) guarantee with a demand to make the guarantee payment.
	5. The bid security is returned within 7 business days after:
		+ 1. The decision is made to refuse the procurement – to all bidders that submitted their bids;
			2. Receipt of a delayed bid, if it is received after the decision to refuse conducting the procurement – to the bidder whose bid was received after the decision to refuse conducting the procurement;
			3. Receipt of a delayed bid, if the bid is received after the date and time of the end of the bid submission as established in the notification and procurement documentation – to the bidder whose bid was received with a delay;
			4. Receipt of a notice of the bid withdrawal where such withdrawal is allowed by the procurement documentation and is performed within the time limits established in the procurement documentation – to the bidder who has withdrawn the bid;
			5. Official publication of the bids review protocol (if any) to bidders whose applications were rejected;
			6. The end of the auction procedure – to admitted bidders who did not take part in the auction;
			7. Official publication of the procurement sum-up protocol – to all bidders, except for the winning bidder or the sole bidder in a failed competitive procurement;
			8. Signature of the contract based on the procurement results – to the winning bidder with whom the contract is made;
			9. Signature of the contract with the sole bidder in a failed competitive procurement or after the decision to refuse signing the contract with this bidder – to this bidder;
			10. Rendering the purchase invalid – to the bidders to whom the security was not returned on other grounds.
	6. The return of the security may be delayed in the event of a procurement complaint in accordance with the procedure established by law – for the period of complaint handling.
	7. The requirements for banks and independent (bank) guarantees are determined by IRDs.
	8. The procurement bid security shall not be returned to the bidder in a competitive procurement, if:

1) The bidder evades or refuses entering into the contract;

2) The bidder fails to provide contract performance security to the Customer or provides it in violation of the conditions established in the procurement notification and/or procurement documentation prior to the conclusion of the contract (if the security of the performance of the contract and its term is required in the procurement notification and/or procurement documentation before the contract conclusion).

* 1. In the competitive procurement documentation, the Customer does not establish the requirement to secure procurement bids, if the IMP of the contract does not exceed 5,000,000 rubles, including VAT. If the IMP of the contract exceeds 5,000,000 rubles, including VAT, the Customer may establish a requirement in the procurement documentation to secure procurement bids for the amount of no more than five percent (5%) of the IMP of the contract.
1. Contract performance security
	1. The Customer may establish a requirement for bidders with whom the contract is made to provide proper security of contract performance.
	2. Acceptable methods of securing contract performance are an independent (bank) guarantee, a cash collateral, a penalty agreement, or other methods provided for by law.
	3. Types of secured obligations related to contract performance:
		* 1. For the return of the advance payment (in case of a default on obligations secured by an advance payment, the supplier undertakes to return the advance payment);
			2. For the fulfillment of warranty obligations;
			3. For the payment of penalties (forfeits, interests, fines) charged in the event of non-fulfillment or improper fulfillment by the supplier of its obligations under the contract;
			4. For the reimbursement of any losses incurred by the Customer in connection with the performance of the contract;
			5. For other obligations directly provided for in the contract.
	4. The amount of the contract security is set in the procurement documentation.
	5. In each procurement with the requirement for contract performance security, the Customer determines the conditions for the provision, return and retention of such security:
		* 1. Types and volume of secured obligations (list and cost) the proper performance of which is to be secured;
			2. Admissible forms of contract performance security;
			3. The amount of contract security (amount or the procedure for determining it);
			4. The required deadline for the provision of security for the return of the advance payment and/or the fulfillment of obligations under the contract;
			5. The requirement for the security validity period for the validity period of the obligation, and (if necessary) the procedure for extending its validity period;
			6. The requirements for the guarantor and the surety in the case of providing security in the form of an independent (bank) guarantee;
			7. The requirements for the scope of an independent (bank) guarantee, which shall meet at least the following requirements:
				1. it shall be irrevocable;
				2. the warranty period shall expire no earlier than one month after the supplier fulfills its obligations;
				3. it shall be issued by a bank that meets the IRD requirements;
				4. the guarantee amount shall not be less than the amount of the contract performance security;
				5. the guarantee shall contain the principal’s obligations, the proper fulfillment of which is secured by the guarantee, including a reference to a specific procurement procedure following which the contract is made;
			8. the Customer’s right to withhold the contract performance security in the event of non-performance or improper performance by the supplier of its obligations under the contract and the procedure of its withholding;
			9. The terms, procedure and deadline for the return of the contract performance security;
			10. The condition for mandatory replacement of the security, if such security loses its function.
	6. The requirements for banks and independent (bank) guarantees are determined by IRDs.
2. Requirements for the content, form, execution, and scope of bids
	1. The requirements for the content, form, execution, and scope of bids shall be established based on the following goals:
		* 1. Provide the participant with information on how to complete the bid;
			2. Ensure the availability of documents and information that the Customer will use to confirm compliance with the Customer’s requirements and evaluate and compare bids.
	2. The Customer establishes requirements for documents and other sources of information confirming compliance with the requirements set (including requirements for products, qualified bidders, etc.). In this case, the Customer has the right to:
		* 1. Determine the required forms of documents (including the forms filled out by the supplier);
			2. Determine the methods of certification of documents, their copies, translations into Russian, as well as the method of providing samples (information about them);
			3. Determine the requirements for which the Customer can require only a declarative form of confirmation of compliance on the part of the supplier or assurance for circumstances that are important for contract conclusion, performance, or termination.
3. Criteria and procedure for the review, assessment and comparison of bids. The procedure for determining the counterparty following the procurement
	1. Regardless of the chosen method and form of procurement, the Customer sets the following selection criteria applicable at the stage of bids review:
		* 1. Bid compliance in terms of scope and/or execution with the requirements set, including the signature by an authorized person;
			2. The reliability of information and the validity of documents provided in the bid;
			3. Compliance of the bidder (including the collective bidder) with the requirements set;
			4. Compliance of the subcontractors (co-contractors) declared by the bidder with the requirements set (as applicable);
			5. Compliance of the products proposed with the requirements established in the terms of reference, specifications, etc.;
			6. Compliance of the proposed binding contractual terms with the requirements set;
			7. Compliance of the bid price with the IMP as established in the notification and procurement documentation (as applicable);
			8. Provision by the bidder of the required bid security (as necessary);
			9. Other criteria formed by the Customer depending on the specifics of the procurement procedure.
	2. Procurement bids are assessed and compared on the basis of the criteria established in the procurement documentation. It is prohibited to indicate the criteria by which bids are not assessed and for which no procedure is established. If, in accordance with the IRD, the Customer maintains a list of unscrupulous suppliers, the presence or absence of information about the bidder in this list is taken into account when assessing the bids in accordance with the procedure established in the procurement documentation.
	3. One of the following possible approaches with respect to the assessment criteria and their application can be used to select the winning bidder from among the bids that meet the selection criteria:
		* 1. Selection by price, when the only criteria of bidder selection if the contract price.
			2. Selection by minimum price, when the only assessment criteria is the products’ market price (except for auctions and requests for quotations);
			3. Multi-criteria assessment is an assessment by applying several criteria (except for auctions, requests for quotations, requests for prices, and special requests for prices). When using a multi-criteria assessment, the weight of the Price criterion in the overall assessment of preference shall be at least 50%.
	4. When forming the assessment criteria, the Customer may take into account the effects achieved as a result of using the products procured.
	5. If it is possible to submit an alternative proposal for any product requirement and/or a contract term, the procurement documentation shall provide for an appropriate evaluation criterion.
	6. When determining the assessment procedure by the price criterion, the Customer analyzes (if possible) the purpose of the products procured to determine the Customer’s right to make a VAT tax deduction in accordance with Article 171 of the Tax Code of the Russian Federation. Depending on the results of the analysis, the Customer may determine in the procurement documentation a single basis for comparing the price proposals according to the following rules:
		* 1. if the Customer has the right to apply a VAT tax deduction with respect to the products procured, the prices of the bidders’ proposals (without VAT) are used as a single basis for comparing the price proposals;
			2. If the Customer does not have the right to apply a VAT tax deduction, or if the analysis results do not make it possible to make an unambiguous conclusion about the Customer’s right to apply the VAT tax deduction, or if the VAT tax deduction is applied to only part of products procured, then the bid price, including all taxes, fees and other expenses under the law, is used as a single basis for the comparison of price proposals.
4. Requirements for notification and procurement documentation
	1. To conduct a procurement, the Customer develops and approves:
		* 1. procurement documentation, except for requests for quotations in an electronic form and procurement from a sole supplier;
			2. procurement notification, except for procurement from a sole supplier.
	2. It is not allowed to require bidders to comply with the requirements for the content, form, execution, and scope of bids, which were not specified in the procurement documentation.
	3. The information contained in the procurement notification shall correspond to the information contained in the procurement documentation.
	4. Unless the legislation provides otherwise, procurement notification shall contain the following information:
		* 1. Method of procurement;
			2. Name, location, postal address, e-mail address, and contact telephone number of the Customer;
			3. The subject of the contract indicating the volume of goods, work, or services provided, as well as a brief description of the procurement items;
			4. The place of delivery of goods, work, or services;
			5. Information about the IMP;
			6. The time, place and procedure for submitting procurement documentation (except for the procurement from a sole supplier); the amount, procedure, and terms of payment of the fee charged by the Customer for the provision of such documentation, if the fee is established by the Customer, except for the submission of the procurement documentation in the form of an electronic document;
			7. The procedure, start date, and date and time of the deadline for submitting bids for the procurement (procurement stages) and the procedure for summing up the results of competitive procurement (procurement stages);
			8. The ETP on the Internet (for electronic procurement on the ETP);
			9. For an electronic request for quotations – requirements for the content, execution, and scope of bids in competitive procurement;
			10. Other information determined by the legislation and the Customer’s IRDs.
	5. Unless the legislation or these Regulations provide otherwise, the procurement documentation shall contain the following information:
		* 1. Method of procurement;
			2. Form of procurement;
			3. Indication of the possibility to use and a description of the procedure for using additional elements of procurement (including rebidding and competitive negotiations);
			4. Name, location, postal address, e-mail address, and contact telephone number of the Customer;
			5. Description of the subject matter of procurement;
			6. The requirements established by the Customer for safety, quality, technical characteristics, functional characteristics (consumer properties) of goods, work, and services, as well as for dimensions, packaging, shipment of goods, or work deliverables established by the Customer and provided for by technical regulations in accordance with the legislation on technical regulation, documents developed and applied in the national standardization system, adopted in accordance with the legislation on standardization, and other requirements for determining the compliance of goods, work, and services provided with the Customer’s needs. If in the procurement documentation the Customer does not use the requirements for safety, quality, technical characteristics, or functional characteristics (consumer properties) of goods, work, or services, or for dimensions, packaging, and shipment of goods or work deliverables established in accordance with the legislation on technical regulation or legislation on standardization, the procurement documentation shall contain requirements for determining the compliance of goods, work, or services provided with the Customer’s needs;
			7. Requirements for the content, form, execution, and scope of bids;
			8. Requirements for bidders to describe the goods being the subject matter of procurement, as well as their functional characteristics (consumer properties), quantitative and qualitative characteristics, and requirements for bidders to describe the work or services delivered, and their quantitative and qualitative characteristics;
			9. The place, conditions, and deadlines (periods) for the delivery of goods, work, or services;
			10. The bid and contract currency: in rubles or in foreign currency stated in the procurement documentation;
			11. The form, deadlines and procedure for the payment of goods, work, or services;
			12. The basis for determination of the initial (maximum) contract price or a unit price of goods, works, or services, including information on costs on transportation, insurance, payment of customs fees, taxes and other mandatory charges;
			13. The procedure, place, start date, and date and time of the deadline for submitting bids for the procurement (procurement stages), as well as the procedure for summing up the results of competitive procurement (procurement stages);
			14. Place and date of opening of envelopes with bids;
			15. Information on whether the bidders’ representatives can be present at the opening of envelopes;
			16. Requirements for bidders;
			17. The requirements for procurement bidders and subcontractors, co-contractors and/or manufacturers of goods attracted by bidders in cases stated in Clause 22.2 of the Regulations, and the list of documents to be submitted by bidders in such procurement to confirm their compliance with the established requirements;
			18. The forms, procedure, date and time of the deadline for providing the procurement bidders with explanations on the provisions of the procurement documentation;
			19. Procedure for making changes to the notification and/or procurement documentation;
			20. Place and date of reviewing the bids and summing up the procurement results;
			21. The criteria for assessing and comparing bids for the procurement;
			22. The procedure for assessing and comparing bids for the procurement;
			23. Information about the IMP of the contract (lot price) or the price formula, the maximum value of the contract price, or the price of a unit of goods, work, or services and the maximum value of the contract price;
			24. Requirements for the content, form, and execution of bids;
			25. Information about the possibility for the Customer to change the amount of goods, work, or services under the contract upon its conclusion or during its fulfillment;
			26. The procedure for concluding the contract based on the procurement results, the period during which the counterparty is obliged to make a contract, the conditions for recognizing the counterparty as having refused or evaded entering into the contract;
			27. The amount of the bid security, the term and procedure for its provision, the conditions for its return (if there is a requirement to provide a bid security);
			28. The amount and conditions for the provision of contract security (if there is such a requirement);
			29. Other information determined by the legislation and the Customer’s IRDs.
5. Announcement of procurement and holding of a conference for the explanation of procurement parameters
	1. To raise market awareness, it is allowed to announce the expected procurement.
	2. The announcement is made before or simultaneously with the official publication of the notification and procurement documentation.
	3. The announcement about a procurement is not made if the procurement is expected to be held in a non-published form.
	4. The announcement is made by:

- publication of an announcement and information on the upcoming procurement on the Customer’s website;

- holding negotiations with potential procurement bidders before the publication of the notification to discuss the functional and quality characteristics of goods, work, or services planned for procurement;

- sending invitations to participate in the procurement to potential bidders simultaneously with the publication of the procurement notification;

- in other ways conforming to the legislation.

