

Manual
on Procedure of Procurement of Goods, Works and Services
at SE NNEGC Energoatom

Background

Nuclear power industry has a number of economic peculiarities which make it different from other industries. The priority of nuclear and radiation safety over economic and production goals makes the fundamental difference between nuclear power facilities and those of other industries. Safety is directly associated with equipment, environment, production management and human resources.

Long-term development plans of SE NNEGC Energoatom comprise implementation of the wide-range safety upgrade program and lifetime extension of operating NPPs , a number of priority investment projects, in particular, nuclear new build projects, construction of a central spent fuel storage facility, completion of the Tashlyk Hydro Pumped Storage Power Plant and other, maintenance and repair programs providing for a large orders of equipment and services of engineering, construction and installation companies and equipment manufacturers.

SE NNEGC Energoatom is interested in the most efficient implementation of production projects and works continuously to improve the procurement system, purchased product quality control, and, eventually, to enhance the Company's competitiveness in the whole. It is very important for SE NNEGC Energoatom to build up a transparent and effective system of interaction with contractors who are interested in establishing long-term fruitful, mutually beneficial relationship.

In December, 2015 the Verkhovna Rada (Parliament) of Ukraine passed the Law "On Public Procurements" (hereinafter referred to as "Law"). On April 1, 2016 use of electronic procurement system (e-procurement system) became obligatory for all central executive authorities and customers that operate in specific fields of economy, including SE NNEGC Energoatom and its separated subdivisions. Energoatom is among the first state owned companies that have already joined the system at the stage of Pilot Project on implementation of the e-procurement system.

ProZorro e-procurement system pursues a number of strategic goals, namely, to make procurement process transparent, simple and easy, to implement an electronic workflow, to involve representatives of business, to assure easy public access to the procurement related information, to allow for prompt disputing tender results and to obtain necessary explanations on the questions that may arise.

We believe that this Manual will help prepare for participation in SE NNEGC Energoatom's procurement procedures and participate therein on transparent and purely competitive conditions.

Step 1. Review of the Legislative and Statutory Framework that Governs Procurement in SE NNEGC Energoatom

Laws of Ukraine:

- “On Public Procurement” (Law #922-VIII dd. December 25,2015);
- “On the Anti-Monopoly Committee of Ukraine” (Law #3659-XII dd. November 26, 1993)
- “On Electronic Documents and Electronic Workflow” (Law # 851-IV dd. May 22, 2003)
- “On Electronic Digital Signature” (Law # 852-IV dd. May 22, 2003)
- “On Preventing Corruption”(Law # 1700-VII dd. October 14, 2014)

Other statutory acts:

- Resolution of the Cabinet of Ministers of Ukraine “On Approval of the Procedure of E-procurement System Functioning and Performance of Electronic Trading Platform Authorization” (Resolution #166 dd. February 24, 2016);
- Resolution of the Cabinet of Ministers of Ukraine “On Establishing Amount of Payment for Filing a Complaint” (Resolution # 291 dd. March 23, 2016);
- Order of the Ministry of Economic Development “On Approval of the Procedure for Specification of the Procurement Item” (Order # 454 dd. March 17, 2016);
- Order of the Ministry of Economic Development “On Designation of the Web-Portal of the Authorized Body for Procurement within the E-Procurement System and Assuring its Performance” (Order #473 dd. March 18, 2016);
- Order of the Ministry of Economic Development “On Approval of the Procedure of Publishing Information on Public Procurement” (Order # 477 dd. March 18, 2016);
- Order of the Ministry of Economic Development “On Approval of Forms of Documents in the Field of Public Procurement ” (Order #490 dd. March 22,2016);
- Order of the SE “Zovnishtorgvydav Ukrainy” “On Approval of the Procedure for Before - Threshold Procurement” (Order # 35 dd. April 13, 2016).

Step 2. Study of the Needs of SE NNEGC Energoatom

SE NNEGC Energoatom carries out procurements according to the Annual Procurement Plan, which is published on the corporate web-site of the Company (http://atom.gov.ua/ua/zakupki/planned_archive/) and at the web-portal of the Authorized Body on public procurements (<https://prozorro.gov.ua/>).

