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COMMON PROCUREMENT STANDARDS AND GUIDELINES FOR THE RAIL BALTICA PROJECT



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<u>2.0.</u>	<u>01.01.2019</u>	<p><u>This document supersedes, inter alia, the following previous standalone documents:</u></p> <ol style="list-style-type: none"> 1. Common Procurement Standards and Guidelines for Rail Baltica Project 2. Procurement Policy for Implementation of Rail Baltic / Rail Baltica Project, approved by RB Rail AS Management Board, Decision No 4/3/2017, 13 January 2017 3. Contracting Authority Code of Conduct – Common Procurement Standards and Guidelines for the Rail Baltica Project, April 2017 4. Supplier and Sub-Contractor Code of Conduct – Common Procurement Standards and Guidelines for the Rail Baltica Project, April 2017 5. Minimum Set of Requirements for the Qualification of Economic Operators, in effect from 24 July 2017, approved by RB Rail AS Management Board, Decision No 17/31/2017, dated 24 July 2017 6. Supplier's Declaration 	<u>N/A</u>

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GENERAL PROVISIONS

1. BACKGROUND

- 1.1. Rail Baltica is a new fast conventional double track standard gauge (1435mm) electrified railway line on the route from Tallinn through Pärnu-Riga- Panevėžys -Kaunas to Lithuanian-Polish border, with the connection of Vilnius-Kaunas, and related railway infrastructure in accordance with the agreed route, thus, located in the territories of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania (hereinafter - Rail Baltica) (the “Global Project”).
- 1.2. Global Project is implemented by multiple public institutions and derived private persons in the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania which poses financial, legal and practical challenges given the fact that the Rail Baltica railway infrastructure must be fully interoperable.
- 1.3. Implementation of the Global Project is financed by the European Union through the Connecting Europe Facility and the co-founding of the three Baltic states – the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania, and if necessary from other sources of financing. The Ministry of Economic Affairs and Communications of the Republic of Estonia, the Ministry of Transport of the Republic of Latvia and the Ministry of Transport and Communications of the Republic of Lithuania (hereinafter – Beneficiaries) and RB Rail AS are beneficiaries of the Global Project pursuant to the Connecting Europe Facility grant agreements.
- 1.4. The Beneficiaries of Global Project have designated the Estonian Technical Regulatory Authority, Rail Baltic Estonia OU, Rail Baltica statyba UAB, Lietuvos geležinkeliai AB and Eiropas dzelzceļa līnijas SIA as the national implementing bodies of the Global Project (hereinafter – Implementing Bodies).
- 1.5. RB Rail AS is a joint-stock company established and operating under the laws of the Republic of Latvia. The main business of RB Rail AS is designing, construction and marketing (including branding) of the Rail Baltica railway line. Additionally, RB Rail AS is the coordinating authority of the Global Project.

2. SCOPE OF APPLICATION

- 2.1 This document outlines the standards and guidelines which are applicable to procurement exercises undertaken by RB Rail AS, the Beneficiaries and the Implementing Bodies within the Global Project, including procurement exercises that fall outside the relevant applicable national procurement law. This document shall be published and freely available to economic operators in order to inform them about these standards and guidelines.
- 2.2 These standards and guidelines apply to all procurement exercises undertaken by RB Rail AS, the Beneficiaries and the Implementing Bodies within the Global Project irrespective of the estimated contract value or its subject matter. Exceptions are allowed only in genuinely justifiable cases such as limitations/requirements of the national governments’ e-procurement systems which the Beneficiaries and Implementing Bodies are obliged to use or approved dynamic purchasing systems or in other cases stipulated in this document. This document by itself does not create rights to claim its observance to third parties, e.g. economic operators. The actual requirements for a particular procurement exercise are laid down in the particular respective procurement documents.

- 2.3 In case of any discrepancies between the mandatory provisions of national legislation and this document the mandatory provisions of national legislation, which apply to the particular procurement exercise, shall prevail. Such discrepancies shall be notified to the Head of Procurement of RB Rail AS and recorded on file for audit purposes.
- 2.4 The objective of the parties to whom the requirements in this document apply, is the timely acquisition of the right, to the extent possible and feasible: eco-designed¹, environmentally friendly, socially responsible and complying with labour law provisions, goods, works and services, while addressing:
- (a) The primary goal to construct the Rail Baltica railway;
 - (b) The ensuring of principles of fairness, transparency, equal treatment, non-discrimination, mutual recognition and proportionality through competition, and auditability;
 - (c) Best value for money;
 - (d) Efficient use of resources and minimisation of risks by using common procurement standards and guidelines, procurement document templates and a common minimum set of requirements for the qualification of suppliers and economic operators;
 - (e) Promoting socially and environmentally sustainable procurement;
 - (f) Providing appropriate management of corruption and other related risks.

3. STRUCTURING THE PROCUREMENT ACTIVITIES

3.1 Procurement exercises within the Global Project are conducted either by RB Rail AS or other Beneficiaries and Implementing Bodies.

3.2 RB Rail AS procures:

- (a) Business development, marketing, branding and communication activities;
- (b) Design elements such as but not limited to design guidelines, consolidated preliminary technical design, master design and detailed technical design;
- (c) Studies such as but not limited to supplier market and resources study (raw materials and key components), technical studies (related to the European rail traffic management system (ERTMS), construction logistics, maintenance facilities and rolling stock depots, power supply, capacity constraint & buffer capacity development), Global Project development studies (e.g. commercialization, infrastructure management);
- (d) Control-command and signalling subsystems (CCS) (including the European Railway Traffic Management System (ERTMS));

¹ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products, recast of Directive 2005/32/EC amending Council Directive 92/42/EEC and Directives 96/57/EC and 2000/55/EC of the European Parliament and of the Council.

- (e) Energy subsystem (ENE) (including catenary, substations, management centre);
- (f) Supplies of main raw materials and key components, with potential availability in the local markets (e.g. constructive layer for track and track bed, fixtures and other materials for engineering structures, rails, crossings, sleepers, ballast for superstructure, passenger information systems), if potential for economies of scale will be demonstrated in the supplier market and resources study;
- (g) Works for the construction of cross-border track and track bed sections;
- (h) Services and goods for Global Project implementation support measures (procurement exercises for administrative and material and technical support means for RB Rail AS and consolidated procurement exercises).

3.3 Other Beneficiaries or Implementing Bodies procure:

- (a) Track and track bed (including relevant non-major engineering structures, superstructure, communication crossings);
- (b) Major engineering structures (tunnels, bridges);
- (c) Without prejudice to the above-mentioned RB Rail AS competency, local facilities, including the required technical designs, including the detailed technical design thereof (Passenger Terminals, Freight Terminals, Infrastructure maintenance facilities, Rolling stock service facilities);
- (d) Without prejudice to the above-mentioned RB Rail AS competency, urban node section of the railway infrastructure;
- (e) Works and services needed for the implementation of the Global Project only to Beneficiaries or Implementing Bodies in 1 (one) State where the Global Project is being implemented, with several exceptions.
- (f) Services and goods for Global Project implementation support measures (procurement exercises for administrative and material and technical support means).

4. PRINCIPLES OF THE PROCUREMENT ACTIVITIES

4.1 RB Rail AS, Beneficiaries and Implementing Bodies shall abide by the principles stated in Appendix 4 – Contracting Authority Code of Conduct.

4.2 Structure of Procurement Activities

- (a) RB Rail AS acts as the main procuring institution for procurement within the Global Project. The Contracting Scheme sets out role, scope and competence of RB Rail AS and Implementing Bodies. The Global Project's procurement is based on 3 (three) key approaches:
 - (i) RB Rail AS Procurement (under Latvian Public Procurement law)– RB Rail AS procures in its own name, communicates directly with the suppliers and takes sole responsibility;

- (ii) Consolidated Procurement (under Latvian Public Procurement law) – RB Rail AS organises public procurement procedures on behalf of Beneficiaries and/or Implementing Bodies, communicates directly with the supplier and takes sole responsibility;
- (iii) Supervised National Procurement (under the respective national procurement law of the Beneficiary and/or Implementing Body) – RB Rail AS fulfils a supervisory role where Beneficiaries or Implementing Bodies procure on their own behalf, create direct relationship with suppliers and take sole responsibility.

4.3 The duties of RB Rail AS, the Beneficiaries and Implementing Bodies vary depending on the division of procurement activities stated above in Clause 4.2. However, the obligation to apply “Common Procurement Standards and Guidelines for Rail Baltica Project” (“Guidelines”) shall remain to the Global Project procurement, regardless of the distinction or specific procurement procedure chosen.