* 1. The Customer may provide for holding a conference to explain the parameters of the expected procurement.
	2. The conference may be held at any time prior to the official publication of the notification and the procurement documentation.
1. Announcement and holding of the procurement procedure
2. General procurement procedure, other procurement from a sole supplier
	1. General provisions
		1. The procurement procedure may include one or more steps, stages, and additional procurement elements, including, but not limited to:
			1. Official publication of the notification and procurement documentation that is considered to be the announcement of the procurement procedure (Clause 29.2 of the Regulations);
			2. If necessary – clarification of the notification and/or procurement documentation (Clause 29.3 of the Regulations);
			3. If necessary – making amendments to the notification and/or procurement documentation (Clause 29.4 of the Regulations);
			4. Submission and acceptance of bids (Clause 29.5 of the Regulations);
			5. If necessary – the supplier makes changes to the previously submitted bid (Clause 29.6 of the Regulations);
			6. If necessary – the supplier revokes the previously submitted bid (Clause 29.7 of the Regulations);
			7. Refusal to conduct the procurement (Clause 29.8 of the Regulations);
			8. Opening of envelopes with applications (Clause 29.9 of the Regulations);
			9. Review of bids (Clause 29.10 of the Regulations);
			10. Assessment and comparison of bids (Clause 29.10.11.1), other than auctions;
			11. If necessary – competitive negotiations (Clause 29.12 of the Regulations);
			12. If necessary – rebidding (Clause 29.13 of the Regulations).
			13. Procedure for the course of the auction (Clause 29.14 of the Regulations), only for auctions;
			14. Summing up the procurement results (Clause 29.15 of the Regulations);
			15. If necessary – suspension of the procurement (Clause 29.16 of the Regulations).
		2. The competitive procurement with the IMP of up to100,000 rubles, excluding VAT, and if the Customer’s annual revenue for the reporting financial year is more than 5,000,000,000 rubles, with the IMP of up to 500,000 rubles, excluding VAT (regardless of the chosen procurement method) is conducted on the basis of a collegial resolution of the procurement body or on the basis of the resolution of the Customer’s head (authorized person). The procedure for passing such resolutions, including the establishment of a procurement body or the Customer’s authorized person making the decision on procurement, is set forth by an IRD and/or ORD.
		3. Based on the procurement results, the Customer may enter into contracts with several bidders in the procurement in the manner and to the extent provided for by these Regulations.
	2. Official publication of the notification and procurement documentation – the announcement of the procurement procedure
		1. The procurement procedure is considered announced upon the official publication of the notification and procurement documentation (except for requests for quotations).
		2. When conducting a published (open) procurement, the Customer may after the official publication send information about the procurement to the suppliers of products being the subject matter of such procurement, including suppliers who participated in the procurement of such products earlier.
	3. Explanation of the notification and/or procurement documentation
		1. After the official publication of the notification and procurement documentation and at least 3 business days before the deadline for the submission of bids, suppliers may send requests for clarification of the notification and/or procurement documentation.
		2. If a request for clarification of the notification and/or procurement documentation is received under the procedure established in the procurement documentation, the Customer shall within 3 business days after the receipt of the request provide explanations that will be published within the period established in Clause 11.1.7) of the Regulations, otherwise the Customer has the right not to provide any clarifications.
		3. The clarifications of the notification and/or procurement documentation shall include the receipt date of the request for clarification, the clarification subject (explanations to the document defining the essence of the clarification), information about the subject of the request for clarification, but without indicating the bidder of such procurement who submitted the request.
		4. If necessary, the Customer may at the Customer’s own initiative publish clarifications of the notification and/or procurement documentation.
		5. Clarifications of the notification and/or procurement documentation shall be provided for reference only and shall not change the subject matter of procurement or the essential terms of the draft contract.
	4. Making amendments to the notification and/or procurement documentation
		1. After the notification and procurement documentation are published they may be amended with mandatory official publication of the amended notification and procurement documentation and mandatory consideration of a possible extension and/or renewal of the deadlines for submitting the bids for the procurement. If amendments are made to the notification and/or procurement documentation, the deadline for the submission of bids for such procurement shall be extended or renewed so that at least half of the deadline for the submission of bids as established for such type of a procurement by the Regulations remains from the date of official publication of such amendments in the unified information system to the end date for the submission of bids for such procurement. It is not allowed to reschedule the deadline for the submission of bids to an earlier date than was originally established.
		2. The Customer may decide to postpone the dates for the review of bids and summing up the results of the procurement procedure as established in the notification and/or procurement documentation without making amendments to the notification and/or procurement documentation by notifying all bidders in the procurement procedure about such a postponement.
	5. Submission and acceptance of bids
		1. Procurement bids are formed in accordance with the requirements for the content, execution, and scope of bids for the participation in procurement as set forth in the procurement documentation or in case of a request for quotations in the notification of the request for quotations in an electronic form.
		2. The submission of a procurement bid by a bidder means that the bidder enters into negotiations for a contract following the procurement and the bidder’s assumption of the obligation to enter into the contract based on the procurement results in the cases and in the manner provided for by the Regulations.
		3. Bidders may submit their bids for the participation in the procurement in respect of each procurement item (lot) at any time after the publication of the notification about the procurement and until the date and time of the deadline for the submission of bids for the participation in such procurement as stated in the procurement documentation. The place and procedure for the submission of bids are indicated the notification and the procurement documentation. Bidders in competitive procurement may submit only one bid for the participation in such procurement.
		4. Bids in a non-electronic form shall be packed in an outer envelope, which excludes the possibility of seeing the content of the bid, and the envelope shall contain information that makes it possible to identify the envelope as a bid for the respective procurement. The outer envelope shall be completed in accordance with the requirements of the procurement documentation. Bids cannot be rejected because of damaged integrity of the outer envelope and/or its incorrect completion. The Customer will not accept claims for rejection of bids if their outer envelope does not contain information making it possible to identify the envelope as a bid for the respective procurement.
		5. After the deadline for the submission of bids, bids will not be accepted.
	6. Amendment of previous bids by suppliers
		1. Before the expiry of the deadline for the submission of bids, suppliers may make changes to previously submitted bids. Procurement bids will be deemed amended if the amendment is made before the expiry of the deadline for the submission of bids for the participation in the procurement.
		2. Amendments to previously filed bids are submitted and accepted in the same way as established for the submission and acceptance of bids.
		3. After the expiry of the deadline for the submission of bids, no amendments to previously filed bids will be accepted, except as directly provided for by the Regulations and the procurement documentation, in particular following the results of competitive negotiations (Clause 29.12 of the Regulations) or rebidding (Clause 29.13 of the Regulations).
		4. If the period for the review, assessment, and comparison of bids needs to be extended to summarize the procurement results, the Customer may send a request to the bidder to extend the bid validity. The bidder has the right to refuse to extend the validity period of the bid without being responsible for the compensation of losses; in this case, the expired bid will not be included in further procurement procedures. If the bidder agrees to extend the bid validity period, the bidder shall extend and provide the bid security (if applicable) in proportion to the extended period.
	7. Withdrawal of previous bids by suppliers
		1. Previous bids may be withdrawn by suppliers before the deadline for the submission of bids. Procurement bids will be deemed withdrawn, if the Customer receives a notification of bid withdrawal before the expiry of the deadline for the submission of bids for the participation in the procurement.
		2. The supplier’s withdrawal of a previously submitted bid means the supplier’s refusal to participate in the procurement.
		3. Withdrawals of previously filed bids are submitted and accepted in the same way as established for the submission and acceptance of bids.
	8. Refusal to conduct a procurement
		1. The Customer may refuse to conduct competitive procurement for one or more procurement items (lots) before the date and time of the deadline for the submission of bids for the participation in the competitive procurement.
		2. The Customer may refuse to conduct a special tender or a special request for prices for one or more procurement items (lots) by the date of contract conclusion, unless the notification and/or procurement documentation provides otherwise.
		3. After the expiry of the deadline for the submission of bids, the Customer may refuse to conduct the procurement only in the event of one or more of the following circumstances:
			1. Force majeure;
			2. The need to fulfill an order of the antimonopoly authority or an ordinance of the Customer’s internal body to address complaints with respect to procurement procedures;
			3. Changes in the Customer’s demand for a product, work, or service;
			4. Termination of the production program for which the goods, work, or services were procured;
			5. Changes in the legislation of the Russian Federation or regulatory legal acts, issuance of acts of federal executive bodies affecting the possibility and/or expediency of the procurement;
			6. Provision by the winning bidder (all bidders) of knowingly false information or non-compliance with the basic requirements determined in the procurement documentation;
			7. Failure by the winning bidder (all bidders) to provide contract performance security or provision of contract performance security the economic value of which does not cover all possible risks associated with improper performance of the contract;
			8. Filing a bankruptcy petition against the winning bidder (all bidders).
		4. Refusal to conduct procurement is possible in other cases for grounds based on the principles of economic and/or business expediency.
		5. Refusal to conduct competitive procurement after the expiry of the period stated in Clause 29.8.1 of the Regulations is allowed for grounds mentioned in Clause 29.8.3.1) of the Regulations.
		6. The decision of the procurement commission to cancel procurement is valid from the date of its official publication.
		7. The Customer has the right to cancel the final protocol on the procurement results.
		8. Refusal to conduct procurement (cancellation of the protocol) shall not constitute the ground for liability for any losses caused to bidders in relation therewith, except as directly established by the legislation.
	9. Opening of envelopes with bids
		1. The procedure for opening envelopes with bids is carried out in case of a non-electronic procurement in the manner prescribed in the notification and/or procurement documentation. The procedure for opening envelopes with bids is performed in a public form with invitation of representatives of suppliers who have submitted their bids:
			1. In cases established by the Regulations;
			2. In other cases as required by the notification and/or procurement documentation.
		2. The results of the opening of envelopes with bids are documented in a protocol, which includes the following information:
			1. Protocol signature date;
			2. Procurement name;
			3. Procurement number assigned in the UIS (if any);
			4. Information about the IMP;
			5. Number of submitted envelopes with bids, and the date and time of registration of each bid;
			6. Number of received envelopes with amendments to previous bids and information about the content of such amendments (if any);
			7. Number of received withdrawals of bids (if any);
			8. Name, address of location, IIN (Taxpayer Identification Number), KPP (Registration Reason Code), and OGRN (Primary State Registration Number) of each bidder (for legal entities); or last name, first name, and patronymic (if any), as well INN (if any) for individuals; or the bidder’s name in accordance with an extract from the Commercial Register or other registering authority, TIN (Taxpayer Identification Number) or other taxpayer identification number (for foreign bidders);
			9. Invalidation of the procurement, if no bids were received by the deadline for the submission of bids or all submitted bids were withdrawn;
			10. If less than two bids were received by the deadline for the submission of bids;
				1. Invalidation of the procurement;
				2. Review of the received bid to determine the possibility of ending the procurement procedure by awarding the contract with the sole bidder;
			11. Information about the persons present at the opening of envelopes with bids, including the bidders’ representatives (if a possibility of presence of bidders’ representatives is stipulated in the procurement documentation);
			12. Number of pages in each bid, including attachments;
			13. Other information (if necessary).
		3. If the notification and/or procurement documentation contains no restrictions, the persons present at the opening of envelopes with bids have the right to make an audio and/or video recording of the opening of envelopes, about which the procurement organizer and all persons present at the procedure shall be informed.
	10. Review of bids
		1. Bids are reviewed in the manner prescribed in the notification and/or procurement documentation.
		2. In the process of review of bids, each bid (each bidder) is reviewed for compliance with the requirements of the procurement documentation (if any) in terms of:
			1. The scope of bid documents;
			2. Receipt of funds in the amount and to the account stated in the procurement documentation, if the procurement documentation provides for bid security in cash;
			3. The proposed contract price;
			4. Other proposed terms of contract performance;
			5. Information and documents with respect to the bidder;
			6. Information and documents with respect to products offered, and product samples;
			7. Compliance of products offered with the Customer’s technical requirements and/or the technical selection results (Appendix 1 to the Regulations);
			8. Description of products offered;
			9. The reliability of information stated in the bid.
		3. Within the framework of bids review, it is allowed to send requests to any of the bidders to provide clarifications regarding their bids, including with respect to pricing issues. Requests for clarification cannot require documents and/or information not stipulated by the procurement documentation.
		4. If bids are found with the cost of more than 20% lower than the arithmetic average price of all bids submitted by bidders, the Customer may request an explanation of the pricing procedure from the bidders who submitted such bids and a justification of such a price reduction.
		5. A collective resolution on admitting or rejecting the bid to the procurement is made by the procurement body.
		6. Grounds for rejection:
			1. Bid inconsistency in terms of its scope and/or execution, including non-submission of required documents or information as part of the bid;
			2. Inaccuracy of information and invalidity of documents submitted in the bid;
			3. Bidder’s non-compliance with the requirements set;
			4. Non-compliance of subcontractors (co-contractors or manufacturers) declared by the bidder with the established requirements (as applicable);
			5. Inconsistency of products offered with the requirements set;
			6. Inconsistency of the proposed binding contractual terms with the requirements set;
			7. Excess of proposed contract price established by the ICP;
			8. Bidder’s failure to provide the required bid security (if applicable);
			9. Failure to provide a pricing procedure (if requested by the Customer);
			10. Non-compliance with other requirements established in the procurement documentation.
		7. Established grounds for rejection (Clause 29.10.6 of the Regulation) can be applied at any stage of the procurement (before contract awarding). The resolution on rejection is documented in a protocol.
		8. The receipt of bids the indicators of which are improved in comparison with the indicators established in the procurement documentation is not the ground for rejection; however, such improvements are taken into account when assessing and comparing bids only in the cases stated in the procurement documentation based on the applicable assessment criteria.
		9. If based on the results of the review only one bid is admitted, the Customer may take actions stipulated in the procurement documentation to obtain the bid assessment results (no comparison is performed).
		10. A protocol with the resolution of the procurement body is drawn up following the review of bids in the event of an auction or tender, and also (regardless of the procurement method) if a collective resolution is made to conduct competitive negotiations and/or rebidding; in other cases where bids are reviewed simultaneously with other procurement stages, it is possible not to draw up a separate protocol, and the applicable information will be included in the combined protocol.
		11. The information to be reflected in the protocol based on the review of bids:
			1. Protocol signature date;
			2. Procurement name;
			3. Procurement number assigned in the UIS (if any);
			4. Information about the IMP;
			5. Number of submitted bids for the procurement, and the date and time of registration of each bid;
			6. Name, address of location, IIN (Taxpayer Identification Number), KPP (Registration Reason Code), and OGRN (Primary State Registration Number) of each qualified bidder (for legal entities); or last name, first name, and patronymic (if any), as well INN (if any) for individuals; or the bidder’s name in accordance with an extract from the Commercial Register or other registering authority, TIN (Taxpayer Identification Number) or other taxpayer identification number (for foreign bidders);