Appropriate information will allow early learning about the needs of the Company and separate subdivisions, preparation for participation in procurement procedures and obtaining additional information via interactive window “Question-Answer” in the article “Procurement” (zakupki) at the Corporate web-site of the Company (http://atom.gov.ua/ua/zakupki/question_answer/).

Step 3. Preparation for Participation in the Procurement Procedure

The information on procurements by SE NNEGC Energoatom and its separated subdivisions is made public via authorized e-trading platforms at the web-portal of the Authorized Body (<https://prozorro.gov.ua>) in compliance with applicable legislation. Additional information on procurement is published at the corporate web-site of the Company (<http://atom.gov.ua/ua/zakupki/prozoro/>).

The authorized e-trading platforms are as follows (the list may change):

SmartTender.biz	https://smarttender.biz/
ПриватМаркет (Privat Market)	https://privatmarket.ua/
Zakupki.prom.ua	http://zakupki.prom.ua/
PUBLIC BID	https://public-bid.com.ua/
ДЕРЖЗАКУПІВЛІ.ОНЛАЙН (DERZHZAKUPIVLI.ONLINE)	https://www.dzo.com.ua/
E tender	https://bid.e-tender.biz/
Newtend	https://newtend.com/
УКРАЇНСЬКА УНІВЕРСАЛЬНА БІРЖА (UKRAINSKA UNIVERSALNA BIRZHA)	https://tender.uub.com.ua/
ZAKUPKI	https://lp.zakupki.com.ua/

The information on announced tenders is the same at all e-trading platforms. Please, select the platform based on the user-friendliness and service quality. .

Step 4. Participation in Procurement Procedure

To participate in the procurement procedure it is required to register in the e-procurement system via any authorized e-trading platform.

To search for tenders the ID Code of the legal entity of the Company/ its separated subdivision which is **24584661** shall be entered in the Search Box.

To prepare a tender proposal, one should be guided by the tender documents that set up technical requirements for procurement item and supplier qualification criteria, package of required documents and draft contract. Access to these documents is free.

It should be mentioned that adherence to requirements on preparation of tender proposals assures a possibility of participation in the procurement procedure.

Should a supplier have any questions related to participation in respective tender, he may:

- address them to a contact person of the procurement customer as specified in the invitation for tender;
- contact the customer via e-procurement system at the e-mail address tender-naek@direkcy.atom.gov.ua to seek clarification regarding tender documents **no later than 10 days prior to the expiry date** for the tender proposal submission;

- demand from the customer to remedy the breach occurred during procurement procedure.

All referrals for clarifications and remedy of the breaches are made automatically public in the e-procurement system without identification of a person that approached the customer.

Procedure of tender proposal submission

A tender proposal is submitted electronically via e-procurement system. A document with a tender proposal shall be submitted electronically by filling in the electronic forms containing special fields, where the information on pricing, other evaluation criteria (if determined by the customer), the participant's information on his compliance with qualification criteria (criterion), requirements determined in Article 17 of the Law and in the tender documentation shall be specified. After the respective fields in the electronic form are filled in, the participant will have to load the documents as required in the tender documents by the customer.

However, the Law does not provide for submission of the hard copies of the documents required in the tender documents by the customer.

A participant shall be entitled to submit a tender proposal, to make changes therein and withdraw his tender proposal until the expiry date of the tender proposal submission only. Changes in a tender proposal that have been received upon the expiry of the period for submission of tender proposals will not be considered by the e-procurement system.

The electronic format of a tender proposal envisages that a participant of the procurement should fill in all fields in electronic forms. In particular, to fill in the information as follows:

- price of the proposed goods (works, services);
- compliance with the evaluation criteria determined by the customer in the tender documentation;
- his compliance with qualification criteria (criterion) and requirements as specified in Article 17 of the Law as well as in the tender documentation.