4.4 RB Rail AS, the Beneficiaries and Implementing Bodies may issue internal regulations and guidelines on the basis of the principles set out in the Guidelines.

4.5 As a minimum, every contract with a value equal to or higher than 10 000 EUR (excl.VAT) shall be in a written form.

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5. CONTRACTING AUTHORITY CODE OF CONDUCT

5.1 A procurement procedure and the resulting contract shall not only comply with the statutory procurement regulations, but also with the applicable requirements in such areas as employment, health and safety, environmental protection, taxation, and anticorruption regulations etc. Therefore, it is important to ensure that each and every potential supplier and tenderer taking part in implementation of the Global Project shall conduct their business activities in a legal and compliant manner.

5.2 RB Rail AS, Beneficiaries and Implementing Bodies must within the limits that the statutory laws allow, use a mix of compulsory and discretionary exclusion grounds, contract award criteria and contract performance conditions, and follow the Appendix 4 – Contracting Authority Code of Conduct, to award procurement contracts to suppliers which honour requirements of applicable statutory laws and best market practice which is summarised below. Compulsory exclusion grounds derive from the applicable national legislation. Discretionary exclusion grounds and selection criteria shall be set in the relevant procurement documents in line with the applicable national legislation. A Suppliers’ Declaration which shall be a part of a procurement contract is appended to this document (Appendix 6).

5.3 If suspicious and/or potentially illegal activity (e.g. bribery or other attempts at corruption, bid-rigging, cartels, abnormally low tender prices or other illegal anticompetitive practices) by contractors or tenderers will be noticed, RB Rail AS, Beneficiaries and Implementing Bodies must without hesitation notify the necessary authorities and fully co-operate with them to resolve the situation and protect any possible Global Project investments.

5.4 ‘Whistle-blowers’ must be supported and protected who act in good faith, even if their suspicions should subsequently prove to be unfounded. Any person that wishes to notify RB Rail AS, Beneficiaries or Implementing Bodies of illegal activities or of suspicions of such activities that is in his/her knowledge should immediately contact representatives of RB Rail

AS or the relevant Beneficiary or Implementing Body. RB Rail AS, Beneficiaries and Implementing Bodies must preserve anonymity of such persons within the framework of applicable laws.

- 5.5 Through a mix of compulsory and discretionary exclusion grounds, contract award criteria and contract performance conditions RB Rail AS, Beneficiaries and Implementing Bodies must ensure that procurement contracts are executed in compliance with the best market practice described in Appendix 5 – Supplier and Sub-Contractor Code of Conduct.

6. COOPERATION IN IMPLEMENTATION

- 6.1 In order to coherently implement these Guidelines, Beneficiaries and Implementing Bodies must cooperate among themselves, as well as seek coordination and guidance from RB Rail AS as the Global Project coordinator. RB Rail AS welcomes questions and proposals.
- 6.2 RB Rail AS will apply these procurement standards and guidelines itself as well as through its nominated members in the procurement committees of Beneficiaries and Implementing Bodies procuring under the supervision of RB Rail AS, contracting authorities of Supervised National Procurements will facilitate coherent implementation of these Guidelines by other Beneficiaries and Implementing Bodies. Additionally, RB Rail AS may conduct legal checks and audits as it sees fit.

7. STATUS

- 7.1 This is a living document and may be updated by RB Rail AS as necessary. The latest version will be available on the web-page of RB Rail AS. RB Rail AS will notify the involved Beneficiaries and Implementing Bodies of the publication of an updated version.

8. PROCUREMENT POLICY DOCUMENTS AND THEIR APPLICATION

- 8.1 The parties to whom this document applies shall control, manage and apply their procurement documentation and the requirements stated within their procurement documentation, as a minimum, in line with the Guidelines and the principles stated in Appendices.

9. MONITORING AND ENFORCEMENT

- 9.1 Suppliers have the right to appeal decisions and actions of Contracting Authorities² and their procurement commissions to the national institutions and courts in accordance with the applicable laws.
- (a) Contracting Authorities shall have the right to perform checks and audits and on-the-spot visits as follows, provided that there are no legal limitations in the supplier's country of residence to do so.
 - (b) By giving a written notice 5 (five) business days in advance, but in case of an unannounced check or audit or on-the-spot-visit without an advance notice, the relevant Contracting Authority is expected to be able to carry out technical, legal and financial checks and audits of the relevant supplier and the sub-contractors of the supplier, and on-the-spot visits to the sites and premises

² Contracting Authorities – RB Rail AS or the respective Beneficiaries or Implementing Bodies in charge of the particular procurement exercises.

where the activities related to the implementation of the relevant contract are or were carried out. Checks and audits and on-the-spot visits may be carried out either directly by the authorised staff of the relevant Contracting Authority or by any other outside body authorised to do so on its behalf.

- (c) The relevant supplier is expected to provide access to all the information and documents, including information in electronic format, which is requested, and which relates to the execution of the relevant contract, as well as is expected to allow copying of the information and documents with due respect to the confidentiality obligation.
- (d) The relevant supplier is expected to agree in the contracts with its own suppliers on the right of the relevant Contracting Authority to access and to copy their information and documents which relate to the execution of the relevant contract.

9.2 RB Rail AS, the Beneficiaries and Implementing Bodies shall adhere to all applicable laws and regulations, internal policies and procedures, and international agreements.

9.3 In order to enforce the principles outlined in the Guidelines, Contracting Authorities:

- (a) Shall determine in the procurement documents and draft contracts requirements which are necessary in order to enforce the principles outlined in this document.
- (b) Reserve the right to request their suppliers at any time to confirm in writing the compliance with the principles set forth in this document.

9.4 If any illegal activity will be noticed (e.g. bribery, corruption, cartels), RB Rail AS and/or the Beneficiaries and/or Implementing Bodies will notify the authorities without hesitation, and cooperate with them to resolve the situation and protect the Global Project investment.

Appendices

The following appendices form part of the Guidelines:

- Appendix 1** Procurement Policy Document List
- Appendix 2** Minimum Qualification Requirements
- Appendix 3** Principles of Compiling Procurement Documents
- Appendix 4** Contracting Authority Code of Conduct
- Appendix 5** Supplier and Sub-Contractor Code of Conduct
- Appendix 6** Supplier's Declaration
- Appendix 7** Procurement Commission Membership
- Appendix 8** Regulations Templates
- Appendix 9** Contract Templates

APPENDIX 1: PROCUREMENT POLICY DOCUMENTS LIST

Procurement in the name and for the purpose of the Global Project by RB Rail AS or the Beneficiaries, or Implementing Bodies involves, as a minimum, the following documentation, which RB Rail AS, the Beneficiaries and Implementing Bodies shall align to the Guidelines:

Document	Description	Application
Common Procurement Standards and Guidelines for Rail Baltica Project	The Guidelines together with all its Appendices, which sets the common procurement standards and guidelines to be followed by RB Rail AS, the Beneficiaries and Implementing Bodies in the course of procuring and implementing the Global Project.	Beneficiaries, RB Rail AS and Implementing Bodies
Contracting Authority's Procurement Policy	RB Rail AS and each Beneficiary and Implementing Body shall produce, govern and version control its own Procurement Policy document(s) and shall be responsible for ensuring the alignment of such Procurement Policy document(s) with the Guidelines.	Company specific
Codes of Conduct	RB Rail AS and each Beneficiary and Implementing Body shall produce, govern and version control its own Code of Conduct, if such a code(s) is required in addition to the documents provided in Appendix 4 and Appendix 5 of the Guidelines. In such case RB Rail AS and each Beneficiary and Implementing Body shall ensure that their respective code(s) is in alignment with and does not conflict this document and its Appendices.	Company specific
Appendices to the Guidelines	All Appendices to the Guidelines.	Beneficiaries, RB Rail AS and Implementing Bodies

APPENDIX 2: MINIMUM QUALIFICATION REQUIREMENTS

1. Background

- 1.1. On 30 September 2016 RB Rail AS, Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia, Ministry of Transport and Communications of the Republic of Lithuania, Estonian Technical Regulatory Authority, Rail Baltic Estonia OU, Eiropas Dzelzceļa līnijas SIA, Lietuvos geležinkeliai AB and Rail Baltica Statyba UAB concluded an Agreement on the Contracting Scheme for the Rail Baltic/Rail Baltica project (**Agreement on Contracting Scheme**).
- 1.2. According to the Agreement on Contracting Scheme, the Ministries and their designated implementing bodies are authorised to conduct procurement of certain supplies, works and services under the supervision of RB Rail AS (**Supervised National Procurement**).
- 1.3. Section 5.2.3 of the Agreement on Contracting Scheme obliges Beneficiaries and their designated Implementing Bodies to draft procurement documents for the Supervised National Procurement among other things on the basis of minimum set of requirements for the qualifications of economic operators, developed by RB Rail AS.

