



ROSATOM

STATE ATOMIC ENERGY CORPORATION ROSATOM

Rosatom Procurement System. Main Principles and Opportunities for Suppliers.

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THE STATE ATOMIC ENERGY CORPORATION ROSATOM



BUSINESSES: 400
PERSONNEL: 262 000



- Mining Division
Atomredmetzoloto, Uranium 1
- Fuel Division
TVEL, TENEX
- Machine-building Division
Atomenergomach
- Design & Engineering Division
ASE Group
- Energy Generation Division
Rosenergoatom
- Innovation Management Division

ROSATOM PROCUREMENT SYSTEM FUNDAMENTALS

Rosatom procurement system is based on the international legislation, and regulated by the Russian Law:



- **UNCITRAL Model Law** on Procurement of Goods, Construction and Services with Guide to Enactment
- **WTO basic principles** (General Agreement on Tariffs and Trade, GATT)
- Procurement Policies and Rules for projects financed by the **European Bank for Reconstruction and Development**



- **Russian Federal Law No. 223–FZ** «On the Procurement of Goods, Work and Services by Certain Types of Legal Entities»
- This Law regulates the procurement activities by the largest Russian State Corporation which pay against the completed contracts from own funds or by means of secured third party investments

- **Russian Federal Law No. 44–FZ** «On the Contractual System for Procurement of Goods, Works and Services for State and Municipal Needs»

This Law regulates procurement activities of those Russian state enterprises which pay the suppliers from the State Budget of the Russian Federation

When realizing projects abroad, the procurement system also includes legislative requirements in the field of procurement of the country of construction.

For MVM-Paks II: EU Procurement Regulation – **DIRECTIVE 2014/24/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL** of 26 February 2014

Requirements of foreign customers are also included in the EPC-Contract

e.g.: the requirement for the customer to approve the main suppliers / sub-contractors