			7. The results of bids review, including: the number of accepted bids, the number of rejected bids (if any), and the reasons for rejection of each bid, indicating the provisions of the procurement documentation (or the notification of the request for quotations) that the bid does not comply with (if any);
			8. Information on invalidation of the procurement (in case of such a decision);
			9. Other information (if necessary).
	11. Assessment and comparison of bids
		1. To identify the winning bidder in a procurement, the admitted bids are assessed and compared based on the criteria and in the manner prescribed in the procurement documentation.
		2. It is not allowed to assess and compare bids based on criteria or in a manner other than as prescribed by the procurement documentation.
		3. As a result of their assessment and comparison, the bids are ranked in accordance with the criteria and in the order established in the procurement documentation, where the bid (final proposal) having the best assessment in comparison with other bids is ranked the first. If several bids (final proposals) have the same assessment results, the bid having the lowest contract price (if the prices proposed by bidders are different) or received earlier in time (if the prices proposed by bidders are equal) is ranked the first.
		4. The results of the assessment of procurement bids are documented in a protocol with an indication of the final resolution of the procurement body on the compliance of such bids with the requirements of the procurement documentation, as well as on the ranking of such bids based on each of the established criteria for their assessment.
		5. Following the assessment and comparison of bids, the procurement body makes a resolution either to conduct competitive negotiations (Section 29.12 of the Regulations) or conduct rebidding (Section 29.13 of the Regulations) or sum up the procurement results (Section 29.15 of the Regulations); the adopted collegial resolution is documented in the respective protocol.
		6. The Customer has the right to combine the review, assessment, and comparison of bids, and the summarization of the procurement results by documenting the respective resolutions in a combined protocol with an indication of the information required by the Regulations (including where a separate protocol following the review of bids is mandatory – Clause 29.10.10 of the Regulations).
		7. The assessment and comparison of bids can be repeated in the following cases:
			1. The Customer’s decision to remove one of the bidders;
			2. Based on the results of competitive negotiations or rebidding.
	12. Competitive negotiations
		1. Competitive negotiations (hereinafter in this section the “negotiations”) are conducted with all qualified bidders before ranking their bids in the manner prescribed by the procurement documentation.
		2. The protocol with the resolution to conduct competitive negotiations shall include the subject and procedure for taking part in the negotiations.
		3. Negotiations may be conducted both turn by turn with each bidder (where the content of negotiations is confidential), and simultaneously with all bidders.
		4. Bidders have the right not to take part in the negotiations, in which case their bids will not be rejected and they will act on the conditions proposed in them.
		5. If during the negotiations a bidder proposes the terms that are worse than the terms that were in force before the negotiations, such changes will not be accepted, and the bid with the terms that were in force before the negotiations will be taken in the procurement.
		6. Bidders are not entitled to change and/or withdraw the changed terms submitted for negotiations after the negotiations (except for the withdrawal of bids as per Clause 29.7 of the Regulations).
		7. Negotiations may be held in several rounds and shall be aimed at improving the transaction terms for the Customer. All qualified bidders are invited to participate in each round. The order of inviting bidders is established by the Customer.
		8. Negotiations may be conducted by telephone with obligatory audio recording.
		9. If in-person negotiations (including via video conference) are conducted, the arrived representatives of the qualified bidder confirm their power to represent the bidder before the start of the procedure. If the bidder’s representatives do not have confirmed powers, this will be deemed equivalent to the bidder’s refusal to participate in the negotiations. If the notification and/or procurement documentation contains no restrictions, the Customer will make an audio and/or video recording of the competitive negotiations, about which all persons present at the procedure shall be informed.
		10. Following the negotiations, a protocol is made documenting the results of competitive negotiations.
		11. The adjusted proposals submitted by the bidders and the results of the negotiations documented in the protocol of competitive negotiations will be taken in further assessment and comparison.
	13. Rebidding
		1. Rebidding is conducted for qualified bidders in the manner prescribed in the resolution of the procurement body and in accordance with the rules established in the notification and/or procurement documentation.
		2. In the protocol with the resolution on conducting rebidding, the subject, form (in-person, mixed, or remote) and the procedure for the participation in the rebidding are indicated.
		3. Rebidding can be carried out one or more times.
		4. Bidders have the right not to take part in the rebidding, in which case their bids will not be rejected and they will act on the conditions proposed in them.
		5. If the bid submitted by a bidder for rebidding contains worse conditions than the conditions that were in force before the rebidding, the Customer has the right:
			1. Not to accept the bid (in which case, the bid with conditions that were valid before the rebidding will be taken in the procurement);
			2. To expel the bidder from further participation in the procurement;
			3. To accept the bid with a worse price proposal, provided there are substantial grounds and the price does not exceed the IMP established in the procurement documentation.
		6. The decision made in accordance with Clause 29.13.5 of the Regulations shall be documented in the protocol drawn up following the rebidding.
		7. Bidders are not entitled to change and/or withdraw the changed terms submitted for rebidding after the rebidding (except for the withdrawal of bids as per Clause 29.7 of the Regulations).
		8. If rebidding is conducted in person, representatives of qualified bidders who arrived for rebidding shall prior to the start of rebidding confirm their authority to represent the bidders in rebidding. If the bidder’s representatives do not have confirmed powers, this will be deemed equivalent to the bidder’s refusal to participate in the rebidding.
		9. Rebidding may be conducted by telephone with obligatory audio recording, or via video conferencing with obligatory audio and/or video recording, about which all persons participating in the procedure shall be informed.
		10. If procurement results are not summed up after the rebidding (which is documented in the protocol drawn up following the procurement), a protocol shall be made after the rebidding documenting the decision of the procurement body, which is to include the following information:
			1. Protocol signature date;
			2. Procurement name;
			3. Procurement number assigned in the UIS (if any);
			4. Information about the IMP;
			5. Name, address of location, IIN (Taxpayer Identification Number), KPP (Registration Reason Code), and OGRN (Primary State Registration Number) of each bidder (for legal entities); or last name, first name, and patronymic (if any), and INN (if any) for individuals taking part in the rebidding; or the bidder’s name in accordance with an extract from the Commercial Register or other registering authority, TIN (Taxpayer Identification Number) or other taxpayer identification number (for foreign bidders);
			6. Number of final bids submitted for rebidding and the date and time of registration of each bid;
			7. Other information (if necessary).
		11. After participating in rebidding, bidders make their final proposals in the manner prescribed in the procurement documentation.
	14. Auction step process
		1. Within the scope of the assessment and comparison of bids, an auction step process is performed to determine the best contract price.
		2. Qualified bidders may take part in the auction step process.
		3. The auction step process is conducted either by:
			1. Reducing the IMP stated in the notification;
			2. Reducing the minimum price from among those submitted by procurement bidders as part of their auction bids by the auction step or a step multiple of the auction step.
		4. In their bids, bidders shall indicate the proposal price, which: in the case established by Clause 29.14.3.1) of the Regulations shall be equal to the IMP; and in the case established by Clause 29.14.3.2) of the Regulations may be any price not exceeding the IMP.
		5. The price indicated in the bid will be considered the bidder’s final bid if no bids are submitted by bidders in the auction step process.
		6. The auction step process is conducted once, while during the auction step process bidders may repeatedly propose a reduction in the contract price.
		7. The auction step process is conducted in person (with the presence of bidders).
		8. To participate in the auction step process, bidders confirm their authority to participate in the auction step process, change the contract price, and sign the protocol. In the absence of confirmed powers, bidders do not have the right to take part in the auction step process.
		9. In the case stipulated in Clause 29.14.3.2) of the Regulations, the auctioneer has the right to establish the first step of the auction in such an amount that based on the results of the first step of the auction the current price becomes multiple (without a remainder) of the auction step.
		10. The results of the auction step process are documented in the auction step process protocol. The protocol is signed on the day of the auction step process by the auctioneer and the bidders (representatives of the bidders) who took part in the procedure.
		11. The bidder’s refusal to sign the protocol is documented in the protocol and serves the basis for the disqualification of the bidder, and all the bidder’s contract price proposals will be canceled and the bid security will be retained (if it was required under the procurement documentation).
		12. If the procurement is declared invalid, a protocol will be drawn up indicating the reasons for the invalidation of the procurement.
		13. If an auction is held in an electronic form on the ETP, the specifics of the auction procedure may be determined in the procurement documentation taking into account the ETP regulations.
	15. Summing up the procurement
		1. The procurement body makes a collegial resolution on summing up the procurement results in the manner prescribed in the notification and procurement documentation.
		2. Following the procurement, the contract may be awarded to:
			1. The winning bidder determined based on the assessment and comparison of bids (Clause 29.10.11.1);
			2. The sole bidder in a failed procurement (Clause 33.1 of the Regulations);
			3. The sole bidder who offered the contract price during the auction step process (Clause 29.14 of the Regulations).
		3. In the event of a failed procurement and/or refusal of the contract with the sole bidder in a failed procurement, it can be decided either to:
			1. Conduct a repeated procurement, if necessary, with changing the terms of the procurement and/or the method of procurement;
			2. Refuse conducting a procurement.
		4. Following the procurement, a protocol is drawn up documenting the decision of the procurement body and including the following information:
			1. Protocol signature date;
			2. Procurement name;
			3. Procurement number assigned in the UIS (if any);
			4. Information about the IMP;
			5. Number of submitted bids, and the date and time of registration of each bid;
			6. Sequential numbers of the bids and bidders final proposals in a descending order of profitability of contract terms proposed in them, including information on the prices and (or) additional price proposals of the bidders;
			7. The results of bids (final proposals) review, including: the number of accepted bids (final proposals), the number of rejected bids (final proposals), and the reasons for rejection of each bid (final proposal), indicating the provisions of the procurement documentation (or the notification of the request for quotations) that the bid (final proposal) does not comply with;
			8. The decision to enter into the contract with the winning bidder(s), if any;
			9. The results of the assessment and comparison of bids (final proposals) — ranking of admitted bids, where the procurement body indicates the value assigned to each bid (final proposal) for each of the indicated criteria for the assessment of such bids;
			10. The resolution to enter into the contract with the sole bidder in a failed procurement (as applicable);
			11. The reasons why the invalidation of the procurement, if the procurement is recognized as invalid.
			12. Other information (if necessary).
	16. Procurement Suspension
		1. The Customer has the right to suspend a procurement if there is a need to include clarifications in the notification and/or procurement documentation, or if the Customer receives a complaint (Clause 50.2 of the Regulations), or in other cases where it is impossible or difficult to continue the procurement.
		2. The decision to suspend the procurement is made by the relevant procurement body, and in the event of a complaint to the Customer, by the Customer’s complaints commission.
		3. The procurement will also be suspended as and where prescribed by the legislation.
		4. Suspension of procurement shall not constitute the ground for liability for any losses caused to bidders in relation therewith, except as directly established by the legislation.
3. General procedure of procurement from a sole supplier
	1. Procurement from a sole supplier, whose IMP exceeds the amount established by Clause 12.2.1) of the Regulations is conducted as follows:
		* 1. Inclusion of the procurement into the procurement plan (in case it has not been included into it);
			2. Preparation and sending of invitations to take part in the procurement to the sole supplier without official publication at least 2 days before the date of the contract conclusion. If changes are made to the invitation, the changed invitation may be sent to the address of the sole supplier at any time before the date of the contract conclusion;
			3. Invitation of the supplier to sign the contract;
			4. Negotiations, where necessary, to specify the contract terms;
			5. Refusal to conclude a contract, if necessary;
			6. Contract conclusion.
			7. Inclusion of information and documents required by the Government of the Russian Federation in the register of contracts within the period and in the manner stated in paragraphs 11–13 of Clause 11.1 of the Regulations.
	2. The procedure and order of procurement from a sole supplier whose IMP does not exceed the amount established in Part 15 of Article 4 of Law 223-FZ are established by the IRD and/or ORD.
4. Procedure of procurement following competitive sales announced by the seller of products
	1. The procedure and order of procurement through participation in a competitive sales procedure announced by the seller of products is determined by the seller.
	2. Unless the IRD provides otherwise, the rules for the establishment of the terms on which the Customer agrees to enter into the contract (including the assignment of persons authorized to act on behalf of the Customer in the procedure, the person who determines the supplier in such systems as “electronic store”) are determined by the person who has the right to sign the respective contract.
	3. The procurement procedure is conducted in the following order:
		* 1. Making a decision by the seller of products to make a transaction with the Customer;
			2. Negotiations, where necessary, to specify the contract terms;
			3. Refusal to conducted procurement, if necessary;
			4. Formation and official publication of the notification and/or procurement documentation;
			5. Contract conclusion.
5. Suspension of bidders
	1. The Customer may at any time until the signature of the contract suspend a bidder from further participation in the procurement in the following cases:
		* 1. Identification of inaccurate information in the bid, which is essential for the admission of the bidder to the procurement or for the assessment of the bidder’s bid (if there is documentary evidence of such inaccuracy);
			2. Documentary evidence of the fact of pressure by the bidder on a member of the procurement body, expert, head of the Customer, procurement organizer, or auctioneer;
			3. Unjustified refusal by the bidder to sign the document drawn based on the results of the competitive negotiations;
			4. Unjustified refusal by the bidder to sign the Procedure drawn based on the results of the auction;
			5. In the event of a procurement with a divisible lot, the bidder’s refusal to accept the distribution of volumes and prices for the delivery of products proposed by the Customer.
	2. The Customer may suspend a bidder from further participation in the procurement if after the assessment and comparison of bids, including during the contract conclusion, the following is revealed:
		* 1. Inconsistent replacement or exclusion of the subcontractor (co-executor or manufacturer) stated in the bid (taking into account all its amendments);
			2. Non-approved replacement or exclusion of a member of the collective bidder stated in the bid (taking into account all its amendments).
	3. The decision to suspend a bidder is documented in a protocol, which shall be published in the manner prescribed in the Regulations (Article 11 of the Regulations).
6. Invalidation of procurement (other than procurement from a sole supplier)
	1. The procurement is considered invalid if at the expiry of the period for the submission of bids:
		* 1. Only one bid is submitted and is not withdrawn by a bidder;
			2. No bids are submitted (taking into account all the withdrawn bids).
	2. A procurement will also be deemed invalid if following the review (selection) of bids a decision is made to:
		* 1. Reject all bids;
			2. Admit only one bid;
			3. Otherwise in case of an auction.
	3. An auction will also be considered invalid (where the price is reduced from the IMP), if:
		* 1. No bidder appeared for the auction step process;
			2. Only one bidder appeared for the auction step process;
			3. None of the bidders who appeared for the auction step process submitted a proposal of the contract price.
	4. In the event of an auction step process from the bid price, the auction is invalidated in accordance with the general procedure provided for in paragraphs 33.1 and 33.2 of the Regulations.
	5. In the event of a multi-lot procurement, the procurement procedure is invalidated only in part of the lots to which paragraphs 33.1–33.4 of the Regulations apply.
	6. If a procurement is declared invalid, the Customer has the right to:
		* 1. Award the contract to the sole bidder in a failed procurement whose bid is recognized compliant with the procurement documentation;
			2. Make a decision to conduct a repeated procurement, including with the announcement of other conditions (including the IMP);
			3. Refuse conducting a procurement.