2. Minimum set of requirements

- 2.1. This document sets out the minimum set of requirements for the qualifications of economic operators which shall be taken into account by the contracting authorities (contracting entities) when drafting procurement documents for the procurement exercises within the Global Project.
- 2.2. The minimum set of requirements for the qualifications of economic operators is outlined in the Appendix 2, in line with the estimated value (in EUR) of the procurement exercise. Notwithstanding these minimum requirements, RB Rail AS or the respective Beneficiaries or Implementing Bodies in charge of the particular procurement exercises ("**Contracting Authorities**") shall apply the mandatory requirements set in the respective applicable national procurement law that are applicable to a particular procurement exercise.
- 2.3. Contracting Authorities (contracting entities) may set in relevant procurement documents additional requirements for the qualifications of economic operators insofar such are objectively justified and do not unnecessarily and inappropriately limit the competition between economic operators.
- 2.4. As an exception, in order to enhance the competition between the economic operators in a particular procurement and if setting of lesser requirements does not have a negative impact

on the quality of the to-be-procured works, services or goods, the Contracting Authorities (contracting entities) may set in relevant procurement documents lesser requirements for the qualification of economic operators by motivating the need to enhance the competition. This could be done, if setting of lesser requirements will not have a negative impact on the quality of the to-be-procured works, services or goods and this will be based on set objective facts which shall be recorded in a written and reproducible form for audit purposes (as part of the minutes of the meeting of the procurement commission or as a separate decision). The Contracting Authorities shall notify the Head of Procurement Department of RB Rail AS as soon as reasonably possible of their intention to deviate from any minimum qualification requirements stipulated in this document, providing details of such deviation together with justification. RB Rail AS shall have up to 10 working days to review the notification and to (1) accept it or (2) provide any objections and proposal(s) to resolve such objection(s), which need to be substantiated. If RB Rail AS has already confirmed before the elapse of the 10 working day period that there are no objections to any such intended deviations or RB Rail AS has not issued any objections within 10 working days, then the Contracting Authority may proceed with their decision to be recorded for audit purposes.

The Contracting Authorities can apply rules mentioned above in this section to the procurement exercises with an estimated value net, without VAT, as stated in the below sections with the minimum qualifications requirements, unless the Contracting authority within the above mentioned term (10 working days) has received an objection from RB Rail AS. RB Rail AS shall inform Procurement Reference Group on the decisions and on a basis on which decisions were made.

2.5. If any of minimum set of requirements regarding experts experience set out in Part 4 Technical and professional ability of Minimum Requirements for 144 000 EUR or higher value Procurement Exercises cannot be requested as qualification criteria, in accordance with the relevant applicable national procurement law, shall be requested as evaluation criteria instead.

3. Status

3.1. In case of discrepancies between the mandatory provisions of national legislation and the requirements for the qualifications of economic operators which are set in this document the mandatory provisions of national legislation which apply to the particular procurement exercise shall prevail.

3.2. This is a living document and RB Rail AS may update it as necessary. RB Rail AS will involve the Procurement Reference Group in discussions pertaining to updates to the document.

The newest version will be available on the web-page of RB Rail AS. RB Rail AS will notify the involved Contracting Authorities when publishing an updated version of this document.

Minimum Requirements for 40 000 – 144 000 EUR Procurement Exercises

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
1. Legal standing	- According to the relevant applicable national procurement law	- According to the relevant applicable national procurement law	- According to the relevant applicable national procurement law
2. Suitability to pursue the professional activity	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Register of Construction Merchants or an appropriate register of a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - If the Tenderer is a consortium, the member of the consortium which performs the respective works shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Register of Construction Merchants or an appropriate register of a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - If the Tenderer is a consortium, the member of the consortium which performs the respective services shall comply with the above requirements. 	- The Tenderer shall ensure that the goods/supplies are in conformity with the CE (Conformité Européenne) marking ³ requirements for their supplied goods if such goods are identified under the applicable product groups listed by the European Commission.
3. Economic and financial standing	- The Tenderer's average yearly turnover in the field of construction within the last three years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years,	- The Tenderer's average yearly turnover regarding services that are similar to the subject-matter of the tender within the last three years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years,	- The Tenderer's average turnover within the last three financial years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years, the requirement shall apply to Tenderer's actual operation period. ⁶

³ Refer also to https://ec.europa.eu/growth/single-market/ce-marking/manufacturers_en

⁶ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<p>the requirement shall apply to Tenderer's actual operation period.⁴</p> <ul style="list-style-type: none"> - The Tenderer shall have stable financial and economic performance, namely, in the previous audited year Tenderer's liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 and the Tenderer shall have positive equity. - If the Tenderer is a consortium, the turnover of all members of a consortium together shall comply with the above requirement whereas the liquidity ratio of each member of the consortium shall comply with the above requirement. 	<p>the requirement shall apply to Tenderer's actual operation period.⁵⁹</p> <ul style="list-style-type: none"> - The Tenderer shall have stable financial and economic performance, namely, in the previous audited year Tenderer's liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 and the Tenderer shall have positive equity. - If the Tenderer is a consortium, the turnover of all members of a consortium together shall comply with the above requirement whereas the liquidity ratio of each member of the consortium shall comply with the above requirement. 	<ul style="list-style-type: none"> - The Tenderer shall have stable financial and economic performance, namely, in the previous audited year Tenderer's liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 and the Tenderer shall have positive equity. - If the Tenderer is a consortium, the turnover of all members of a consortium together shall comply with the above requirement whereas the liquidity ratio of each member of the consortium shall comply with the above requirement.
4. Technical and professional ability	<ul style="list-style-type: none"> - Within the last 7 (seven) years before the date of submission of the tender the Tenderer has gained experience as the main contractor in the execution of at least [_ ()]⁷ [railway/ tunnel/ bridge/ station/ depo] construction works contracts, each with the value of not less than 	<ul style="list-style-type: none"> - Within the last 7 (seven) years until the date of submission of the tender the Tenderer has gained experience as the main contractor in the execution of at least [_ ()]⁸ contracts with the same subject-matter, each with the value of not less than 70% of the anticipated 	<ul style="list-style-type: none"> - Within the last 5 (five) years until the date of submission of the tender the Tenderer has performed at least [_ ()] supplies of goods of a similar kind in the amount of 100% each of the anticipated supply amount of the ongoing tender.

⁴ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

⁵ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

⁷ Shall be mentioned number of projects. Projects shall be no less than 1.

⁸ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<p>70% of the anticipated contract value of the ongoing tender. The contracts have to be completed.</p> <ul style="list-style-type: none"> - The Tenderer shall have a valid professional indemnity insurance, a certificate of which shall be submitted together with the application/tender. - If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements. The member of the consortium upon whose qualification the consortium relied in order to qualify must fulfil the respective works for which the respective qualification was required. 	<p>contract value of the ongoing tender. The contracts have to be completed.</p> <ul style="list-style-type: none"> - The Tenderer shall have a valid professional indemnity insurance, a certificate of which shall be submitted together with the application/tender. - If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements. The member of the consortium upon whose qualification the consortium relied in order to qualify must provide the respective services for which the respective qualification was required. 	<ul style="list-style-type: none"> - If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements.
5. Quality assurance standards	<ul style="list-style-type: none"> - The Tenderer shall have quality management system in place with a proven track record of providing quality works. The Tenderer shall submit signed references/testimonials. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall have quality management system in place with a proven track record of providing quality services. The Tenderer shall submit signed references/testimonials - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall have quality management system in place with a proven track record of providing quality goods. The Tenderer shall submit signed references/testimonials. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements.
6. Environmental management standards	<ul style="list-style-type: none"> - If the Tenderer is a consortium, each member of the consortium shall 		<ul style="list-style-type: none"> - The Tenderer shall have environmental management system that complies with ISO 14001:2015

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	comply with the above requirements.		<p>standard or equivalent, if the Tenderer is the manufacturer of the goods. If the Tenderer is not the manufacturer of the goods they need to confirm the manufacturer's compliance with ISO 14001:2015 standard or equivalent.</p> <ul style="list-style-type: none"> - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements.