In addition, the participant shall load into the system the other documents envisaged in the tender documents. It shall be noted that documents confirming participant's compliance with qualification criteria (criterion) and the documents with technical description of the procurement item shall be loaded in individual files.

It shall be noted, that products for safety related systems shall be supplied from manufacturers who have been evaluated and included in the "List of SE NNEGC Energoatom's Suppliers". If a manufacturer lacks such evaluation, a tender proposal shall contain the manufacturer's consent for such evaluation to be conducted.

Evaluation of manufacturers of safety related equipment of nuclear installations shall be carried out prior to execution of the supply contract according to the QA requirements established in the document COY HAEK 005:2014 "Product Procurement Management. NPP Products Technical Requirements and Delivery Conditions. Regulations for Development, Processing and Treatment. Contents Requirements." (http://atom.gov.ua/ua/about/law_documents/). Evaluation of other manufacturers shall be carried out before the product's supply to NPP (in case works and services are

rendered for safety related systems, it shall be done prior to the partial permit for works and services to be rendered is issued by the NPP's compliance team). In any case the decision shall be taken before the product is supplied to NPP.

E-procurement system will automatically register the tender proposal received from the participant. A notice on receipt of the tender proposal specifying the date and time of e-tender will be sent to the participant to confirm acceptance of his tender proposal.

The time given for the tender proposal submission by a participant shall be no less than 15 calendar days of the date of tender announcement at the web-portal of the Authorized Body. If the announcement on the conduct of the procurement procedure is made public according to Part 4 of Article 10 of the Law, the time for tender proposal submission shall be determined no less than 30 calendar days of the date of the announcement made public.

In the course of the tender proposal submission the established deadlines shall be strictly observed, since the e-procurement system does not accept tender proposals received after the designated deadline for their submission has expired.

Following the review of tender proposals a Protocol of tender proposals review shall be issued in compliance with the format established by the Authorized body. After the Protocol is made public, the e-procurement system shall automatically send notifications to all tender participants, and the list of participants whose proposals have not been rejected according to the Law shall be made public.

In case of procurement whose estimated cost exceeds Euro 133 000.00 for goods and services and Euro 5 150 000.00 for works, only tender proposals of the participants that have not been rejected in compliance with the Law are accepted for evaluation. A review of such tender proposals for the compliance with requirements of the tender documentation shall precede the e-auction.

Step 5. Execution of Contract with the Procurement Procedure Winner.

A Procurement Contract shall be executed according to the Civil Code of Ukraine and the Economic Code of Ukraine, the particularities defined by the Law being considered.

Conditions of the Procurement Contract shall not differ from the contents of the winner's tender proposal in view of the auction results (including the unit price of the goods) or from the participant's proposal price in case of negotiated procurement procedure.

The Contract shall be concluded not earlier than 10 days of the date of notification on intention to conclude a contract has been made public, but no later than 20 days of the date a decision on intention to execute a contract has been made.

The information on the Contracts concluded shall also be made public in the e-procurement system (<https://prozorro.gov.ua/>).

Appealing against the procurement procedure

A physical or a legal entity shall have a right to appeal to the Antimonopoly Committee of Ukraine, which is an authority of appeal, to protect his rights and lawful interests with regard to the decision, action or lack of action of the Customer that contravene with

legislation in the field of public procurement and have resulted in violation of his right or lawful interests.

Antimonopoly Committee of Ukraine <http://www.amc.gov.ua/>

A participant files an appeal in the form of e-document to the authority of appeal via the e-procurement system. After the appellant places the appeal in the e-procurement system, the appeal will automatically be introduced in the register of appeals and its registration card will be generated. The appeal together with the registration card shall be automatically published on the web-portal of the Authorized Body on the day of its placement by the appellant.

Control

If you became a witness or you found out about an act of corruption or other undue action committed by officials or employees of SE NNEGC Energoatom and its separated subdivisions, or uncompetitive conditions were applied to you during the procurement process, you may send a notification thereof using the feedback form, (<http://atom.gov.ua/ua/compliance/feedback/>) that will be reviewed by the respective divisions of the Company within the shortest time possible.