	7. The information on procurement invalidation is stated in the protocol, which is published in the manner prescribed in the Regulations (Article 11 of the Regulations).
7. Use of forms and additional elements of procurement other than procurement from a sole supplier
	1. Electronic procurement
		1. The provisions of this section apply to procurement in an electronic form.
		2. It is mandatory to conduct electronic procurement in cases established by the legislation.
		3. In the notification and the procurement documentation, the requirements for the completion and submission of paper forms of documents are replaced with the requirements for electronic documents.
		4. In the event of electronic procurement on the ETP:
			1. Deviations are allowed from the Regulations due to the use of the ETP in accordance with the ETP rules published on the ETP in public domain;
			2. Acceptance of electronic bids, providing access to bids, rebidding, and other functions in the process of procurement are performed as per Law 223-FZ using the ETP software and hardware as per the ETP rules which shall be referred to in the procurement documentation;
			3. Bid security is provided by transferring the funds to an account opened under the established procedure, or by the provision of an independent (bank) guarantee in an electronic form by the bidder;
			4. The Customer does not accept bids submitted other than via the ETP functionality (including those received in an electronic form);
			5. The interaction of the ETP Operator, the procurement bidder and the Customer is governed by Article 3.3 of Law 223-FZ.
		5. In the event of a procurement procedure using other publicly available functionality for receiving electronic bids (other than the ETP), the Customer establishes the specifics of the exchange of electronic documents in the procurement documentation and sets requirements for the completion and submission of documents:
			1. Bids are submitted by providing a set of electronic documents (files) in a scanned form from the bidder’s official e-mail to the Customer’s e-mail;
			2. The message body containing the bid shall contain the sender’s contact details;
			3. The e-mail message containing an archive file without the password shall be sent to the Customer’s e-mail before the expiry of the date and time for the submission of bids indicated in the notification;
			4. The password from the sent archive file shall be sent to the Customer’s e-mail on the date and time indicated in the notification; the message shall be drawn up in accordance with the requirements of the procurement documentation and contain only the bidder’s contact data and password;
			5. Bids and bid amendments received after the expiry of the deadline for the submission of bids shall not be accepted for review in this procurement procedure.
		6. Competitive negotiations may be held both in an electronic form and in person. In the event of competitive negotiations, the results of negotiations with the bidder shall be drawn up in accordance with Clause 29.12 of the Regulations in a protocol of the results of competitive negotiations.
		7. If the legislation establishes other requirements for electronic procurement, the Regulations will apply to the extent not contradictory to such requirements.
	2. Negotiation of terms
		1. In the event of a procurement with a negotiation of the terms, the notification and/or procurement documentation shall indicate:
			1. The purpose of negotiating the terms;
			2. The procedure for the negotiations of the terms;
			3. The form for the negotiation of the terms;
			4. Date, time, and place of the terms negotiation.
	3. Procurement with a prequalification
		1. When conducting a procurement with a prequalification, the notification and/or procurement documentation shall in addition to the information required under Clause 27.5) of the Regulations include the following information:
			1. The procedure for the submission of bids or participation in the preliminary qualification, the time and place of their submission;
			2. The time and procedure for the review of bids or participation in the preliminary qualification and the summarizing of its results;
			3. Detailed information in the terms and procedure of the preliminary qualification;
			4. Requirements for bidders at the stage of prequalification;
			5. Requirements for the content and completion of bids at the stage of prequalification, including the method of confirming the bidder’s compliance with the requirements;
			6. Information on the rights and obligations of bidders that have successfully passed the prequalification;
			7. Indication of the Customer’s right to refuse to conduct the procurement;
			8. The provision stipulating that at the next stage of procurement only bids from bidders who have successfully passed the prequalification and submitted bids for the main stage of procurement as prescribed by the procurement documentation will be reviewed.
		2. In the notification and/or procurement documentation, in addition to the period established for the submission of bids for the prequalification, the period established for the submission of bids for the main procurement stage shall be indicated. The period established for the submission of bids for prequalification shall not be less than the period established by the Regulations for the respective procurement method.
		3. Following the prequalification, a protocol is drawn up.
		4. The bidder who has failed or who has not taken part in the prequalification is not allowed to participate in the further procurement procedure.
	4. Procurement with an option to submit alternative proposals
		1. Information on the right to submit an alternative proposal (one or more) within the scope of bid is provided in the procurement documentation.
		2. The security provided by a bidder for the main proposal also applies to all alternative proposals of the bidder (if there is a requirement in the procurement documentation for bid security).
		3. The alternative proposal shall not differ from the main proposal or another alternative proposal by the price only. The difference between the alternative proposal and the main proposal by the price only is the basis for rejection of all proposals.
		4. The bidder will be allowed to participate in the further procurement procedure if at least one of the bidder’s proposals (main or alternative) is recognized compliant with the requirements established in the procurement documentation.
		5. During the review of bids, the main and alternative proposals from one bidder will be reviewed independently of each other.
		6. During the assessment and comparison of bids, the alternative proposals will be ranked independently of the main proposal, and each proposal of the bidder admitted based on the review of bids will have an individual place in the ranking.
		7. Within the scope of competitive negotiations and rebidding (if any), the bidder has the right to declare new conditions (including prices) both for the main and for alternative proposals.
		8. If there is one or more alternative proposals in the bid, the provisions of the Regulations regarding the review, rejection, assessment, and comparison of bids (and other actions with the bids) shall apply with respect to the main and each of the alternative proposals.
		9. If there are one or more alternative proposals in the bid, it is recommended to stipulate and conduct competitive negotiations (Clause 29.12 of the Regulations) or rebidding (Clause 29.13 of the Regulations).
	5. Multi-lot procurement
		1. The provisions of this section apply to electronic multi-lot procurement.
		2. For each lot, the notification may establish the terms applicable to such lot with respect to:
			1. The subject matter of the contract and the volume of goods, work, or services provided;
			2. The places of delivery of goods, provision of works, or rendering of services;
			3. Information about the IMP.
		3. For each lot, the procurement documentation may establish the terms applicable to such lot with respect to:
			1. The subject matter of the contract the right to which is the subject matter of the procurement procedure;
			2. The requirements established by the Customer for the quality, quantity (volume), technical characteristics, and safety of products procured, the functional characteristics (consumer properties) of goods, the dimensions, packaging, shipment of goods, work deliverables, and other requirements related to determining the compliance of goods, work, or services delivered with the Customer’s needs;
			3. The requirements for the content, form, execution, and scope of bids, including the forms for submitting necessary information and instructions for drawing up the bid;
			4. Requirements for procurement bidders to describe the goods being the subject matter of procurement, as well as their functional characteristics (consumer properties), quantitative and qualitative characteristics, and requirements for procurement bidders to describe the work or services being the subject matter of the procurement, and their quantitative and qualitative characteristics;
			5. The place, conditions, and deadlines (periods) for the delivery of goods, work, or services;
			6. Information about the IMP;
			7. The form, deadlines, and procedure for the payment of goods, work, or services;
			8. The basis for determination of the initial (maximum) contract price or a unit price of goods, works, or services. Including information on costs on transportation, insurance, payment of customs fees, taxes and other mandatory charges;
			9. The requirements for bidders and the list of documents (copies) submitted by bidders to confirm their compliance with the established requirements;
			10. The criteria and the procedure for the review, assessment and comparison of bids;
			11. The requirements for the amount, form, and issuance method of bid security, and the procedure for its return or withholding (if applicable);
			12. The requirements for the amount, form and conditions for the contract performance security (if there is such a requirement);
			13. The deadline set for concluding a contract;
			14. Other terms and conditions.
		4. For each lot, a separate draft contract may be provided in the procurement documentation.
		5. Decisions made during the procurement procedure, including the summing-up of the procurement results and refusal to conduct the procurement, are made separately for each lot.
	6. Procurement with a divisible lot
		1. The provisions of this section shall apply during the procurement procedure, where the supply of the total volume of products may be distributed among several bidders.
		2. A specific volume of supplies may only be distributed after the review of technical and commercial proposals of bidders and the assessment of their preference.
		3. In addition to the information specified in Clause 27.5 of the Regulations, the procurement documentation shall include the following information:
			1. The Customer’s right to distribute the volume of products among several bidders;
			2. The bidders’ obligation to form proposals with possible delivery volumes and prices for such volumes; and the obligation to agree with the distribution of delivery volumes and prices for such deliveries proposed by the Customer;
			3. The rules of products distribution among several bidders;
			4. The regulations on the Customer’s right to purchase only a partial volume of products.
8. Contract conclusion and performance
9. Contract conclusion
	1. General provisions
		1. Based on the results of the procurement procedure, the contract is concluded within the period established in the notification and/or procurement documentation in accordance with the legislation requirements. The offer is sent by the Customer. The deadline for concluding the contract based on the results of a competitive procurement shall be set no earlier than 10 days and no later than 20 days after the final protocol drawn up based on the results of the competitive procurement is published in the UIS. Contracts with SMBs are made in accordance with Clause 45.6.14 of the Regulations.
		2. If in accordance with the legislation, the Customer’s charter, the Regulations, or the constituent documents of the counterparty, the contract needs to be preliminarily approved by the governing bodies concerned as a major transaction or a non-arm’s length transaction, or in the event of an appeal to the antimonopoly authority against the actions (omission) of the Customer, the procurement commission, or the ETP operator, the contract shall be made no later than five (5) days from the date of such approval or from the date of the decision of the antimonopoly authority based on the results of the appeal against the actions (omission) of the Customer, the procurement commission, or the ETP operator.
		3. If a counterparty submits a document which confirms special legal capacity and which is required for the implementation of activities, which document expires before the contract is signed, the contract with the counterparty will be signed only after the submission of a valid applicable document within the period established for the contract conclusion.
		4. If there is a requirement to provide contract performance security, the counterparty shall issue such contract performance security to the Customer as required. If this condition is not met, the person will be deemed to have evaded entering into the contract.
		5. Based on the results of the procurement (except for the procurement from a sole supplier), unless the procurement documentation provides for another procedure for the exchange of documents, a draft contract is drawn up by including in the draft contract that was part of the procurement documentation (and in the case stated in Clause 21.3 of the Regulations – proposed by the bidder) the following information:
			1. Counterparty details;
			2. The contract terms accepted by the parties during the procurement, as well as the terms on which an agreement was reached in the course of the negotiations held to specify the contract terms.
		6. Following the procurement from a sole supplier, a draft contract is drawn up by including the following information:
			1. Counterparty details;
			2. The terms on which an agreement was reached in the course of the negotiations held to specify the contract terms.
		7. If during the auction the contract price was reduced to zero, and the auction was subsequently held for the right to enter into the contract, the draft contract will be drawn up taking into account the auction results.
		8. If for several lots the bids of the same bidder are determined the best, one contract for several lots can be concluded with this bidder.
		9. The Customer has the right to refuse to sign the contract (send the offer) following the procurement, if there are grounds stipulated in paragraphs 29.8.3 and 29.8.4 of Article 32 of the Regulations, unless otherwise directly established by the legislation and/or procurement documentation. The decision to refuse to sign the contract is made by the procurement body that made the decision to summarize the procurement results.
		10. The Customer’s refusal to sign the contract shall not constitute the ground for liability for any possible losses caused to bidders in relation therewith, except as directly established in the legislation and/or the procurement documentation.
		11. Following the signature of the contract, the information is entered into the register of contracts.
	2. Counterparty
		1. The person with whom the contract is made following the procurement procedure is:
			1. The winning bidder;
			2. The bidder with whom the contract is made in case of suspension, refusal or evasion of the winning to sign the contract;
			3. The bidder with whom the contract is made in the event of termination of the previous contract for the same subject matter because of its non-performance (improper performance);
			4. The sole bidder of a competitive procurement;
			5. The sole supplier.
		2. The contract with a collective bidder is made with its leader, who acts on behalf of the members of the collective bidder.
		3. If the winning bidder repudiates the contract, or if the contract with the winning bidder is terminated, or if the winning bidder refuses and/or evades entering into the contract, the contract may be signed with the bidder whose bid was ranked the second. Similar rules apply in the event of removal of each subsequent bidder in the ranking or the bidder’s evasion of entering into the contract, unless the procurement documentation provides otherwise.
10. Negotiations for specification of contract terms
	1. The Customer may provide for negotiations to specify the contract terms with the counterparty.
	2. The negotiations to specify the contract terms can be held for the following aspects:
		* 1. Reduction of the contract price without changing the volume of products procured;
			2. Increase in the volume of products procured without increasing the total value of the contract;
			3. Specification of the deadlines for the fulfillment of obligations under the contract, if the contract was not signed within the planned period because of handling of complaints, administrative proceedings, legal proceedings, or the need to comply with corporate requirements for contract conclusion;
			4. Inclusion of terms due to changes in legislation or instructions of state or local authorities;
			5. Specification of contract terms that are not indicated in the counterparty’s procurement documentation or proposal (to the extent this does not change the essential terms of the contract, or the terms that were used as the selection and assessment criteria);
			6. In the event of a decrease in the volume of products procured with a proportional decrease in the contract price based on the unit price of products;
			7. Other improvement of contract terms for the Customer (reduction of the contract period (or period of its individual stages), cancellation or reduction of the advance payment, an option of deferral or payment by installments, improvement of product characteristics, increasing the terms and volume of the guarantee).
	3. No negotiations for the specification of contract terms are allowed with the purpose to change the terms of the contract to be signed resulting in worse contract terms for the Customer.
	4. The results of negotiations for the specification of contract terms are documented in the form of an agreed draft contract version.
	5. The refusal of the winning bidder to take part in negotiations for the specification of contract terms shall not constitute a refusal to enter into the contract.
11. Counterparty’s refusal and evasion of contract conclusion
	1. The counterparty will be recognized as having refused or evaded entering into the contract in the event of the following actions:
		* 1. Sending a written statement to the Customer of the counterparty’s refusal to sign the contract;
			2. Failure to provide the signed contract within the period of time stated in the procurement documentation;
			3. Failure to submit documents on the preliminary approval of the contract by the counterparty’s governing bodies with respect to a major transaction or a non-arm’s length transaction;
			4. Failure to provide the required contract performance security;
			5. Raising counterclaims to the Customer upon the conclusion of the contract for contract terms not agreed upon in the prescribed manner before the summing-up of the procurement results.
12. Contract performance
	1. The contract will be performed in accordance with the requirements of the legislation and the terms of the contract (including supplementary agreements).
13. Contract amendment and termination
	1. The contract may be amended in exceptional cases by agreement of the parties, as well as unilaterally in cases stipulated by the contract and/or current legislation. It is not allowed to make amendments that are contrary to the Customer’s interests.