Minimum Requirements for 144 000 EUR or higher value Procurement Exercises

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
1. Legal standing	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Commercial Register or an equivalent register of commercial activities in a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - The Tenderer shall not comply with the exclusion grounds set in the applicable national legislations and the tender documents. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Commercial Register or an equivalent register of commercial activities in a foreign state if its establishment if regulatory enactments of the respective state envisage such a requirement. - The Tenderer shall not comply with the exclusion grounds set in the applicable national legislations and the tender documents. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Commercial Register or an equivalent register of commercial activities in a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - The Tenderer shall not comply with the exclusion grounds set in the applicable national legislations and the tender documents. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements.
2. Suitability to pursue the professional activity	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Register of Construction Merchants or an appropriate register of a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - If the Tenderer is a consortium, the member of the consortium which performs the respective works shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall be registered in the Register of Construction Merchants or an appropriate register of a foreign state of its establishment if regulatory enactments of the respective state envisage such a requirement. - If the Tenderer is a consortium, the member of the consortium which performs the respective services shall comply with the above requirements. 	<ul style="list-style-type: none"> - The Tenderer shall ensure that the goods/supplies are in conformity with the CE (Conformité Européenne) marking requirements for their supplied goods if such goods are identified under the applicable product groups listed by the European Commission.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
3. Economic and financial standing	<ul style="list-style-type: none"> - The Tenderer's average yearly turnover in the field of construction within the last three years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years, the requirement shall apply to Tenderer's actual operation period.⁹ - The Tenderer shall have stable financial and economic performance, namely, in the previous audited year Tenderer's liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 and the Tenderer shall have positive equity. - The Tenderer shall have a valid professional indemnity insurance, a certificate of which shall be submitted together with the application/tender. - If the Tenderer is a consortium, the turnover of all members of a 	<ul style="list-style-type: none"> - The Tenderer's average yearly turnover regarding services that are similar to the subject-matter of the tender within the last three years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years, the requirement shall apply to Tenderer's actual operation period.¹⁰ - The Tenderer shall have stable financial and economic performance, namely, in the previous audited year Tenderer's liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 and the Tenderer shall have positive equity. - The Tenderer shall have a valid professional indemnity insurance, a certificate of which shall be submitted together with the application/tender. 	<ul style="list-style-type: none"> - The Tenderer's average turnover within the last three financial years shall be at least 100% of the contract price estimated by the contracting authority (contracting entity). In the event the Tenderer has operated in the market for less than three years, the requirement shall apply to Tenderer's actual operation period.¹¹ - If the Tenderer is a consortium, the turnover of all members of a consortium together shall comply with the above requirement.

⁹ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

¹⁰ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

¹¹ In a case where the contract scope is highly specialised as to result in a serious likelihood of the overall turnover of suppliers being shaped to a large extent by other activities of little to minimum relevance to the scope of the contract, then the requested turnover may be that of the direct linkage to the subject-matter of the contract.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	consortium together shall comply with the above requirement whereas the liquidity ratio of each member of the consortium shall comply with the above requirement.	- If the Tenderer is a consortium, the turnover of all members of a consortium together shall comply with the above requirement whereas the liquidity ratio of each member of the consortium shall comply with the above requirement.	
4. Technical and professional ability ¹²	<ul style="list-style-type: none"> - Within the last 7 (seven) years before the date of submission of the tender the Tenderer has gained experience as the main contractor in the execution of at least [_ ()]¹³ [railway/ tunnel/ bridge/ station/ depo] construction works contracts, each with the value of not less than 70% of the anticipated contract value of the ongoing tender. The contracts have to be completed. - For the purposes of railway track construction the Tenderer shall have the following key experts available throughout the term of the contract: <ol style="list-style-type: none"> 1. Responsible construction works manager who has the following qualifications: 	<ul style="list-style-type: none"> - Within the last 7 (seven) years until the date of submission of the tender the Tenderer has gained experience as the main contractor in the execution of at least [_ ()]¹⁹ contracts with the same subject-matter, each with the value of not less than 70% of the anticipated contract value of the ongoing tender. The contracts have to be completed. - For the purposes of railway construction supervision the Tenderer shall have available throughout the term of the contract a railway road construction supervisor who has the following qualifications: <ol style="list-style-type: none"> 1. Valid certificate or equivalent for supervision of railway road construction works; 	<ul style="list-style-type: none"> - Within the last 5 (five) years until the date of submission of the tender the Tenderer has performed at least [2 (two)] supplies of goods of a similar kind in the amount of 100% each of the anticipated supply amount of the ongoing tender. - If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements.

¹² The requirements for stated experts shall apply in case such experts are required.

¹³ Shall be mentioned number of projects. Projects shall be no less than 1.

¹⁹ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<p>1.1. Valid certificate for railway track construction work managing or equivalent;</p> <p>1.2. Within the last 7 (seven) years has gained experience in a role of a responsible construction works manager in at least [_ ()]¹⁴ construction works projects that have been completed in the agreed term and quality, from which:</p> <ul style="list-style-type: none"> ○ At least 1 (one) is a railway track construction project with the length of railway not less than 80% of the anticipated km of the ongoing tender; ○ Within at least 1 (one) railway catenary external electricity networks have been installed with the length of not less than 80% of the anticipated km of the ongoing tender; 	<p>2. Within the last 7 (seven) years until the date of submission of the tender has gained experience in a role as a railway track construction supervisor in at least [_ ()]²⁰ railway track construction projects that have been completed in the agreed term and quality, where he has supervised at least the following activities:</p> <ul style="list-style-type: none"> ○ Within at least 1 (one) project: construction of railway track with length of not less than 80% of the anticipated km of the ongoing tender; ○ Within at least 1 (one) project: installation of railway shunts. <p>- In addition, for the purposes of bridge construction supervision the Tenderer shall have available throughout the term of the contract a bridge construction supervisor who has the following qualifications:</p>	

¹⁴ Shall be mentioned number of projects. Projects shall be no less than 1.

²⁰ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<ul style="list-style-type: none"> ○ Within at least (1) one control, command and signalling system has been installed with the length of not less than 80% of the anticipated km of the ongoing tender. <p>2. Railway track construction works manager who has the following qualifications:</p> <p>2.1. Valid certificate for railway road construction works managing or equivalent;</p> <p>2.2. Within the last 7 (seven) years has gained experience in a role of a railway road construction works manager in at least [_ ()]¹⁵ railway construction works project with the length of railway not less than 80% of the anticipated km of the ongoing tender that has been completed in the agreed term and quality.</p>	<p>1. Valid certificate or equivalent for supervision of bridge construction works;</p> <p>2. Within the last 7 (seven) years until the date of submission of the tender has gained experience in supervising construction of at least [_ ()]²¹ railway bridges with the length of at least 100% of the anticipated length of a bridge of the ongoing tender that have been completed in the agreed term and quality.</p> <p>- In addition, for the purposes of tunnel construction supervision the Tenderer shall have available throughout the term of the contract a tunnel construction supervisor who has the following qualifications:</p> <p>1. Valid certificate or equivalent for supervision of tunnel construction works;</p> <p>2. Within the last 7 (seven) years until the date of submission of the tender has gained</p>	

¹⁵ Shall be mentioned number of projects. Projects shall be no less than 1.

²¹ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<ul style="list-style-type: none"> - In addition, for the purposes of constructing bridges the Tenderer shall have available throughout the term of the contract a bridge construction works manager who has the following qualifications: <ol style="list-style-type: none"> 1. Valid certificate for bridge construction works managing or equivalent; 2. Within the last 7 (seven) years has gained experience in a role of a bridge construction works manager with regard to construction of at least [_ ()]¹⁶ railway bridges with the length of at least 100% of the anticipated length of a bridge of the ongoing tender that have been completed in the agreed term and quality. - In addition, for the purposes of constructing tunnels the Tenderer shall have available throughout the term of the contract a tunnel construction works manager who has the following qualifications: 	<ul style="list-style-type: none"> experience in supervising construction of at least [_ ()]²² railway tunnels with the length of at least 100% of the anticipated length of a tunnel of the ongoing tender that have been completed in the agreed term and quality. - In addition, for the purposes of station and depo construction supervision the Tenderer shall have available throughout the term of the contract an electric installations', electronic communications systems' and grid, heating systems', ventilation systems', recuperation and cooling systems', water and sewage systems' construction works supervisor (a supervisor for each system) with the following qualifications: <ol style="list-style-type: none"> 1. Valid certificate or equivalent for the respective construction works supervision; 2. Within the last 7 (seven) years has gained experience in supervising the respective 	

¹⁶ Shall be mentioned number of projects. Projects shall be no less than 1.

²² Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<ol style="list-style-type: none"> Valid certificate for tunnel construction works managing or equivalent; Within the last 7 (seven) years has gained experience in a role of a tunnel construction works manager with regard to construction of at least [_ ()¹⁷] railway tunnels with the length of at least 100% of the anticipated length of a tunnel of the ongoing tender that have been completed in the agreed term and quality. <ul style="list-style-type: none"> In addition, for the purposes of constructing stations and depots the Tenderer shall have available throughout the term of the contract an electric installations', electronic communications systems', and grid, heating systems', ventilation systems', recuperation and cooling systems', water and sewage systems' construction works manager (a manager for each system) with the following qualifications: 	<p>construction works with regard to construction of at least [_ ()²³] respective systems in public or industrial buildings of a comparable size to the size of buildings in the ongoing tender that have been completed in the agreed term and quality.</p> <ul style="list-style-type: none"> If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements. The member of the consortium upon whose qualification the consortium relied in order to qualify must provide the respective services for which the respective qualification was required. 	

¹⁷ Shall be mentioned number of projects. Projects shall be no less than 1.

²³ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<ol style="list-style-type: none"> Valid certificate or equivalent for managing of the respective construction works managing; Within the last 7 (seven) years has gained experience in a role of the respective construction works manager with regard to construction of at least [_ (_)]¹⁸ respective systems in public or industrial buildings of a comparable size to the size of buildings in of the ongoing tender that have been completed in the agreed term and quality. <ul style="list-style-type: none"> If the Tenderer is a consortium, members of the consortium together shall comply with the above requirements. The member of the consortium upon whose qualification the consortium relied in order to qualify must fulfil the respective works for which the respective qualification was required. 		
5. Quality assurance standards	<ul style="list-style-type: none"> The Tenderer shall have quality management system that complies with ISO 9001:2015 standard or equivalent. 	<ul style="list-style-type: none"> The Tenderer shall have quality management system that complies with ISO 9001:2015 standard or equivalent. 	<ul style="list-style-type: none"> The Tenderer shall have quality management system that complies with ISO 9001:2015 standard or equivalent.

¹⁸ Shall be mentioned number of projects. Projects shall be no less than 1.

Requirement	Procurement of works e.g. railway, tunnels, bridges, stations, depots	Procurement of services e.g. design, design supervision, construction supervision, engineering consultancy services	Procurement of goods e.g. sand, gravel, cement, rails, sleepers
	<ul style="list-style-type: none"> - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements.
6. Environmental management standards	<ul style="list-style-type: none"> - The Tenderer shall have an environmental management system that complies with ISO 14001:2015 standard or equivalent. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements. 	<ul style="list-style-type: none"> - If the subject matter of the procurement exercise requires the addressing of environmental issues, the Tenderer shall be required to submit evidences of experience of addressing similar issues in previous contracts. 	<ul style="list-style-type: none"> - The Tenderer shall have environmental management system that complies with ISO 14001:2015 standard or equivalent. - If the Tenderer is a consortium, each member of the consortium shall comply with the above requirements.

Minimum Requirements for Procurement Exercises from 10 000 EUR to 39 999 EUR

Application of the following self-declaration by the Tenderer, together with minimum requirements stipulated in the relevant applicable national procurement law. If the mandatory requirements in the relevant applicable national procurement law already cover any of the following requirements, requesting evidence to be submitted by the Tenderer or if such data is available without cost to the Contracting Authority, then the specific item is not required as a self-declaration.

1. The Tenderer has the legal right to undertake the works and/or provide the services and/or supply the goods required;
2. The Tenderer has prepared the quotation / proposal taking fully into account the requirements of the procurement documentation and all the clarifications issued by the Contracting Authority;
3. The Tenderer's offered works/services/goods are free from all liens, interests or other rights of third parties;
4. The Tenderer has prepared the quotation without connection with any other person, company, or parties likewise submitting a quotation and that it is in all respects for in good faith, bona fide, without collusion or fraud;
5. The Tenderer is not in bankruptcy, liquidation and its business activities have not been stopped for any similar reasons;
6. The Tenderer is not under investigation in relation with and has not been charged for any unlawful activity;

7. The Tenderer does not have any tax debts which exceed 150 EUR.
8. The Tenderer undertakes to provide quality and timely performance of the contractual liabilities for the offered price.

Minimum Requirements for exceptions under the relevant applicable national procurement law for Procurement Exercises of 10 000 EUR or higher value

Self-declaration by the Tenderer, declaring the following:

1. The Tenderer has the legal right to undertake the works and/or provide the services and/or supply the goods required;
2. The Tenderer has prepared the quotation / proposal taking fully into account the requirements of the procurement documentation and all the clarifications issued by the Contracting Authority;
3. The Tenderer's offered works/services/goods are free from all liens, interests or other rights of third parties;
4. The Tenderer has prepared the quotation without connection with any other person, company, or parties likewise submitting a quotation and that it is in all respects for in good faith, bona fide, without collusion or fraud;
5. The Tenderer is not in bankruptcy, liquidation and its business activities have not been stopped/suspended for any similar reasons;
6. The Tenderer is not under investigation in relation with and has not been charged for any unlawful activity (i.e. avoidance of tax payments, employment without contract, etc.);
7. The Tenderer undertakes to provide quality and timely performance of the contractual liabilities for the offered price.

Minimum Requirements for Procurement Exercises below 10 000 EUR

No specific minimum requirements established, however, the Tenderer shall be expected to honour the basic principles of the relevant applicable national public procurement law, act transparently, verifiably and proportionately and follow the Supplier and Sub-Contractor Code of Conduct.

APPENDIX 3: PRINCIPLES OF COMPILING PROCUREMENT DOCUMENTS

When compiling procurement documents, the parties subject to this document shall do so in line with the following principles:

1. The documents shall be structured and formatted in a clear, concise and understandable manner to avoid any confusion, misunderstanding and conflicting statements. The documentation shall also be consistent throughout in terms of the application of language and terminology.
2. Wherever possible, any duplication of information and statements shall be avoided, adopting a principle – state one requirement and/or clause only once.
3. Where such procurement documents are produced, the overall structure of the procurement documentation package shall be as follows
 - 3.1. **Regulations** – including, without limitation, instructions to tenderers with main parameters and key data on the procurement exercise, submission dates, minimum qualification requirements and similar kind of information. This is the overarching document of a procurement exercise to which other procurement package documents are enclosed to.
 - 3.2. **Tender Submission Forms / Application Submission Forms** – the forms that are required to be submitted by applicants/tenderers, providing the requested data for the purposes of reviewing and evaluating applications/proposals.
 - 3.3. **Technical Specification** - the Technical Specification determines the requirements for the works, services or supplies. The Technical Specifications guarantee equal possibilities for all Tenderers and do not create any unwarranted restrictions of competition in the procurement exercise. The Technical Specification shall become part of the Contract as an appendix, without changes following the date of tender submission. A clear reference shall be added that effect.
 - 3.4. **Draft Contract** – the main body of the contract, including the agreement, main clauses and the following listed example items:
 - 3.4.1. Particular Conditions (if any);
 - 3.4.2. Special Conditions (if any);
 - 3.4.3. Appendices, including:
 - 3.4.3.1. Scope of study/services/works (Technical Specification (if necessary));
 - 3.4.3.2. Time Schedule & Deliverables;
 - 3.4.3.3. Key personnel;
 - 3.4.3.4. List of Approved Sub-Contractors;
 - 3.4.3.5. Delivery-Acceptance Note Templates;
 - 3.4.3.6. Insurance;
 - 3.4.3.7. Guarantees and Securities;
 - 3.4.3.8. Representatives;
 - 3.4.3.9. Fee and Payment Schedule;
 - 3.4.3.10. Tender;
 - 3.4.3.11. Supplier's Declaration.
4. Where separate procurement documentation is not produced because of the use of an electronic procurement system in which the structure is already pre-defined, then the structure of information shall follow the pre-defined structure of such an electronic system.
5. Applicant's /Tenderer's submitted assumptions shall not form part of the Contract. Any assumptions that are not contradictory to the requirements of the procurement package documentation and/or procurement law, shall be clarified during the procurement process.