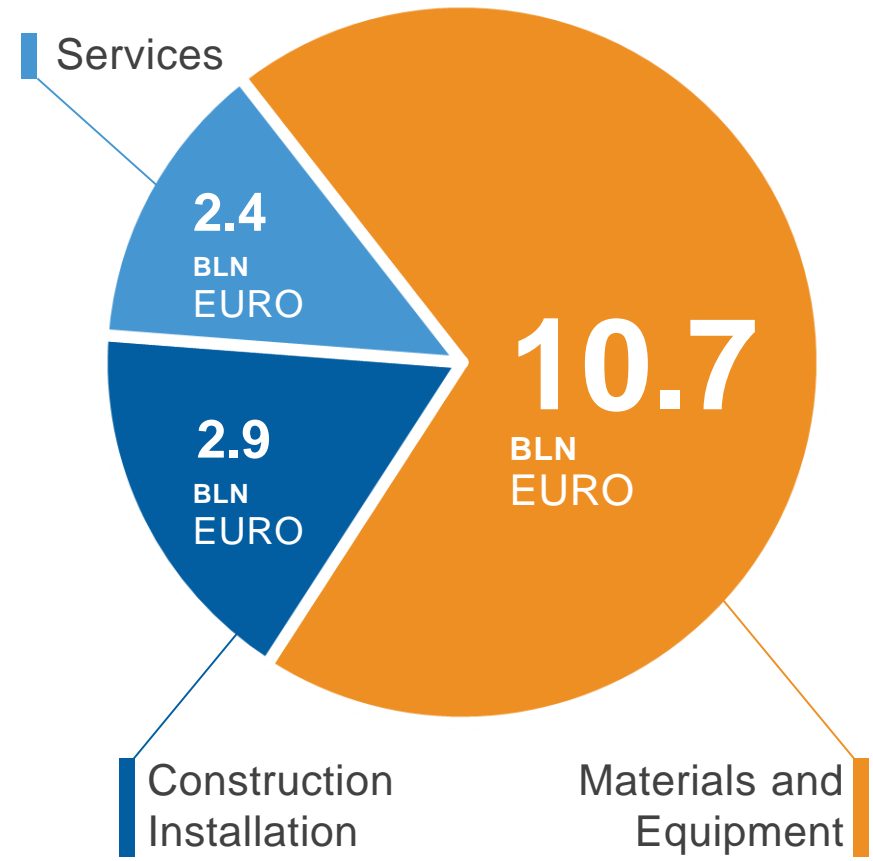
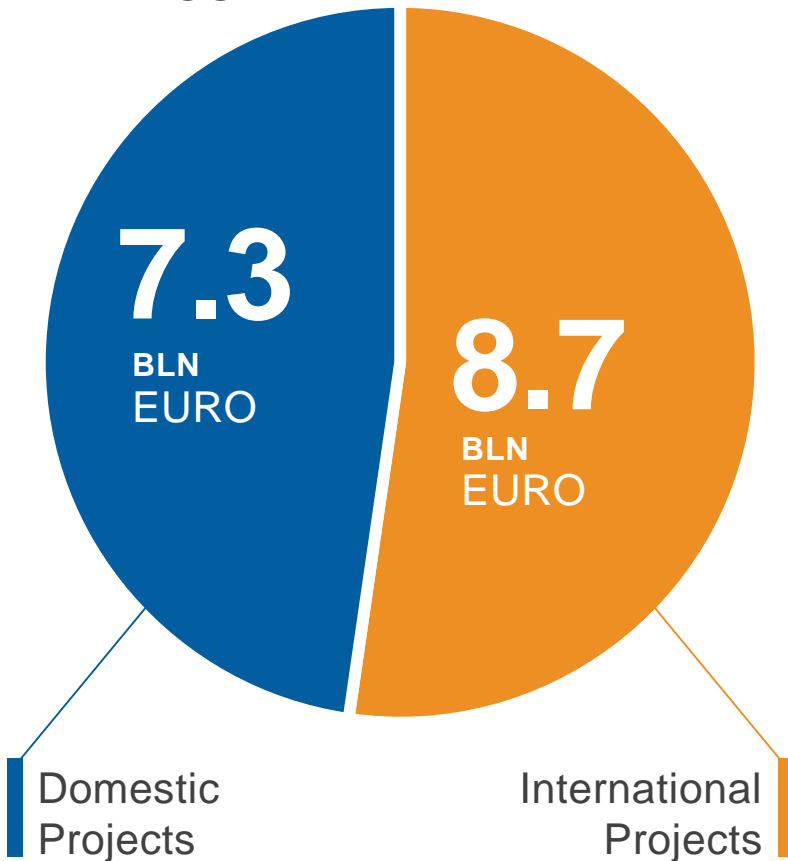
THE PLAN OF COMPETITIVE BIDDING PROCESSES: THE END OF 2017 – 2018



OVER 40K

COMPETITIVE
BIDDINGS

16 BLN EURO



ATOMIC INDUSTRY PROCUREMENT TOOLS

The Procurement Standard of ROSATOM State Corporation

- Aggregate Procurement E-Platform: www.zakupki.rosatom.ru
- 99% of public tenders are conducted electronically only
- At the site we are published: Annual Procurement Plan of the Russian Atomic Industry; Regulations; All current competitive biddings

E-Trading Automation and Supplier Support:

Russian public e-trading platforms for tender execution:

- Public E-Trading Platform “UNITED E-Commerce Platform”: www.roseltorg.ru, www.atom.roseltorg.ru
- Public E-Trading Platform “FABRICANT”: www.fabrikant.ru
- Public E-Trading Platform “B2B-Center”: www.b2b-center.ru

Internal Control. Responsibility

- Central Arbitration Committee of the State Atomic Energy Corporation Rosatom: arbitration@rosatom.ru
- Anti-Fraud and Anti-Corruption 8-800-100-07-07, e-mail: 707@rosatom.ru