	2. The contract may be terminated by agreement of the parties, as well as unilaterally in the event of violation of any of its essential terms and in other cases stipulated by the legislation.
	3. The contract is amended based on a resolution of the procurement body (the person who made the decision on the procurement). The contract may be amended without a resolution in cases stipulated in Clause 6.7 of the Regulations.
	4. In cases established by the legislation, the person with whom the contract is made shall with the Customer’s consent transfer all rights and obligations under the contract to a third party, provided that such person meets the requirements for bidders in the applicable procurement.
	5. After the contract is amended or terminated, the information is entered into the register of contracts in accordance with the legislation and the IRDs and/or ORDs.
	6. Using the Customer’s option does not require a supplementary agreement.
	7. Based on the resolution of the procurement body (the person who made the decision on the procurement ) adopted in 2020, it is allowed to amend the contract in terms of extending the deadlines for the fulfillment of the supplier’s obligations, and/or increasing the contract price and/or the unit price, if the spread of a new coronavirus infection COVID-19 and/or restrictive measures taken by the authorities to overcome the infection lead to any circumstances beyond the supplier’s control that will make it impossible for the supplier to fulfill its obligations under the contract on the previous terms.
14. Register of contracts made following the procurement
	1. The contract, information, and documents on the contract performance, including the contract payment, are published in the register of contracts in accordance with the procedure established by the Government of the Russian Federation and the IRDs and/or ORDs.
	2. The contract, information, and documents may be published both after the fulfillment of all obligations under the contract, and after the fulfillment of obligations for each stage (if any) of the contract.
15. Special procurement situations
16. Procurement of innovative and high-tech products
	1. The provisions of this article apply to the procurement of innovative and/or high-tech products.
	2. The criteria for classifying the products procured as innovative and/or high-tech products are established by the federal executive authorities performing regulatory functions in the respective field. When planning and conducting procurement, the Customer may use open registers of innovative products.
	3. Depending on the procurement stage, products may be categorized as innovative and/or high-tech:
		* 1. Before the procurement procedure (at the planning stage);
			2. At the stage of preparation for the procurement (during determination of technical requirements);
			3. In the event of an unexpected receipt of a bid with a proposal of innovative products (within the scope of the main or alternative proposal).
	4. The procedure for planning, preparing, and conducting the procurement of innovative and/or high-tech products is similar to the general procedure for planning, preparing, and conducting procurement as established in the Regulations, taking into account the following specifics:
		* 1. Information on the procurement of innovative and/or high-tech products is stated in the PP (if the procurement of products is planned in the calendar year for which the PP is formed), as well as in the PP of innovative products (except as prescribed by Clause 41.3.3) of the Regulations), and if the fact of the procurement of innovative and/or high-tech products is revealed at the stage of preparation for the procurement (Clause 41.3.2) of the Regulations), the PP and PP of innovative products shall be amended accordingly before official publication of the announcement or procurement documentation;
			2. The information that the subject matter of procurement is innovative and/or high-tech products is included in the notification and the procurement documentation (except as prescribed by Clause 41.3.3) of the Regulations);
	5. The Customer takes actions for announcing the procurement, except as prescribed by Clause 41.3.3) of the Regulations.
	6. When forming the assessment criteria, the Customer may take into account the following:
		* 1. Involvement by the bidder of subcontractors (co-contractors) from among Russian organizations engaged in R&D, E&D, or D&S for the introduction of Russian technologies;
			2. The activities proposed by the bidder are aimed at increasing the degree of localization of production and reducing the share of imported components and accessories, and delivering improved production efficiency.
	7. When procuring innovative and/or high-tech products, the Customer may focus on long-term contracts, including:
		* 1. Life cycle contracts;
			2. Contracts with Russian manufacturers of building materials for guaranteed volumes of future supplies of innovative building materials;
			3. Contracts with manufacturers who have made under the procedure established by law special investment contracts for the development of the manufacture of such products.
17. Procurement for the right to make framework unit price agreements
	1. The provisions of this article apply to the procurement for the right to enter into a framework unit price agreement (hereinafter the “framework agreements”) for the supply of two or more units of products without establishing the exact volume of procured products as of the effective date of the framework agreement. Following such procurement, several framework agreements may be made.
	2. When forming a PP, the notification and/or procurement documentation for the right to made a framework agreement, the IMP is set as the unit price of goods, work, or services and the maximum value of the contract price, and/or a price formula is established determining the rules for calculating the amounts payable by the Customer to the supplier (contractor) during the contract performance, and the maximum value of the contract price.
	3. In addition to the information stated in Clause 27.4.2) of the Regulations, the procurement documentation for the right to make a framework agreement shall contain the following information:
		* 1. A complete list (nomenclature) of products that are the subject matter of the procurement;
			2. The bidder’s obligation to offer the price for each product unit;
			3. The rules for the formation of a product consumption model (weight coefficients), on the basis of which price preference will be assessed.
	4. The draft framework agreement shall define the order of actions of the Customer and the supplier, if it is necessary to supply the next batch of products from the list (nomenclature) of products, the procedure for the payment of the batch, and the provisions stipulating:
		* 1. Payment of actually delivered batches of products at established unit prices not exceeding in aggregate the established IMP;
			2. The impossibility of increasing the established cost of product units;
			3. The Customer’s right to choose a partial volume of products from the established list (nomenclature) of products if the IMP is not exceeded;
			4. The agreement term.
	5. The framework agreement ends upon the occurrence of one of the following events (whichever comes first):
		* 1. Delivery of products to an amount not stipulated by the contract;
			2. End of the contract term.
18. Procurement for the right to make a life cycle contract
	1. The provisions of this article apply to the procurement for the right to enter into a life cycle contract.
	2. In addition to the information stated in Clause 27.4.2) of the Regulations, the procurement documentation shall describe the method of calculating the life cycle cost for the purpose of comparing the proposals. The method may or may not take into account the income that the Customer plans to receive from using the products.
	3. The application of the “minimum life cycle cost” criterion (including as part of a multi-criteria assessment), based on the method of calculating the cost of the life cycle, is mandatory.
19. Procurements that contain information that constitutes a state secret and procurements that contain information subject to publication in the UIS according to a resolution of the Russian Government or a coordination body of the Russian Government
	1. The provisions of this article apply to the procurement, the notification and/or procurement of which contains information that:
		* 1. Constitutes a state secret; or
			2. Is not subject to publication in the UIS based on the resolution of the Government of the Russian Federation as per Part 15 and Part 16 of Article 4 of Law 223-FZ; or
			3. Is not subject to publication in the UIS based on the resolution of a coordinating body of the Government of the Russian Federation as per Clause 2 or 3 of Part 8 of Article 3.1 of Law 223-FZ.
	2. Such procurement is conducted in a closed competitive form or from a sole supplier.
	3. Closed competitive procurement is conducted in the manner prescribed by Article 29 of the Regulations, taking into account the specifics described in Article 44 of the Regulations.
	4. Information about a closed competitive procurement shall not be published in the UIS. At the same time, within the time limits established for the publication of the notification or competitive procurement and/or competitive procurement documentation in the UIS, the Customer sends a letter of invitation to take part in the closed competitive procurement with the attachment of procurement documentation to at least two (2) persons who are capable of delivering goods, work, or services hat are the subject matter of the closed competitive procurement.
	5. Only persons specifically invited for this purpose are allowed to participate in the closed competitive procurement.
	6. A bidder in a closed competitive procurement submits a bid for the participation in the closed competitive procurement in a sealed envelope that excludes the possibility of seeing its contents until the envelope is opened.
	7. Amendments or clarifications of the procurement documentation are provided at a written request of the bidder in the closed competitive procurement in the manner stipulated in the invitation letter. The requested information and documents shall be provided within 2 business days after the receipt of the request by the procurement organizer.
	8. Copies of the protocol of opening the envelopes and the minutes of the meeting of the procurement body for the review of bids (admission/rejection of procurement bidders) are sent to all bidders who submitted their bids, and copies of the remaining protocols are sent to all qualified bidders.
	9. The documents stated in Clauses 44.4 and 44.8 of the Regulations are simultaneously sent to the bidders with the same content.
	10. The information and documents within the scope of a closed competitive procurement are exchanged as prescribed by the procurement documentation.
	11. In the event of procurement constituting a state secret, the information and documents within the scope of a closed competitive procurement are exchanged as per the requirements of the procurement documentation and the document flow rules established by the legislation of the Russian Federation and other acts on the protection of state secrets and other information of restricted access.
	12. In the event of procurement containing information that constitutes a state secret, the following rules shall additionally apply:
		* 1. The notification and the procurement documentation shall ensure compliance with the legislation on the protection of state secrets;
			2. In addition to the requirements established by the Regulations (Article 22), there shall be a requirement for bidders and subcontractors (co-contracts) engaged (if applicable) to have a license to carry out the work using the information that constitutes a state secret as shall be stipulated in the notification and/or procurement documentation;
			3. The notification and procurement documentation are transferred to the bidder’s security department after checking the license compliance.
	13. The specifics of the document flow for a closed competitive procurement in an electronic form, as well as the list of ETP operators responsible for closed competitive procurement and the procedure for the accreditation on such ETPs are determined by the Government of the Russian Federation.
	14. Procurement reports shall be made as prescribed by the legislation and the IRDs.
20. Procurement from SMBs
	1. The provisions of this article apply to the procurement from SMBs.
	2. The Customer applies the specifics of procurement from SMBs if the notification and/or procurement documentation contains a direct instruction to apply them.
	3. Procurement categories in which SMBs may participate:
		* 1. Procurement where bidders may include any suppliers, including SMBs;
			2. Procurement where bidders include only SMBs;
			3. Procurement where the Customer establishes a requirement to engage subcontractors (co-contracts) from among SMBs to perform the contract.
	4. In the UIS and on the Customer’s website, the Customer shall publish a list of products procured only from SMBs in accordance with Clause 45.3.2) of the Regulations.
	5. Procurement only from SMBs can be carried out by:
		* + 1. competitive methods:
* an electronic competitive tender;
* an electronic auction;
* an electronic request for quotations;
* an electronic request for proposals.
	+ - * 1. non-competitive methods:
* special tender;
* special request for prices;
* procurement from a sole supplier.
	1. The Customer procures products only from SMBs subject to the specifics established in this Clause 45.6 of the Regulations, which shall prevail over the provisions establishing the general procurement procedure (Article 29 of the Regulations).
		1. An SMB only competitive tender in an electronic form (hereinafter for the purpose of this article the “electronic competitive tender”) may include the following stages[[4]](#footnote-5):
			1. Discussion between the Customer and bidders, before the end of the deadline for the submission of bids for the electronic competitive tender, of the functional characteristics (consumer properties) of goods, the quality of work or services, and other contract terms to specify the required characteristics (consumer properties) of goods, work, or services procured in the notification of the electronic competitive tender and/or competitive procurement documentation, or the draft contract in the manner prescribed in the procurement documentation;
			2. Discussion by the Customer of proposals on the functional characteristics (consumer properties) of goods, the quality of work or services, and other contract terms contained in the bids submitted by bidders in an electronic form to specify in the notification of electronic competitive tender and/or competitive procurement documentation and/or the draft contract the required characteristics (consumer properties) of goods, work, or services procured in the manner prescribed in the procurement documentation;
			3. Review and assessment by the Customer of electronic bids submitted by bidders;
			4. Comparison of additional electronic proposal on the contract price decrease;
		2. If the stages specified in Clause 45.6.1 of the Regulations are included in the electronic competitive tender, the following rules shall be observed:
			1. Each stage of the electronic competitive tender can be included in it only once;
			2. It is not allowed to simultaneously include the stages stated in paragraphs 1 and 2 of Clause 45.6.1 of the Regulations into the electronic competitive tender;
			3. Competitive documentation procurement shall provide for the deadlines for caring out each its stage in the electronic form;
			4. As per the results of each stage of the competitive bidder, a separate protocol is drawn up in an electronic form. No protocol in an electronic form is drawn up after the last stage of the competitive tender. After the end of the last stage of the electronic competitive tender, following which the winning bidder is determined, the final protocol is drawn up;
			5. If the electronic competitive tender includes the stages stipulated by paragraphs 1 or 2 of Clause 45.6.1 of the Regulations, in the protocols drawn up following these stages the Customer shall in particular indicate the decision made on the need to specify the functional characteristics (consumer properties) of procured goods, the quality of work or services, or other contract terms or on no such need. If the Customer makes a decision on the need to specify the functional characteristics (consumer properties) of procured goods, the quality of work or services, or other contract terms, the Customer shall within the time limits established in the competitive procurement documentation publish in the UIS an updated notification of the electronic competitive tender and the updated procurement documentation. In this case, the electronic bids of bidders cannot be rejected, the competitive procurement commission invites all bidders to submit final proposals in an electronic form, taking into account the specified functional characteristics (consumer properties) of procured goods, works or services, and other contract terms. In this case, pursuant to Clause 11.1.6) of the Regulations, the Customer determines the deadline for bidders to submit their final proposals in an electronic form. If the Customer decides not to insert specifications in the notification of the electronic competitive tender and the competitive procurement documentation, this decision shall be indicated in the minutes drawn up after these stages of the electronic competitive tender. The bidders in the competitive tender do not submit their final proposals in an electronic form;
			6. The discussion of the proposed functional characteristics (consumer properties) of goods, the quality of work or services, and other contract terms, as contained in the bids, with bidders of the electronic competitive tender as per paragraph 2 of Clause 45.6.1 of the Regulations shall be conducted with those of them who have submit a bid. In this case, equal access to the discussion for all the aforesaid bidders and their compliance with the provisions of Federal Law No. 98-FZ of July 29, 2004 “On Trade Secret” shall be provided;
			7. After publication in the UIS of the Procedure that contains a resolution on the necessity of specification of functional characteristics (consumer properties), quality of works, services, and fulfillment other contract terms and conditions and is drawn up based on the results of an electronic competitive tender provided by paragraph 2 of Clause 45.6.1 of the Regulation, any bidder of the electronic competitive tender has right to refuse to participate in the tender. Such refusal implies non-submission of the final proposal by the bidder of the electronic competitive tender;
			8. Bidders in an electronic competitive tender submit one final proposal for each item (lot) of this tender at any time after the Customer publishes the updated notification of the electronic competitive tender and the competitive procurement documentation in the UIS and until the date and time of the deadline for the submission of final proposals as stated in the notification of the electronic competitive tender and the competitive procurement documentation. A final proposal is submitted in accordance with the procedure established by the UIS regulations and the competitive procurement documentation;
			9. If the electronic competitive tender includes the stage stipulated by paragraph 4 of Clause 45.6.1 of the Regulations:

a) bidders in the electronic competitive tender shall be informed about the lowest price proposal out of all price proposals submitted by bidders in this tender;

b) bidders of the electronic competitive tender shall submit an additional price proposal that shall be lower than their price proposal submitted earlier. In this case, such additional bids are being submitted for three hours.

c) if a bidder in the electronic competitive tender does not change their price proposal, the bidder has the right not to submit an additional price proposal. In this case, the price proposal previously submitted by the bidder will be taken when drawing up the final protocol.

* + 1. An electronic auction includes the procedure for bidders to submit contract price proposals as per the following requirements:
			1. The “auction step” is from 0.5 percent to five (5) percent of the IMP of the contract;
			2. The current minimum contract price proposal is reduced by an amount within the “auction step”;
			3. Bidders in an electronic auction do not have the right to submit contract price proposals equal to or greater than their previous contract price proposals, or contract price proposals equal to zero;
			4. Bidders in an electronic auction may not submit contract price proposals lower than the current minimum contract price proposal reduced within the “auction step”;
			5. A bidder in an electronic auction may not submit a contract price proposal lower than the current minimum contract price proposal, if it is submitted by this bidder in the electronic auction.
		2. Within one hour after the deadline for additional bids submission as per paragraph 9 of Clause 45.6.2 of the Regulation and also within one hour after the deadline for contract price proposals submission as per Clause 45.6.3 of the Regulation, an ETP operator shall prepare and publish in the ETP and unified information system a procedure of additional price proposals or a procedure of contract price proposals submission containing information on the date and period of such additional price proposals or contract price proposals submission, and also on the received additional price proposals and minimal contract price proposals of each bidder in the electronic form with indication of the date and time of their receipt.
		3. Electronic proposals are requested as per the procedure set forth in Article 45 of the Regulation for the purposes of holding a competitive tender in the electronic form. At this, final proposals and additional price proposals are not submitted.
		4. Monetary funds credited on a special bank account to secure the bids for the SMB only competitive procurement will be transferred to the Customer’s account stated in the procurement notification or the competitive procurement documentation, in the event of evasion, including failure to provide a contract performance security or its provision in violation of the terms established in the procurement notification or the competitive procurement documentation to the Customer prior to the contract signing (if the requirement for contract performance security is stipulated in the procurement notification or competitive procurement documentation), or refusal of the bidder of such procurement to sign the contract.
		5. In the competitive procurement documentation, the Customer may establish an obligation on submission of the following information and documents:
			1. name, official name (if any), current address of the legal entity location, and constituent documents, if one of the bidders in the SMB competitive procurement is a legal entity;
			2. name, patronymic (if any), and surname, residential address of a person registered as a private entrepreneur, if one of the bidders in the SMB competitive procurement is a private entrepreneur;
			3. taxpayer identification number of the bidder in the SMB competitive procurement or a similar identification number used in compliance with the legislation of an appropriate country (for foreigners);
			4. taxpayer identification numbers (if any) of founders, members of a collegiate executive body, a person acting as a sole executive body of a legal entity, if one of the bidders in the SMB competitive procurement is a legal entity, or similar identification numbers of such persons used in compliance with the legislation of an appropriate country;
			5. a copy of document authorizing a person to act for and on behalf of a bidder in the SMB competitive procurement except for the cases of bids signing by:
				1. a private entrepreneur, if one of the bidders of such a procurement is a private entrepreneur;
				2. a person registered in the State Register of Legal Entities to authorize them to act for and on behalf of a legal entity without a Power of attorney (hereinafter referred to as “Leader”), if one of the bidders of such procurement is a legal entity;
			6. copies of documents proving compliance of the bidder in the SMB competitive procurement with the requirements for entities supplying procured goods, works, and services, set forth in compliance with the legislation of the Russian Federation, except for the case stipulated in paragraph “f” of subclause 9 of Clause 45.6.7 of the Regulations;
			7. a copy of a resolution on a large deal or its further approval, if the stated resolution is required by the legislation of the Russian Federation, and awarding a contract on the results of an SMB competitive procurement, or providing a bid security (if a requirement for bids security is stipulated in the procurement notification and competitive procurement documentation by the Customer) or a contract performance security (if a requirement for bids security is stipulated in the procurement notification and the competitive procurement documentation by the Customer) is considered to be a large deal by the bidder of such a procurement;
			8. information and documents on securing the SMB competitive procurement bids, if it is required in the procurement notification or competitive procurement documentation:
				1. special bank account details of the bidder in the SMB competitive procurement, if bids for such a procurement are secured by monetary funds;
				2. a bank guarantee or its copy if the SMB procurement bids are secured by a bank guarantee;
			9. a declaration as of the date of a bid for the SMB competitive procurement proving:
				1. non-liquidation of an SMB competitive procurement bidder that is a legal entity and absence of a commercial court resolution on adjudication of bankruptcy of the bidder that is a legal entity or a private entrepreneur;
				2. non-termination of business activities of the bidder in the SMB competitive procurement in compliance with the procedure set forth by the Code of Administrative Offenses of the Russian Federation;
				3. the bidder in the SMB competitive procurement has no arrears on taxes, fees, or other outstanding obligatory payments to any budgets of the budgetary system of the Russian Federation (except for the amounts which are subject to deferral, installment plan, or investment tax credit as per the legislation on taxes and duties, or which are restructured in accordance with the legislation of the Russian Federation, or for which there is an effective court resolution recognizing the bidder’s obligation to pay these amounts fulfilled, or which are recognized as bad in accordance with the legislation of the Russian Federation on taxes and duties) for the past calendar year in the amount of over twenty five percents of the book value of the bidder’s assets according to the accounting (financial) statements for the last reporting period. The bidder in the SMB competitive procurement is deemed to comply with the established requirement, if it appealed against such arrears or outstanding payments in the prescribed manner, and no decision for the appeal has been made as of the date of the bid;
				4. the bidder in the SMB competitive procurement that is a person registered as a private entrepreneur, or a leader, or a collegiate executive body members, or a chief accounting officer of a legal entity that is a bidder in the SMB competitive procurement has no criminal history on record for crimes in the sphere of economics or crimes stipulated by Articles 289, 290, 291, 291.1 of the Criminal Code of the Russian Federation, and the stated persons are not subject to application of punishment in the form of deprivation of the right to be assigned on certain roles or lead certain types of business activities connected with supplying of goods, works performance, and services rendering that are the subject of the procurement, or an administrative punishment in the form of disqualification;
				5. the bidder in the SMB competitive procurement has no cases of application of administrative punishment stipulated by Article 19.28 of the Code of Administrative Offenses of the Russian Federation;
				6. compliance of the bidder in the SMB competitive procurement with the Russian legislation requirements set forth in the competitive procurement documentation for entities supplying goods, performing works, and rendering services that are the subject of the procurement, if according to the legislation of the Russian Federation, information and documents proving such compliance are published in open and publicly available state registers in the Internet information and communications network (with indication of a website or web-page address in the Internet information and communication network, where the information and documents are published);
				7. the bidder in the SMB competitive procurement has exclusive rights on results of an intellectual activity, if the Customer receives rights on such results in connection with a contract fulfillment;
				8. the bidder in the SMB competitive procurement has rights on results of an intellectual activity in case of their usage for the purposes of such contract fulfillment;
			10. a proposal of the bidder in the SMB competitive procurement with respect to the subject of such a procurement;
			11. copies of documents proving compliance of the goods, works, or services that are the subject of the procurement, with the requirements set forth according to the legislation of the Russian Federation in case the requirements are in compliance with the legislation of the Russian Federation, and a list of such documents is required by the competitive procurement documentation. At this, the above mentioned documents shall not be required if in accordance with the legislation of the Russian Federation they shall be provided together with the goods;
			12. the name of the country of origin of the supplied goods (if the goods are procured or supplied to the Customer for procured works fulfillment or services rendering), a document, proving the goods origin, provided by the Decree of the Government of the Russian Federation adopted in accordance with Clause 1 of Part 8 of Article 3 of Federal Law No. 223-FZ;
			13. a contract price proposal (price of a lot or a unit of goods, works or services) except for electronic auction.
		6. A bid for an electronic competitive tender or a request of proposals in electronic form consists of two parts and a contract price proposal (price of a lot or a unit of goods, works, or services) of a bidder. The first part of the bid shall include information and documents stipulated in subclause 10 of Clause 45.6.7, and also information and documents regarding the criteria and procedure of assessment and comparison of bids for such procurement that are applied by the bidders to goods, works, and services and contract terms and conditions (in case they are established in the competitive procurement documentation). The second part of the bid shall include information and documents stipulated in subclauses 1–9, 11 and 12 of Clause 45.6.7, and also information and documents regarding the criteria and procedure of assessment and comparison of bids that are applied to bidders of the SMB competitive procurement (if the criteria are established in the competitive procurement documentation). At this the information and documents shall be included into the bid for an electronic auction or an electronic request of proposals in case an obligation of their provision is established in compliance with Clause 45.6.7 of the Regulations.
		7. A bid for an auction in an electronic form consists of two parts. The first part of the bid shall include information and documents stipulated in subclause 10 of Clause 45.6.7 of the Regulations. The second part of the bid shall include information and documents stipulated in subclauses 1–9, 11 and 12 of Clause 45.6.7. of the Regulations. At this the information and documents shall be included into the bid for an electronic auction in case an obligation of their provision is established in compliance with Clause 45.6.7 of the Regulations.
		8. If the Customer has established an appropriate obligation, a bid for an electronic request for quotations shall include information and documents stipulated in Clause 45.6.7 of the Regulation.
		9. A declaration stipulated in subclause 9 of Clause 45.6.7 of the Regulation is provided as a part of a bid for an SMB competitive procurement using the ETP software and hardware.
		10. If the first part of a bid for an electronic competitive tender, an electronic auction, or an electronic request for proposals contains information about the bidder in this competitive tender, auction, or request for proposals and/or about the price proposal, this bid will be rejected.
		11. Within one (1) business day after the ETP operator sending the results of the comparison of price proposals and additional price proposals performed by the ETP operator, as well as information about the price proposals and additional price proposals of each bidder, and the first or second parts of bids submitted by bidders, the procurement body will assign a serial number to each bid on the basis of the results of bids assessment and in a descending order of profitability of contract terms provided in them. The first serial number will be assigned to a bid for an electronic competitive tender or an electronic request for proposals containing the best contract terms and the lowest prices in case an electronic auction or an electronic request for quotations are carried out. If several bids contain the same contract terms in terms of profitability or the same price proposals, a lower serial number is assigned to the bid that was received earlier than other bids.
		12. The customer draws up the final protocol in accordance with the requirements of Clause 29.15.4 of the Regulations and publishes it on the ETP and in the UIS.
		13. Following an SMB only competitive procurement, a contract will be made using the ETP software and hardware, which shall be signed with an electronic signature of the person entitled to act on behalf of the bidder in this competitive procurement and the Customer. In the event of disagreements on the draft contract sent by the Customer, the procurement bidder draws up a protocol of disagreements with remarks on the provisions of the draft contract that do not meet the notification and/or competitive procurement documentation and its bid indicating the respective provisions of these documents. The protocol of disagreements is sent to the Customer using the ETP software and hardware. The Customer reviews the protocol of disagreements and sends a revised draft contract to the bidder or re-sends the draft contract indicating in a separate document the reasons for refusal to accept, whether in whole or in part, the remarks contained in the protocol of disagreements.
		14. A contract based on the results of the SMB only competitive procurement is awarded on the terms stated in the draft contract, the competitive procurement documentation, the notification of the competitive procurement, or the invitation to take part in the procurement, and the bid of the respective bidder.
	1. A bidder or subcontractor (co-contractor) is considered to be an SMB if there is information on them in the unified register of SMBs. The Customer has right to require information and documents proving the SMB status from any bidder or subcontractor (co-contractor).
	2. In the process of an SMB only competitive procurement, the Customer may decide o refuse to admit a bidder to the procurement or award it a contract in case there is no information on the bidder or subcontractor (co-contractor) in the unified register of SMBs.
	3. The annual volume of procurement from SMBs is set at minimum 20% of the total annual value of contracts signed by the Customer following the procurement. The total annual value of contracts signed by the Customer with SMBs following the SMB only procurement shall be at least 18% of the total annual value of contracts made by the Customer as a result of procurement. The established values shall apply, unless otherwise provided by the legislation.
	4. The procurement documentation may provide for the assignment of the right of claim (factoring) under contracts for goods (work or services).
	5. The procedure for assignment of the right of claim (factoring) under the contracts for goods supply (works performance or services rendering) executed by the Customer with SMBs on the results of procurements is established by the IRD.
	6. The Customer may publish on its website a partnership program with SMBs which determines, among other things, the procedure for joining this program by SMBs.
	7. If the legislation establishes other terms of SMB participation in the procurement of goods, work, or services of individual types of legal entities, the Regulations will operate in the part that does not contradict such requirements.
1. Procurement of goods of Russian origin or work (services) performed (rendered) by Russian entities
	1. This Clause provisions are applied to:
		* 1. competitive procurements stated in subclause 1 of Clause 13.1.1 of the Regulation, officially published after January 1, 2017;
			2. non-competitive procurements using methods stated in subclauses 3, 4, and 5 of Clause 13.1.1 of the Regulations, for the purposes of compliance with the requirements regarding the share of procurement of goods of Russian origin (including goods supplied in the process of performance of works and rendering of services that are subjects of the procurement) set forth in PP 2013, taking into account some peculiarities stated in Clause 46.12 of the Regulation.
	2. Pursuant to GD 925, the Customer establishes the priority of goods, work, or services procured that originate in Russia or are performed by Russian persons over goods, work, or services being of foreign origin or performed by foreign persons (hereinafter in this article the “priority”).

In the event of procurement of products used for implementation of national projects or a comprehensive plan for modernization and expansion of trunk infrastructure, the priority is established for procurement of Russian products listed in the appendix to Order of the Ministry of Finance of Russia No. 126n “On the terms of admission of goods originating from a foreign country or a group of foreign countries for procurement of goods to satisfy state and municipal needs” dated June 4, 2018 (as amended by Order No. 165n dated October 14, 2019) in accordance with the provisions of GD 925.