APPENDIX 4: CONTRACTING AUTHORITY CODE OF CONDUCT

The Beneficiaries and Implementing Bodies are committed to engaging with their stakeholders

1. Legality:

- (c) Beneficiaries and Implementing Bodies shall abide by the national public procurement rules in all cases when they act in their capacity as contracting authorities within the meaning of national legislation where provisions of Article 2 of Directive 2014/24/EU Of The European Parliament And Of The Council Of 26 February 2014 On Public Procurement And Repealing Directive 2004/18/EC are transposed or contracting entities within the meaning national legislation where provisions of Article 3 of Directive 2014/25/EU Of The European Parliament And Of The Council Of 26 February 2014 On Procurement By Entities Operating In The Water, Energy, Transport And Postal Services Sectors And Repealing Directive 2004/17/EC are transposed.
- (d) Additionally, in the Inter-Beneficiary Agreement Between RB Rail AS, Ministry Of Economic Affairs And Communications Of The Republic Of Estonia, Ministry Of Transport Of The Republic Of Latvia And Ministry Of Transport And Communications Of The Republic Of Lithuania, dated 16 June 2016, the Beneficiaries have agreed that in those rare cases when national public procurement rules will not oblige Beneficiaries to procure goods, services or works in accordance with a regulated procedure, as well as those Implementing Bodies which are not contracting authorities, and if the anticipated value of a procurement exercise is equal to or exceeds EUR 40,000, excluding VAT, they shall procure supplies, services or works in accordance with the agreed procedure stated and/or referred to herein. The agreed procedure, minor adjustments to which may be required due to the particularities of the respective national laws, is based on the following principles (and appropriate applicable legal regulation):
 - (i) For performing procurement exercises, the relevant Beneficiary or Implementing Body establishes a procurement commission consisting of at least three members, ensuring that this commission is competent in the field of the procurement regarding which a contract is being entered into. The procurement commission, in fulfilling the duties thereof, is entitled to invite experts.
 - (ii) In case the procurement exercise to be performed is an exception from the regulated procedure under the respective national procurement law applicable to it, or based on such applicable national procurement law there is no requirement to form a procurement commission, the Beneficiary or Implementing Body shall form the procurement commission in the capacity of these regulations and the respective Beneficiary's or Implementing Body's procurement policy.
 - (iii) Beneficiary or Implementing Body must not be in a conflict of interest situation. Members of the procurement commission, experts and persons who draft the procurement documentation must not be in a conflict of interest situation. The concept of conflict of interest is explained below in this document.
 - (iv) The procurement commission determines justified and objective requirements in relation to the candidates, tenderers and the subject-matter of the procurement, ensuring that the requirements do not cause unjustified restrictions for competition in the procurement exercise. The procurement commission also determines the criteria to be taken into account in order to select the economically most advantageous tender. As a standard, the tender evaluation criteria shall not consider evaluation based on price only and any such instance must be objectively substantiated (such reasoning shall be recorded on file for audit purposes).

- (v) The relevant Beneficiary or Implementing Body publishes a notice regarding the planned contract to be procured on its website (and in appropriate informational system if required by applicable laws), specifying a reasonable deadline for the submission of tenders which is not less than 5 (five) days for simplified procedures and 10 (ten) days for anything above the national threshold from the day when the notice was published (the specified deadline must not be less than required by the applicable laws), unless the procurement exercise is an exception from regulated procedure according to the respective applicable national procurement law and/or a case of emergency as stipulated in the respective applicable national procurement law. The relevant Beneficiary or Implementing Body publishes the determined requirements together with publishing the respective notice regarding the planned contract to be procured, and ensures free and direct access thereto.
- (vi) Unless prohibited or limited by the mandatory provisions of the national law, the relevant Beneficiary or Implementing Body excludes the candidate or the tenderer from participation in the procurement in any of the cases stipulated in the national public procurement legislation of the country of residence of the respective contracting authority.
- (vii) After the expiry of the deadline for the submission of tenders the procurement commission evaluates the submitted tenders and selects one or several tenders on the basis of the requirements set out by respective procurement exercise documentation. The procurement commission recognises that tenderer as the winner in the procurement exercise that was selected in conformity with the published requirements and criteria and was not excluded from the participation in the procurement process. In addition, the decision of the procurement commission about determining the winner in the procurement exercise includes information about all rejected candidates and tenderers and the reasons for rejection thereof, the tender prices submitted by all tenderers and the comparative advantages of the tenderer determined as the winner, to the extent to which such information formed the basis of the evaluation of the tenders. The process and requirements are more specifically stated in the relevant applicable national procurement law.
- (viii) The procurement contract may be amended taking into account the rules set in the respective applicable procurement law under which the contract was procured.

2. Best value for money:

- (a) The main contract award criterion shall be the most economically advantageous tender comprising of both the price or cost together with a mix of qualitative, environmental and/or social criteria, linked to the subject matter of the procurement. The award criteria of "lowest price" shall not automatically mean best value for money, as other elements must also be considered, such as, for example, quality of services or the service life of equipment.
- (b) Price only will be used as a contract award criterion only as an exception in those cases when the technical specifications are clear and other award criteria are of no significance. All such exceptions must be objectively substantiated and such reasoning shall be recorded on file for audit purposes.

3. Socially and environmentally sustainable procurement:

- (a) Whenever the subject-matter of the procurement exercise allows so and where it would be beneficial to do so, insofar it is not prohibited by national legislation, Beneficiaries and Implementing Bodies should invoke social and environmental aspects into discretionary

exclusion grounds, award criteria and contract performance conditions in order to facilitate socially and environmentally sustainable procurement.

4. Free competition:

- (a) Beneficiaries and Implementing Bodies must ensure fair, equal and transparent competition of economic operators without discrimination due to the nationality or country of origin of the economic operators, without preference to a specific brand or trademark. Beneficiaries and Implementing Bodies must ensure equal participation of economic operators from the Member States of the European Union and Member States to the Agreement on Government Procurement or other international agreements which are binding to the European Union and require it to ensure access to the procurements on par with suppliers from its Member States.
- (b) Nevertheless, when local knowledge and experience is material to the subject-matter of the procurement exercise, Beneficiaries and Implementing Bodies may use criteria for qualitative selection of tenderers and award criteria which provide advantage to tenderers with specific local knowledge and experience.
- (c) Whenever feasible and/or required by the applicable national procurement law, Beneficiaries and Implementing Bodies must conduct market research in order to determine whether the intended procurement requirements do not unduly restrict the competition.
- (d) Beneficiaries and Implementing Bodies shall refrain from defining the level of requirements or characteristics of the subject-matter of a procurement exercise to the extent that may prejudice fair competition among the Tenderers.

5. Transparency:

- (a) Beneficiaries and Implementing Bodies shall strive to ensure that information about every procurement exercise within the Rail Baltica project is publicised in all States where the Rail Baltica project is being implemented, as a minimum by publishing relevant information on the web-pages of the Beneficiaries and Implementing Bodies.
- (b) Beneficiaries and Implementing Bodies shall strive to ensure that the procurement documentation is available as a minimum in the language of the State where the procurement procedure is being conducted and the language of the State where the supply, services or works are being performed and/or in the English language.
- (c) Beneficiaries and Implementing Bodies shall publish and make freely available to economic operators their annual procurement plans within 1 (one) month of their approval, as well as update the plans as needed. However, such annual procurement plans shall not preclude Beneficiaries and Implementing Bodies from announcing procurement exercises which are not included in the annual procurement plan if a need for such procurement arose unexpectedly and a Beneficiary or Implementing Body did not have time to update the annual procurement plan.
- (d) For the avoidance of doubt, transparency requirements shall not be interpreted in a way that could cause a business risk by making public confidential / business sensitive / public safety related information.

6. Absence of conflicts of interest:

- (a) Beneficiaries and Implementing Bodies shall take all necessary measures to prevent any situation where the impartial and objective implementation of the agreements with the Innovation and Networks Executive Agency (INEA) may be compromised. Beneficiaries and Implementing Bodies have undertaken not to procure goods, works and services from suppliers with which they have any conflict of interests, and to avoid to the maximum extent

possible taking decisions on awarding of contracts for procurement of goods, works or services by persons who are in a conflict of interest situation.