Supplier Development Activities. Public Relations

- Supplier Teaching System in Rosatom Corporate Academy
www.rosatom-academy.org
- International Forum of Nuclear Industry Suppliers «ATOMEX 2018»: www.atomeks.ru
- Distance training «How to become a supplier for the Russian atomic industry?» www.rosatom.ru in the section «For Suppliers»

REQUIREMENTS TO THE PARTICIPANTS OF A COMPETITIVE BIDDING

STANDARD SELECTION CRITERIA IN ROSATOM COMPETITIVE BIDDING IN EU



Legal Capacity

- Participant company registered in Russia or EU.
- Must not have prior convictions for the commission of crimes in the economic sphere: corruption, money laundering etc. Must not be in the sanctions lists.
- Must not have been the subject of a conviction by final judgment for child labour and other forms of trafficking in human beings.
- Must not be in an official list of bad-faith parties to a public procurement transactions.
- Must not be convicted by final judgment for tax dodging or delays in salary/wages payments to own personnel.



Financial Stability

- Last year's turnover disclosed. Minimal amount should not exceed at the most twice the estimated contract value.
- Participant must not be in the bankruptcy process.
- Participant must not have entered into liquidation.



Beneficial Owner(s) Disclosure

For privately owned company, the documents disclosing final beneficial owners must be provided. For public joint stock companies, official shareholder information must be filed.



Certification

- Compliance of an OEM with Quality Management System ISO 9001
- Certificate of OHSAS 18001 Occupational Health and Safety Management
- Certificate of ISO 14001 Environmental Management



Proven Experience of Construction/Manufacture/Supply

- Confirmed availability of sufficient number of staff required qualifications.
- Confirmed availability of the necessary materials and technical resources.
- Confirmed experience of supply: at least 1 satisfactory completed supply contract within last 3 years.
- Confirmed experience of manufacture: at least 1 piece of the comparable equipment manufactured within last 3 (5–10) years. *



Licenses: Design and Manufacture

- Valid licenses for design and manufacture of equipment for NPP must be provided.
- Participant must prove its technical capacity to manufacture the needed equipment. Necessary licenses and certificates too.



Audit of Buildings Companies and Manufacturers

- For a competitive bidding subject to construction of the nuclear facilities, a Building Companies are required to pass an audit.
- For a competitive bidding subject to supply of safety-critical machinery and equipment, an OEM is required to pass an audit.