* 1. For competitive procurement (except for an auction), bids assessment and comparison (Clause 29.11 of the Regulation) with proposals on supply of goods of Russian origin or performance of works and (or) rendering of services by Russian entities is performed on the basis of the proposed contract priced decreased by 15%, at this contracts are made using the contract price stated in the bid.
	2. Following the procurement, the contract is made (Article 35 of the Regulations):
		+ 1. at the contract price stated in the bid (Clause 46.3 of the Regulation);
			2. at the contract price decreased by 15% of the contract price proposed in the bid during an auction and subject to the following conditions:
				1. the bidder has submitted a proposal of goods originating from a foreign country or work and/or services performed/rendered by foreign entities;
				2. the contract price proposed by the bidder during an auction is not reduced to zero;
			3. at the contract price increased by 15% of the contract price proposed in the bid during the auction and subject to the following conditions:
				1. the bidder has submitted a proposal of goods originating from a foreign country or work and/or services performed/rendered by foreign entities;
				2. the contract price proposed by the bidder during an auction was reduced to zero and the auction for the right to enter into the contract was held.
	3. To receive a priority in competitive procurement, the procurement documentation (Clause 27.4.2) of the Regulations) shall additionally include the following information:
		+ 1. The requirement for the bidder to indicate (declare) in the bid (or in the applicable part of the bid with the proposal of goods) the full name of the country of origin of goods supplied as per the All-Russian Classifier of World Countries;
			2. A provision on the bidders’ liability for the submission of false information about the country of origin of goods stated in the application;
			3. Information about the initial (maximum) unit price of each product (work or services) procured;
			4. The condition that if the bid does not include the name (declaration) of the country of origin of goods supplied, this shall not be the ground for a rejection of the bid and the bid will be deemed as containing a proposal of foreign goods;
			5. The condition that for the purpose of establishing the ratio of the price of goods, work, or services being of Russian and foreign origin or performed by Russian and foreign persons in cases stipulated in paragraphs 46.6.4) and 46.6.5) of the Regulations, the unit price of each product, work, or service is determined as the product of the initial (maximum) unit price of the product, work, or service stated in the procurement documentation as per Clause 46.5.3) of the Regulations by the coefficient of change in the IMP following the procurement determined as a result of dividing the contract price, at which the contract is made, by the IMP;
			6. The condition for classifying bidders as Russian or foreign on the basis of the bidders’ documents containing information about the place of their registration (for legal entities and individual entrepreneurs) or on the basis of identity documents (for individuals);
			7. Indication in the contract, concluded as a result of the procurement, of the country of origin of goods supplied on the basis of the information contained in the bid submitted by the bidder with whom the contract is signed;
			8. The provision on concluding the contract with the bidder who offered the same contract terms as the winning bidder or whose proposal contains the best contract terms after the terms proposed by the winning bidder who has been recognized as evading entering into the contract;
			9. The condition that during the performance of the contract concluded with the bidder who was granted the priority it is not allowed to replace the country of origin of goods, except where as a result of such replacement Russian goods are supplied instead of foreign goods, and the quality, technical and functional characteristics (consumer properties) of such goods shall not be inferior to the quality and technical and functional characteristics of goods stated in the contract.
	4. Priority is not granted in the following cases:
		+ 1. The competitive procurement is invalidated and the contract is concluded with the sole bidder in the failed competitive procurement (Cause 33.1 of the Regulations);
			2. The bid does not contain a proposal of goods of Russian origin or work and/or services performed by Russian entities;
			3. The bid does not contain a proposal of goods originating from a foreign country or work and/or services performed/rendered by foreign entities;
			4. In the event of a competitive tender, a request for proposals, or a request for quotations, the bidder submitted a bid with a proposal of goods of Russian and foreign origin, or work and/or services performed by Russian and foreign persons, where the cost of goods of Russian origin, or work and/or services performed by Russian persons accounts for less than 50% of the cost of all goods, work, or services proposed in the bid;
			5. In the event of an auction, the bidder submitted a bid with a proposal of goods of Russian and foreign origin, or work and/or services performed by Russian and foreign persons, where the cost of goods of Russian origin, or work and/or services performed by Russian persons accounts for more than 50% of the cost of all goods, work, or services proposed in the bid.
	5. Procure coal (oil shale) and/or coal derivatives (hereinafter the “coal products”) directly from producers of coal products or from companies belonging to the same group of persons with the producers of coal products, with the provision of calculations / confirmation of the delivery price from a coal producer, under contracts for the supply of coal products of only over one year.
	6. Procure oil and gas chemical products mainly from Russian manufacturers.
	7. Procure automotive, agricultural, road-building, and municipal equipment, transport engineering and mechanical engineering products for the food and processing industry, as well as metal products, including large-diameter pipes, mainly from Russian manufacturers, except if there is no facilities for production of such products or their analogues in the territory of the Russian Federation.
	8. Procure protective equipment against radiation, chemical and biological factors mainly from Russian manufacturers.
	9. If the legislation establishes other priorities and the conditions of their use, the Regulations will operate in the part that is not contrary to the established legislative provisions.
	10. In case of holding a non-competitive procurement stipulated in subclause 2 of Clause 46.1 of the Regulation, the following peculiarities shall be considered:
		+ 1. The procurement documentation shall include a requirement for registration of the goods offered for procurement in registers mentioned in Clause 2 of PP 2013 and provision of information on the respective registration numbers by the bidders;
			2. The registration numbers of the goods offered for procurement shall be stated in the contract awarded on the results of such a procurement;
			3. During fulfillment of a contract made on the results of such a procurement, a prohibition to change goods registered in one of the registers stipulated in Clause 2 of PP 2013 for non-registered goods is established.
1. Participation of foreign bidders in procurement procedures
	1. The provisions of this article apply to the procurement from foreign bidders.
	2. When participating in a procurement procedure, foreign bidders shall meet the requirements established in the procurement documentation. Foreign bidders shall be entitled to conclude and perform the contract, be registered as a subject of civil law, and have all the necessary permits to operate in accordance with the legislation of the country in which they are located or sale products and the legislation of the Russian Federation. If a bidder involves a foreign subcontractor (co-contractor), similar requirements may be set for such subcontractors (co-contractors).
	3. To unify the bids submitted by Russian and foreign bidders, the procurement documentation may contain a procedure for determining the present value of a foreign bidder’s proposal, taking into account the price adjustment for the Customer’s additional costs for the import of products (customs fees and duties, and value added tax charged when crossing the customs territory, as well as other additional costs of the Customer associated with the import of products), the payment of which by a foreign bidder cannot be ensured as per the legislation. The indicated price adjustment shall only apply for the purpose of correct comparison of bids of Russian and foreign bidders.
	4. The Customer shall not deem as force majeure the sanctions imposed by countries in which foreign bidders are registered, if such sanctions are not approved by the United Nations in the prescribed manner.
2. Procurement for projects in foreign countries
	1. The provisions of this article apply to procurement procedures that are carried to implement projects in foreign countries, with the exception of procurement related to the performance of a contract made by the Customer with a foreign legal entity for the delivery of goods, performance of works, or rendering of services outside the Russian Federation.
	2. Branches, representative offices, and other stand-alone divisions of the Customer located and operating outside the Russian Federation shall ensure compliance of procurement procedures, including planning and reporting, with the requirements of the Regulations.
	3. If procurement is organized in a foreign country, the Customer shall fully comply with the provisions of the applicable national legislation, and the Regulations in the part that is not contrary to national legislation.
	4. After official publication of information about the published (open) procurement, the Customer may publish information about such procurement in the country’s mass media. The scope and form of the information published is determined by the Customer subject to the foreign country’s legislation.
	5. If a legislative act or customary business practice of a foreign country provides for a form of requesting information from suppliers for the purpose of procurement other than established by the Regulations, the Customer may conduct procurement from a sole supplier, choosing the supplier based on a market analysis performed by submitting such requests.
3. Major procurement
	1. The provisions of this article apply to major procurement. Major procurement refers to:
		* 1. Procurement with the IMP of 500,000,000 rubles or more, including VAT; or
			2. Procurement with the resulting contract price of 500,000,000 rubles or more, including VAT.
	2. Major published (open) competitive procurement is performed in accordance with the procedure established by the Regulations subject to the following specifics:
		* 1. The preferred procurement method, depending on the subject of the contract, is a competitive tender or an auction;
			2. A mandatory announcement is made of the procurement, and a conference is held (as applicable) (Article 28 of the Regulations);
			3. The notification and the procurement documentation are officially published:
				1. for a competitive tender — no later than 45 business days before the deadline for bids submission;
				2. for an auction — no later than 45 business days before the deadline for bids submission;
				3. for a request for proposals (tender or special tender) — no later than 20 business days before the deadline for bids submission;
				4. for a request for quotations (request of prices or special request for prices) — no later than 20 business days before the deadline for bids submission;
			4. In the event of a competitive procurement, the envelopes with bids are opened in public with invitation of representatives of suppliers who have submitted bids (except for electronic procurement); the procurement organizer makes audio and/or video recording of the opening of envelopes.
4. Appeal of actions (omission) of the customer, procurement organizer, procurement body
5. Right to appeal
	1. Any procurement bidder has the right to appeal, in the manner and in cases prescribed by the legislation, against the actions (omission) of the Customer or the ETP operator when procuring goods, work, or services, if such actions (omission) violate the rights or legitimate interests of the procurement bidder.

 If the actions (omission) appealed against are committed by the Customer or the ETP operator after the expiry of the deadline for the submission of bids for the competitive procurement as set in the competitive procurement documentation, such actions (omission) may only be appealed against by bidders who have submitted bids for the procurement.

* 1. Actions (omission) as per Clause 50.1 of the Regulations shall be appealed against by:
		+ 1. Sending a complaint to the Customer. The procedure for submitting complaints is published on the Customer’s website;
			2. Applying to the antimonopoly body or to court as prescribed by the legislation.
1. Deadline for sending complaints to the Customer
	1. Complaints may be sent after the official publication of the procurement documentation within the following period:
		* 1. By the expiry of the deadline for the submission of bids as set in the procurement documentation, if the supplier does not submit a bid;
			2. Within ten (10) days after the official publication of the procurement protocol, including on the procurement invalidation or refusal to conduct procurement, if the bidder submits the bid.
2. Responsibility of procurement subjects. List of unscrupulous suppliers.
ATTESTATION OF SUPPLIERS.
3. Responsibility of procurement subjects
	1. Members of the Customer’s governing bodies and employees involved in procurement activities shall be personally responsible for compliance with the legislation, the Regulations, the IRDs and/or ORDs.
	2. Unless the legislation expressly provides otherwise, the types of violations and the scope of responsibility are established by IRDs and/or ORDs. The Customer may provide that liability incurred by an employee under the law may be supplemented with liability established by IRDs and/or ORDs.
	3. Persons involved by the Customer in the procurement processes on a contractual basis shall be held liable in accordance with the legislation and the terms of the applicable contracts.
	4. The responsibility of suppliers, bidders, qualified bidders, and winning bidders is determined by the procurement documentation, and for counterparties – also by the contract signed with them.

52.4.1. Subject to the fulfillment of all of the below conditions:

the supplier violated its obligations under the contract (including delay in performance) in 2020,

the said violation (including delay) was caused by the spread of the new coronavirus infection COVID-19 and/or restrictive measures taken by governmental authorities to suppress such spread,

the above circumstances were unforeseen, extraordinary, unavoidable and irresistible for the supplier,

the supplier may be exempted from liability for such violation (in terms of delay in performance, the exemption from liability applies to the period of delay within 2020 and in respect of which all of the above conditions are fulfilled).

* 1. The Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA is responsible for procurement from a sole supplier.
1. List of unscrupulous suppliers
	1. The Customer may provide for a list of unscrupulous suppliers.
	2. The rules for the formation and maintenance of this list (including the list of violations that are the basis for inclusion in the list, the methods of proving violations, the appeal procedure, the period of inclusion in the list) are established in an IRD and published on the Customer’s website.
2. Attestation of suppliers
	1. Attestation has the purpose to determine the compliance of suppliers with mandatory requirements (Clause 22.1.3 of the Regulations) set by the Customer for bidders. The list of requirements and documents required for attestation is determined by the Customer.
	2. The rules for the formation and maintenance of this list (including the list of documents required for attestation, the procedure for their submission and review, and the period of inclusion in the list) are established in an IRD and published on the Customer’s website.
	3. When conducting procurement procedures, the Customer may allow suppliers included in the list of attested suppliers not to provide individual documents that they previously submitted for attestation, except for documents that have been amended and documents that have become invalid as of the date of the bid, however, the Customer has the right to assess the qualification of bidders included in the register of certified suppliers in accordance with the requirements of the procurement documentation.