- (b) Beneficiaries and Implementing Bodies shall be in a conflict of interest situation with a supplier in any situation where a Beneficiary or an Implementing Body, their shareholder, member, member of the Management Board or Supervisory Board, or a person having the right to represent the candidate or tenderer in activities related to a subsidiary, a blood relative to the second degree or spouse or the first degree relative through marriage of any of the mentioned persons, or procurator or authorised person is:
 - (i) the supplier or the supplier's sub-contractor;
 - (ii) the beneficial owner, shareholder, member, member of the Management Board or the Supervisory Board, procurator or authorised person of the supplier or the supplier's sub-contractor;
- (c) The decision-shaping and decision-making persons shall be in a conflict of interest situation with a supplier in any situation where staff members of a Beneficiary or an Implementing Body, or of a procurement service provider acting on behalf of a Beneficiary or an Implementing Body who are involved in the conduct of the procurement procedure or may influence the outcome of that procedure have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of a procurement procedure.
- (d) Beneficiaries and Implementing Bodies shall not procure goods, works or services from suppliers with which they are in a conflict of interest situation, unless:
 - (i) The particular supplier provides the respective services on the basis of exclusive rights which derive from a law;
 - (ii) The contract is for procurement or lease of a land plot, existing building or structure or another immovable property or procurement of other rights in respect to such immovable property;
 - (iii) It is a public contract between entities within the public sector in the meaning of national legislation where provisions of Article 12 of Directive 2014/24/EU Of The European Parliament And Of The Council Of 26 February 2014 On Public Procurement And Repealing Directive 2004/18/EC are transposed or a contract between contracting authorities in the meaning of Article 28, contract awarded to an affiliated undertaking in the meaning of Article 29 or a contract awarded to a joint venture or to a contracting entity forming part of a joint venture in the meaning of Article 30 of Directive 2014/25/EU Of The European Parliament And Of The Council Of 26 February 2014 On Procurement By Entities Operating In The Water, Energy, Transport And Postal Services Sectors And Repealing Directive 2004/17/EC are transposed.
- (e) The Parties shall ensure at least that members of the procurement commissions, experts and persons who draft procurement documentation are not:
 - (i) The current or former beneficial owner, employee, member of the Management Board or Supervisory Board, shareholder, member, procurator or authorised representative of a legal person – candidate, tenderer or sub-contractor, and if this connection with the legal person has terminated within the last 24 months;
 - (ii) The father, mother, grandmother, grandfather, child, grandchild, adoptee, adopter, brother, sister, half-brother, half-sister or spouse (hereinafter – relative) of a beneficial owner, a shareholder who owns at least 10 per cent of shares, shareholder in a limited liability company, member of the Management Board or

Supervisory Board, a person having the right to represent in activities related to a subsidiary, of a legal person – candidate, tenderer or sub-contractor; or

- (iii) A relative of a natural person – candidate, tenderer or subcontractor.
- (f) The connection with a candidate or tenderer also shall apply to cases when the candidate or tenderer is an association of persons, members of which are natural persons or legal persons, with which the member of the commission, the expert or person who drafts the procurement documentation has the connection referred to above.
- (g) Beneficiaries and Implementing Bodies must evaluate whether a supplier has gained undue competitive advantage and therefore should be excluded from participation in a procurement procedure due to prior involvement of the respective supplier in the preparation of the procurement procedure due to participation in preliminary market consultations with the respective Beneficiary or Implementing Body, or otherwise.
- (h) Beneficiaries and Implementing Bodies have a “zero tolerance” policy and do not accept any type of gift or any offer of hospitality. Beneficiaries and Implementing Bodies will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners at the cost of suppliers.
- (i) Beneficiaries and Implementing Bodies shall ensure that each member and invited expert of the relevant procurement committee signs a declaration on absence of conflict of interests upon taking up the responsibilities with respect to the particular procurement and re-confirms the absence of conflict of interests at the moment when all tenderers in the particular procurement exercise become known.
- (j) Additionally, Beneficiaries and Implementing Bodies must ensure that each person involved in the procurement procedure has an obligation at all times to immediately declare a conflict of interests situation once he/she realises such situation and any proceedings started against such person on the grounds of corruption or exerting illegal influence.
- (k) As a general rule, Beneficiaries and Implementing Bodies must terminate the relevant procurement procedure if it becomes known that a conflict of interests situation occurred or proceedings on the grounds of corruption or exerting illegal influence were started related to the particular procurement procedure and doubts about the objectivity of the tender documentation or decisions by the procurement committee cannot be eliminated by other means.
- (l) Any member of a procurement committee or an expert involved by the procurement committee shall be removed from his participation in the particular procurement exercise immediately with all access to such procurement exercise specific confidential and/or business sensitive information restricted.

7. Use of experts and preliminary market consultations:

- (a) Beneficiaries and Implementing Bodies should to the maximum extent possible involve in the preparation of procurement documents appropriate independent experts, in particular – technical experts.
- (b) Additionally, with the view of preparing the procurement and informing the economic operators, Beneficiaries and Implementing Bodies should as much as possible conduct preliminary market consultations with economic operators. In order to ensure that none of the economic operators receives undue competitive advantage due to such preliminary market consultations, Beneficiaries and Implementing Bodies must produce a written summary of such preliminary market consultations and make it publicly freely accessible.

APPENDIX 5: SUPPLIER AND SUB-CONTRACTOR CODE OF CONDUCT

1. Suppliers and sub-contractors are evaluated beyond the basis of economic criteria and basic procurement regulations alone. The Beneficiaries and Implementing Bodies also look closely at labour practices, health and safety, environmental protection, taxation and full compliance with human rights as well as ethical conduct, anti-discrimination and anti-corruption policies. This Supplier and Sub-Contractor Code of Conduct captures the principles that every potential supplier is expected to uphold. All suppliers and sub-contractors of the Rail Baltica project are subject to this Code of Conduct, and shall be expected to comply with these best market practices.
2. Suppliers who wish to do business within Rail Baltica project, are required to comply with this Supplier Code of Conduct and are required not to commit any crime, offence or misconduct due to which they could be excluded from participation in the procurement procedures in accordance with the relevant applicable national legislation which transposes the Directives 2014/24/EU and 2014/25/EU.
3. Moreover, suppliers who wish to do business within Rail Baltica project, are required to accept and comply with the following principles:

NOTE: Contracting Authorities in the meaning of this Appendix 5 are the respective Beneficiaries and/or Implementing Bodies and/or RB Rail AS in charge of the particular procurement exercises and/or management of the subsequent contracts.

1. Labour:
 - (a) **Freedom of Association and Collective Bargaining:** Contracting Authorities expect their suppliers to respect the freely-exercised right of workers, without distinction, to organise, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organise, to carry out trade union activities and to bargain collectively.²⁴
 - (b) **Forced or Compulsory Labour:** Contracting Authorities expect their suppliers not to use and to prohibit forced or compulsory labour in all its forms²⁵, including but not limited to not employ people against their own free will, nor to require people to lodge 'deposits' or identity papers upon commencing employment.
 - (c) **Child Labour:** Contracting Authorities expect their suppliers not to employ: (a) children below 15 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons.²⁶
 - (d) **Discrimination:** Contracting Authorities expect their suppliers to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognised under the national law of the country or countries where the performance, in whole or in part, of a contract takes place.²⁷

²⁴ These principles are set out in the ILO fundamental Conventions, No. 87, Freedom of Association and Protection of the Right to Organise, 1948 and No. 98, Right to Organise and Collective Bargaining, 1949.

²⁵ This principle is set out in the ILO fundamental conventions, No. 29, Forced Labour, 1930 and No. 105, Abolition of Forced Labour, 1957.

²⁶ These principles are set out in the ILO fundamental Conventions, No. 138, Minimum Age, 1973 and No. 182, Worst Forms of Child Labour, 1999 and in the UN Convention on the Rights of the Child.

²⁷ These principles are set out in the ILO fundamental Conventions, No. 100, Equal Remuneration, 1951 and No. 111, Discrimination (Employment and Occupation), 1958.

- (e) **Wages, Working Hours and Other Conditions of Work:** Contracting Authorities expect their suppliers to ensure the payment of wages in legal fashion, at regular intervals no longer than one month, in full and directly to the workers concerned. Suppliers should keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and suppliers should inform the workers concerned of such deductions at the time of each payment. The wages, hours of work and other conditions of work provided by suppliers should be not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out.²⁸
- (f) **Health and Safety:** Contracting Authorities expect their suppliers to ensure that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent risk of accidents or of adverse effects to health.²⁹
- (g) **Traffic Management:** Contracting Authorities expect their suppliers to respect the needs of affected communities and when delivering works/services/supplies to manage their access to physical locations in the least disruptive and in a controlled manner so as to not cause excessive inconvenience/disruption to local inhabitants.

2. Human Rights:

- (a) **Human Rights:** Contracting Authorities expect their suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.³⁰
- (b) **Harassment, Harsh or Inhumane Treatment:** Contracting Authorities expect their suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

3. Environment:

- (a) **Environmental:** Contracting Authorities expect their suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.
- (b) **Chemical and Hazardous Materials:** Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

²⁸ These principles are set out in ILO Conventions No. 95, Protection of Wages, 1949 and No. 94, Labour Clauses (Public Contracts), 1949 and in a number of Conventions addressing working time (see: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/working-time/lang-en/index.htm>).

²⁹ These principles are set out in the ILO Conventions, Recommendations and Codes of Practice identified at: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/occupational-safety-and-health/lang-en/index.htm>]

³⁰ These principles are derived from Universal Declaration of Human Rights (UDHR) and are set out in the United Nations Global Compact (see http://www.unglobalcompact.org/Issues/human_rights/index.html)

- (c) **Wastewater and Solid Waste:** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.
- (d) **Air Emissions:** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterised, monitored, controlled and treated as required prior to discharge or disposal.
- (e) **Minimize Waste, Maximize Recycling:** Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.
- (f) **Noise:** Contracting Authorities expect their suppliers to respect local communities and refrain from producing excessive noise whenever possible and to provide advance notification to local communities' members in cases where it is unavoidable to produce excessive noise for a temporary period of time.

4. Ethical conduct:

- (a) **Corruption:** Contracting Authorities have a "zero tolerance" policy towards bribery and corruption in any form, including fraud, bribery and extortion in the conduct of business. Contracting Authorities expect their suppliers to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.
- (b) **Conflict of Interest:** Suppliers are expected to disclose to Contracting Authorities (a) any situation that may appear as a conflict of interest, such as but not limited to: where a supplier or an undertaking related to the supplier has advised a Contracting Authority or has otherwise been involved in the preparation of the procurement procedure; and (b) if any Contracting Authorities' official, professional under contract with Contracting Authorities or sub-contractor may have a direct or indirect interest of any kind in the supplier's business or any kind of economic ties with the supplier.
- (c) **Gifts and Hospitality:** Contracting Authorities have a "zero tolerance" policy and do not accept any type of gift or any offer of hospitality. Contracting Authorities will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners at the cost of suppliers. Contracting Authorities expect their suppliers not to offer any benefit such as free goods or services, employment or sales opportunity to a Contracting Authorities' staff member in order to facilitate the suppliers' business with Contracting Authorities.
- (d) **Post-employment restrictions:** National legislation may set post-employment restrictions to the Contracting Authorities' staff in service and former Contracting Authorities' staff members who participated in the procurement process, if such persons had prior professional dealings with suppliers. Contracting Authorities' suppliers are expected to refrain from offering employment to any such person for a period of 2 (two) years following separation from service.

5. Selection of business partners and own suppliers

- (a) **Adoption and compliance with the principles:** Contracting Authorities expect that their suppliers will promote the adoption of the principles set forth in this document by their potential business partners and promote the implementation of the principles set forth in this document towards own suppliers.
- (b) **Eligibility of own suppliers:** Contracting Authorities expect that their suppliers shall not procure goods, works and services from other suppliers who are non-compliant with this

Supplier and Sub-Contractor Code of Conduct. All suppliers shall be free from violations of insolvency, bribery, or any infringement of competition rights, a horizontal cartel agreement or tax debts.

4. In addition, suppliers who wish to do business within the Rail Baltica project, are expected to comply with the minimum qualification requirements set in Appendix 2 above.

APPENDIX 6: SUPPLIER'S DECLARATION

I, the undersigned duly authorised representative, on behalf of [name of the supplier] undertake:

1. To respect the freely-exercised right of workers, without distinction, to organise, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organise, to carry out trade union activities and to bargain collectively;
2. Not to use forced or compulsory labour in all its forms, including but not limited to not employ people against their own free will, nor to require people to lodge 'deposits' or identity papers upon commencing employment;
3. Not to employ: (a) children below 15 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;
4. To ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognised under the national law of the country or countries where the performance, in whole or in part, of a contract takes place;
5. To ensure the payment of wages in legal fashion, at regular intervals no longer than one month, in full and directly to the workers concerned; to keep an appropriate record of such payments. Deductions from wages will be conducted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and the workers concerned shall be informed of such deductions at the time of each payment. The wages, hours of work and other conditions of work shall be not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out;
6. To ensure that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent risk of accidents or of adverse effects to health;
7. To support and respect the protection of internationally proclaimed human rights and not to become complicit in human rights abuses;
8. To create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment;
9. To have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment; wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices;
10. To identify and manage chemical and other materials posing a hazard if released to the environment to ensure their safe handling, movement, storage, recycling or reuse and disposal;
11. To monitor, control and treat as required prior to discharge or disposal wastewater and solid waste generated from operations, industrial processes and sanitation facilities;
12. To characterise, monitor, control and treat as required prior to discharge or disposal air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations;
13. To reduce or eliminate at the source or by practices, such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials, waste of all types, including water and energy;
14. To adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery;
15. To disclose (a) any situation that may appear as a conflict of interest, such as but not limited to: where a supplier or an undertaking related to the supplier has advised a Beneficiary or Implementing Body or has otherwise been involved in the preparation of the procurement procedure; and (b) if any Beneficiaries' or Implementing Bodies' official, professional under contract with Beneficiary or Implementing Body or sub-

- contractor may have a direct or indirect interest of any kind in the supplier's business or any kind of economic ties with the supplier;
16. Not to offer any benefit such as free goods or services, employment or sales opportunity to a Beneficiary's and Implementing Body's staff member in order to facilitate the suppliers' business with Beneficiaries or Implementing Bodies;
 17. Within a period set in the applicable national legislation following separation from service or award of a contract, as the case may be, to refrain from offering employment to any Beneficiaries' and Implementing Bodies' staff in service and former Beneficiaries' and Implementing Bodies' staff members who participated in the procurement process and to whom a legal restriction to receive material benefits from or be employed by a supplier which participated in a procurement procedure or restrictions with similar effect applies;
 18. To promote the adoption of the principles set forth in this Supplier's Declaration by my potential business partners and promote the implementation of the principles set forth in this document towards own suppliers;
 19. Not procure goods, works and services from other suppliers:
 - a) who, or its member of the Management Board or the Supervisory Board or procurator of such supplier, or a person having the right to represent such supplier in activities related to a subsidiary, has been found guilty in any of the following criminal offences by a such punishment prescription of prosecutor or a judgement of a court that has entered into effect and is non-disputable and not subject to appeal:
 - i. bribetaking, bribery, bribe misappropriation, intermediation in bribery, taking of prohibited benefit or commercial bribing, management of criminal organisation;
 - ii. fraud, misappropriation or laundering, human trafficking;
 - iii. evading payment of taxes and payments equivalent thereto,
 - iv. terrorism, financing of terrorism, invitation to terrorism, terrorism threats or recruiting and training of a person for performance of terror acts;
 - b) who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of an infringement of employment rights which means:
 - i. employment of such one or more citizens or nationals of countries, which are not citizens or nationals of the European Union Member States, if they reside in the territory of the European Union Member States illegally;
 - ii. employment of one person without entering into a written employment contract, not submitting an informative declaration regarding employees in respect of such person within a time period laid down in the laws and regulations, which is to be submitted regarding persons who commence work;
 - c) who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of infringement of competition rights manifested as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, except for the case when the relevant authority, upon determining infringement of competition rights, has released the candidate or tenderer from a fine or reduced fine within the framework of the co-operation leniency programme;
 - d) whose insolvency proceedings have been announced (except the case where a bailout or similar set of measures is applied within insolvency proceedings oriented towards prevention of possible bankruptcy and restoration of solvency of the debtor, in which case I shall evaluate the possibility of such supplier to participate in the tender), economic activity of such supplier has been suspended or discontinued, proceedings regarding bankruptcy of such supplier have been initiated or such supplier will be liquidated;
 - e) who has tax debts in the country where the procurement is organised or a country where such supplier is registered or permanently residing, including debts of State social insurance contributions, in total exceeding an amount which is common threshold in public procurements in the respective country.

[signature]
[name, last name]
[position]
[date]