Appendix No. 1

**Technical selection procedure**

1. The technical selection procedure (hereinafter the “Procedure”) determines the list of products procured based on the results of the technical selection, as well as the rules for the preparation and conduct of such selection.
2. Technical selection may be conducted for the following products:
	1. Automotive equipment and special vehicles
		1. Trucks (dump trucks, flatbed, truck tractors with a manipulator crane) valued over 5,000,000 rubles, including VAT;
		2. Urban and suburban buses (medium and large class);
		3. Specialized equipment on a vehicle chassis (hydraulic lifts, fuel tankers, tanks, concrete mixers, vacuum, drilling, road, shift buses, laboratories, repair shops, mixing and charging machines, etc.);
		4. Towed vehicles (trailers, semi-trailers, trawls, semi-trawls) valued over 5,000,000 rubles, including VAT.
	2. Equipment for open pit mining:
		1. Dragline and hydraulic excavators;
		2. Drilling rigs;
		3. Crawler and wheeled bulldozers;
		4. Frontal loaders;
		5. Graders;
		6. Compaction rollers;
		7. Mining dump trucks, heavy road trains.
	3. Equipment for underground mining:
		1. Lifting machines;
		2. Main ventilation fans;
		3. Drilling units;
		4. Loading and delivery vehicles: loading and delivery vans; dump trucks; auxiliary self-propelled equipment;
		5. Harvesters and compressors valued over 5,000,000 rubles, including VAT (for imported ones – in foreign currency in an amount equivalent to the indicated ruble value determined at the rate of the Central Bank of the Russian Federation (hereinafter the “Bank of Russia”) as of the expiry date of the deadline for the submission of proposals by suppliers within the scope of technical selection (hereinafter the “proposal”) or the date stated in the proposal);
		6. Pumping units and compressors valued over 5,000,000 rubles, including VAT (for imported ones – in foreign currency in an amount equivalent to the indicated ruble value determined at the rate of the Bank of Russia as of the expiry date of the deadline for the submission of the proposal or the date stated in the proposal);
		7. Fans for local ventilation valued over 5,000,000 rubles, including VAT (for imported ones – in foreign currency in an amount equivalent to the indicated ruble value determined at the rate of the Bank of Russia as of the expiry date of the deadline for the submission of the proposal or the date stated in the proposal);
	4. Equipment for dressing plants:
		1. Crushing and grinding equipment: crushing and screening plants; complete concentration plants; mills, screens, jigging machines, separators;
		2. Imported process pumps the cost of which exceeds the equivalent of 5,000,000 rubles, including VAT, determined at the rate of the Central Bank in effect as of the deadline for the submission of the proposal or the date stated in the proposal;
		3. Screening surfaces (excluding metal);
	5. Hoisting-and-transport machines:
		1. Automobile cranes;
		2. Pneumatic cranes;
		3. Crawler cranes;
		4. Automatic loaders and manipulators valued over 5,000,000 rubles, including VAT (for imported ones – in foreign currency in an amount equivalent to the indicated ruble value determined at the rate of the Bank of Russia as of the expiry date of the deadline for the submission of the proposal or the date stated in the proposal);
	6. Main conveyors;
	7. Auxiliary mine equipment;
	8. Portal cranes;
	9. Power and electrical equipment:
		1. Complete diesel or gas power plants with a capacity of over 400 kW;
		2. Converters for electric drive control of over 1,000 V;
		3. Complete switchgears of over 1,000 V;
		4. Complete transformer substations and transformers with a capacity of over 1,000 kW;
	10. Special equipment for individual use which is not mass produced valued over 25,000,000 rubles, including VAT (for imported equipment – in foreign currency in an amount equivalent to the indicated ruble value);
	11. Imported oils, filters, and other nomenclature, where necessary, agreed with the respective technical selection commission;
	12. Contracts for complex work, including design, supply of equipment, installation supervision and commissioning with a total value of more than 25,000,000 rubles including VAT (for imported ones – in foreign currency in an amount equivalent to the indicated ruble value).
	13. Other products not mentioned in Clauses 2.1–2.12, based on the decision of the Company’s chief engineer.
3. Technical selection is a pre-procurement procedure and is conducted before the commencement of the procurement (official publication of the notification and the procurement documentation) with the purpose to establish or specify technical requirements for products.
4. Technical selection is conducted by the technical commission. The list of technical commissions, their members and work procedure are established by the IRD.
5. The Customer’s employees and invited experts in the applicable field may be involved in the work of the technical commission and to participate in the commission’s meetings.
6. Technical selection includes the following stages:
	1. Announcement of a technical selection, preparatory work;
	2. Notification of suppliers about the technical selection and requesting necessary information (proposals) from them;
	3. Conduct of the technical selection.
7. Preparatory work is carried out on the basis of the Customer’s terms of reference (technical requirements).
8. The technical commission ensures open publication of the notification of the technical selection on the Customer’s website and in other sources established by the IRD or by the resolution of the technical commission. The text of the notification (with obligatory indication of the scope of information requested and the timelines of its provision by suppliers) is approved by a resolution of the technical commission.
9. At the stage of preparatory work, in addition to the information provided by suppliers, the market situation for the relevant products is examined and a preliminary qualification assessment of the suppliers of such products is performed.
10. When studying the product market, the possible costs for the purchase and maintenance of products are taken into account, including the estimated transportation costs, insurance and other fees, excise taxes, taxes, and customs duties.
11. The technical commission determines suppliers who are recognized as supplying products that comply with the terms of reference (technical requirements) and sends invitations to such suppliers to participate in the further technical selection procedure. The text of the invitation (with obligatory indication of the scope of information requested and the timelines of its provision by suppliers) is approved by a resolution of the technical commission. The rest of the suppliers who provided information for the preliminary stage are notified of the termination of the technical selection procedure for them.
12. Further technical selection of products is conducted as proposals are received from the suppliers of such products.
13. During the technical selection procedure:
	1. Technical and process parameters of proposals from suppliers are verified for their compliance with the Customer’s terms of reference (technical requirements);
	2. The configuration and completeness of future deliveries of products are determined, if necessary;
	3. The operating costs, heat and power indicators, possibilities of further improvement and modernization of products are assessed and compared;
	4. The levels of maintenance, material and technical support of products on the part of their suppliers are compared, if necessary;
	5. The useful life of products is compared, if necessary;
	6. Other comparison parameters are defined, if necessary.
14. Based on the results of technical selection:
	1. Pursuant to the requirements of Article 19 of the Regulations, the technical commission makes a decision (with an appropriate justification) on whether it is possible to include the requirements or instructions in the subject of the procurement concerning the trademarks, service marks, trade names, patents, utility models, industrial designs, the country of origin of goods, as well as on the inclusion/non-inclusion of the words “(or equivalent)” (with a reference to a specific basis);
	2. If necessary, changes are made to the terms of reference (technical requirements).
15. For the purpose of technical selection of the main equipment used in the design of the Customer’s facilities the development of which requires completion of the “design documentation” stage, the Yakutniproalmaz Institute, the Customer’s division, will in accordance with the Customer’s terms of reference (technical requirements) include the development of the pre-design stage for the selection of the main equipment in the survey and design plan and submit a report to the Customer.
16. On the basis of the report of the Yakutniproalmaz Institute, the Customer will submit proposals for the selection of the main equipment included in the design documentation to the technical commission for approval.
17. The Customer may approve a document defining the specifics of interaction between the Customer’s divisions during the technical selection of suppliers of the main equipment used in the design of the Customer’s facilities.
18. The results of the technical selection and the resolutions of the technical commission are documented in the minutes of the meeting of the technical commission which is to be approved by Company’s chief engineer. Based on the approved minutes, final terms of reference (technical requirements) are formed to be included in the procurement documentation in the prescribed manner.
19. The information on the results of technical selection of products is confidential.

Appendix No. 2

**List of Related Parties of PJSC ALROSA**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of a company/ person | INN (Taxpayer Identification Number,for residents of the Russian Federation) | Place of registration (country) | Information on including the place of registration in the List of offshore areas approved by the Ministry of Finance of Russia in accordance with subclause 1 of Clause 3 of Article 284 of the Tax Code of the Russian Federation | A special taxation regime is applied: ESKhN (Unified Agricultural Tax) or ENVD (Unified Tax on Inputed Income), participation in Skolkovo project(for companies that are residents of the Russian Federation) | Grounds (basis) for interdependence of Article 105.1 of the Tax Code of the Russian Federation | Effective date of grounds (basis) for interdependence  |
|
|
|
|
|
| **1** | **2** | **4** | **5** | **6** | **7** | **8** | **9** |
| **1** | **Aykhaltransgas Limited Liability Company** | **1433032290** | Russia |  |  | 1, 4, 9 | December 13, 2019 |
| **2** | **ALROSA-Torg Joint Stock Company** | **1433015023** | Russia |  |  | 1, 4 | January 1, 2012 |
| **3** | **ALROSA Airlines Joint Stock Company** | **7805004321** | Russia |  |  | 1, 4 | January 1, 2012 |
| **4** | **Limited Liability Company ALROSA-Okhrana** | **1433018056** | Russia |   |   | 1, 4, 9 | January 1, 2012 |
| **5** | **DIAMONDS ALROSA Limited Liability Company** | **2222049579** | Russia |   |   | 1, 4 | January 1, 2012 |
| **6** | **ALROSA Hong Kong Limited** |  | Hong Kong |  |   | 1, 4 | January 1, 2012 |
| **7** | **ALROSA OVERSEAS S.A.** |  | Switzerland |   |   | 1, 4, 9 | January 1, 2012 |
| **8** | **ALROSA EAST DMCC** |  | UAE | Yes |   | 1, 4 | January 1, 2012 |
| **9** | **ALROSA USA Inc.** |  | dollars |   |   | 1, 4 | January 1, 2012 |
| **10** | **ALROSA-Gaz Joint Stock Company** | **1433014654** | Russia |   |   | 1, 4 | January 1, 2012 |
| **11** | **ALROSA BELGIUM** |  | Belgium |   |   | 1, 4 | January 1, 2012 |
| **12** | **Severalmaz Public Joint Stock Company** | **2901038518** | Russia |   |   | 1, 4 | January 1, 2012 |
| **13** | **Northern Mining and Geological Company “Terra” Limited Liability Company** | **2901296766** | Russia |   |   | 1, 4, 9 | January 1, 2012 |
| **14** | **Vilyuiskaya HPP-3 Joint Stock Company** | **1433015048** | Russia |   |   | 1, 4 | January 1, 2012 |
| **15** | **ALROSA-Nyurba Joint Stock Company** | **1419003844** | Russia |   |   | 1, 4 | January 1, 2012 |
| **16** | **Limited Liability Company Health complex “Prometheus”**  | **2365027728** | Russia |   |   | 1, 4 | March 29, 2018 |
| **17** | **HIDROCHICAPA S.A.** |  | The Republic of Angola |   |   | 1, 4 | January 1, 2012 |
| **18** | **Zarnitsa Limited Liability Company**  | **1433031762**  | Russia  |  |  | 1, 4, 9  | July 16, 2018  |
| **19** | **Almazy Anabara Joint Stock Company** | **1435152770** | Russia |   |   | 1, 4 | January 1, 2012 |
| **20** | **ALROSA-Spetsbureniye Limited Liability Company** | **1433017302** | Russia |   |   | 1, 4 | January 1, 2012 |
| **21** | **Limited Liability Company “Yakutsk Generating Company”** | **1435326056** | Russia |   |   | 1, 4, 9 | October, 24, 2017 |
| **22** | **Limited Liability Company “Lensk Heat and Electric Networks Enterprise”** | **1414015003** | Russia |   |   | 1, 4 | January 1, 2012 |
| **23** | **Mining and Metallurgical Company “Timir” Closed Joint Stock Company** | **1434036925** | Russia |   |   | 1, 4 | January 1, 2012 |
| **24** | **SOCIEDARE MINEIRADE CATOCA Lda** |  | The Republic of Angola |   |   | 1 | January 1, 2012 |
| **25** |  **Almazny Mir Joint Stock Company** | **7712106070** | Russia |   |   | 1 | January 1, 2012 |
| **26** | **ALROSA (ZIMBABWE) LIMITED** |  | The Republic of Zimbabwe |  |  | 1, 4, 9 | December 6, 2018 |
| **27** | **ALROSA-Okhrana Center Limited Liability Company** | **7743677927** | Russia |   |   | 1, 4, 9 | January 1, 2012 |
| **28** | **Diamond Science and Technology Center Limited Liability Company** | **7751060422** | Russia |   |   | 1, 4, 9 | August 2, 2017 |
| **29** | **ALROSA ISRAEL LTD** |  | Israel |   |   | 1, 4 | January 1, 2012 |
| **30** | **Innovation Center “Burevestnik” Joint Stock Company** | **7814687586** | Russia |   |   | 1, 4 | February 22, 2012 |
| **31** | **ALROSA FINANCE S.A.** |  | Luxembourg |   |   | 1, 4, 9 | January 1, 2012 |
| **32** | **Sunland Trading S.A.** |  | Switzerland |   |   | 1, 4, 9 | January 1, 2012 |
| **33** | **COLLADE MANAGEMENT LIMITED** |  | The Republic of Cyprus  |  |  | 1, 4, 9 | November 7, 2017  |
| **34** | **WARGAN HOLDINGS LIMITED** |  | The Republic of Cyprus |   |   | 1, 4, 9 | August 7, 2015 |
| **35** | **Limited Liability Company Private Security Organization “Almaz”** | **2901118594** | Russia |   |   | 1, 4, 9 | July 1, 2013 |
| **36** | **KIMANG, LDA** |  | The Republic of Angola |   |   | 1, 4, 9 | May 21, 2015 |
| **37** | **Limited Liability Company “Heat and Water Supply Enterprise”** | **1433029788** | Russia |   |   | 1, 4 | June 29, 2016 |
| **38** | **ALROSA Information Technology Limited Liability Company** | **5407976532** | Russia |  |  | 1, 4, 9 | October 28, 2019 |
| **39** | **Limited Liability Company ALROSA Business Service** | **1433031360** | Russia |  |  | 1, 4, 9 | April 11, 2018 |
| **40** | **Almazdortrans Limited Liability Company** | **1414017258** | Russia |  |  | 1, 4 | July 30, 2018 |
| **41** | **Limited Liability Company “Yakutsk Electric Grid Company”** | **1435335460** | Russia |  |  | 1, 4, 9 | September 7, 2018 |
| **42** | **Limited Liability Company Airport “Mirny”** | **1433026530** | Russia |  |  | 1, 4 | April 18, 2019 |
| **43** | **Limited Liability Company “Vedomstvennaya Okhrana ALROSA”** | **1433026787** | Russia |  |  | 1, 4 | July 9, 2019 |
| **44** | **Joint Stock Company Production Association “Kristall”** | **6731044928** | Russia |  |  | 1, 4 | October 3, 2019 |
| **45** | **“ALROSA” Jewelery Group Limited Liability Company** | **6731040514** | Russia |  |  | 1, 4, 9 | October 3, 2019 |
| **46** | **Limited Liability Company “Diamond-Service”** | **6731024287** | Russia |  |  | 1, 4, 9 | October 3, 2019 |
| **47** | **Limited Liability Company “Gagarin”** | **6723009038** | Russia |  |  | 1, 4, 9 | October 3, 2019 |
| **48** | **Company Limited by Shares “Smolensk Diamonds Asia Limited”** |  | Hong Kong |  |  | 1, 4, 9 | October 3, 2019 |
| **49** | **Public Limited Company “Smolensk Diamonds”** |  | Belgium |  |  | 1, 4, 9 | October 3, 2019 |
| **50** | **Limited Liability Company “Kristall (Middle East) DMCC”** |  | UAE | Yes |  | 1, 4, 9 | October 3, 2019 |
| **51** | **Smolensk Diamonds (Israel) LTD** |  | Israel |  |  | 1, 4, 9 | October 3, 2019 |
| **52** | **Smolensk Diamonds USA, Inc.** |  | dollars |  |  | 1, 4, 9 | October 3, 2019 |
| **53** | **“Kristall” Jewelery Center Limited Liability Company** |  | The Republic of Armenia |  |  | 1, 4 | October 3, 2019 |
| **54** | **“ALROSA-LENA” Shipping Company Joint Stock Company** | **1414007933** | Russia |   |   | 1, 4 | January 1, 2012 |

1. The contract also includes appendices that are its integral part, protocols of discrepancies, discrepancy resolution protocols, supplementary agreements, other documents, contracts (specifications, instructions, etc.) agreed and/or signed by the parties that contain provisions supplementing, amending, or terminating the contract. [↑](#footnote-ref-2)
2. Measurability is a property of a measurement object. Generally, measurability for procurement purposes is characterized by the ability to convert characteristics into numerical values, including: 1) In a way that does not depend on the observer (formula, expert curve, etc.); 2) In a way that depends on the observer (expert opinion). [↑](#footnote-ref-3)
3. For filling out reporting forms, such procurement is considered successfully held, including in a competitive way (unless the legislation provides otherwise). For internal reporting, such procurements are taken record of and reported separately. [↑](#footnote-ref-4)
4. Hereinafter, the provisions providing for possible stages of the SMB only competitive procurement shall not be interpreted restrictively: the procurement documentation may provide for other stages, if this is not contrary to the essence of the procurement method and the ETP regulations. [↑](#footnote-ref-5)