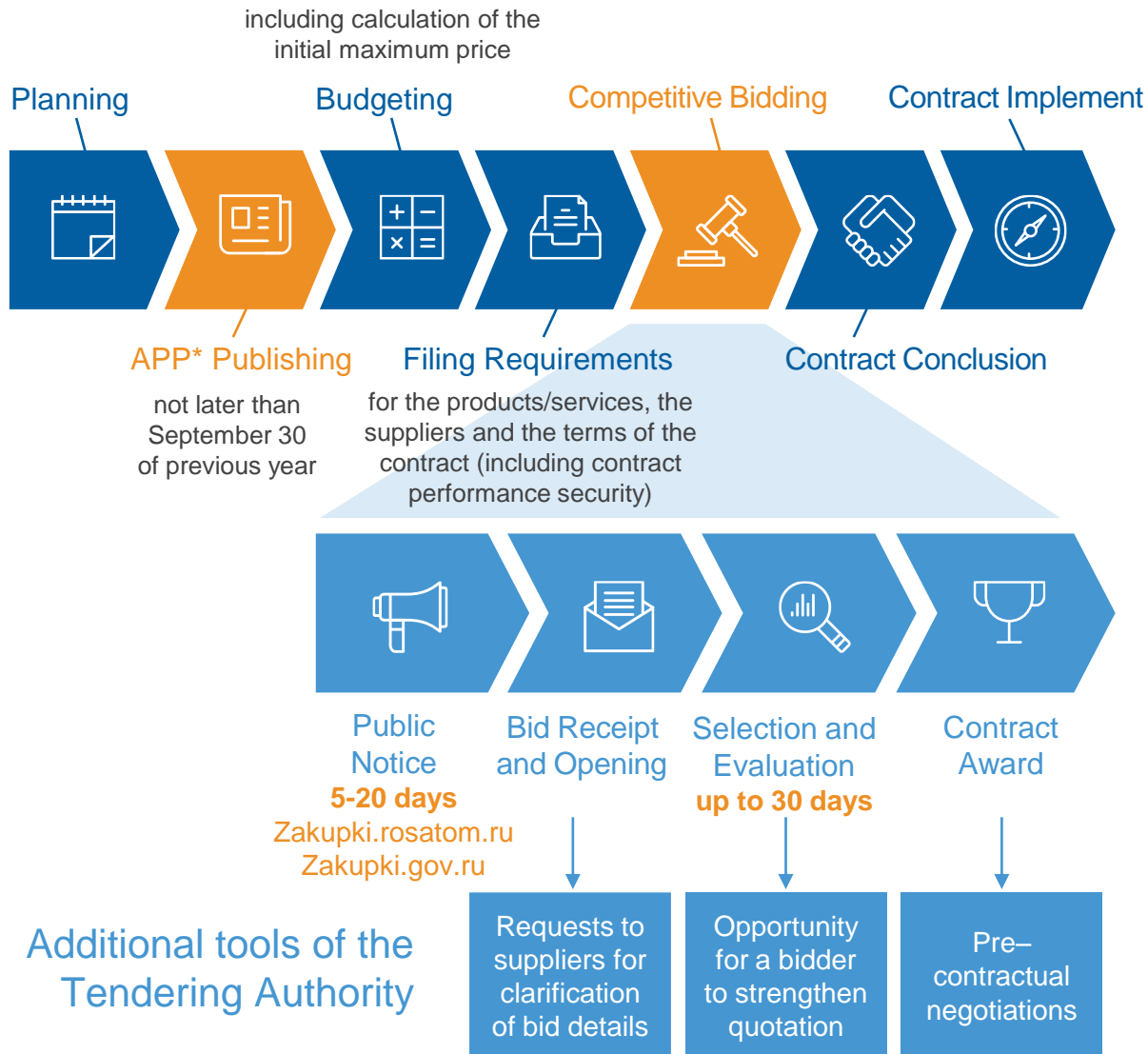


Customer's Approval

In some projects, the Customer requires all suppliers/manufacturers which successfully passed a pre-qualification stage of a competitive bidding to obtain their approval in order to be admitted to the evaluation stage.

* Since NPPs in EU are constructed less often than in Russia, Tendering Authority has a right to expand the required period of proven manufacturing experience for certain categories of rarely manufactured products

PROCUREMENT PROCESS



Clarification Request

Requests to suppliers for clarification of bid details are sent when required documents are unclear or missing in the bid.

Rebidding

Rebidding takes place on decision of the Tendering Authority to further bring down the price (prior to the moment of defining the winner of a competitive bidding).

Pre-contractual Negotiations

Pre-contractual negotiations are held with the awarded supplier. The aim is to:

- reduce the price further;
- shrink the contract execution time;
- fine-tune the terms and conditions of the contract;
- change the supply scope (no more than 10%, and without affecting prices).

SUPPLIER TEACHING SYSTEM

Training and professional development in «ROSATOM Corporate Academy»

- Seminars in Moscow in the building of ROSATOM Corporate Academy,
- Departure of teachers to suppliers on their territory or organization of distance learning (webinars),
- Detailed information (timetable, training programs) – see the web-site rosatom-academy.org

Events for nuclear industry suppliers

- International Forum of Nuclear Suppliers ATOMEX. The official site of the forum: atomeks.ru
- European exhibitions and business forums for organizations interested in deliveries to enterprises of the nuclear industry.

Online interactive program "Find out more about the ROSATOM procurement system"

- The general step-by-step algorithm of participant actions of the procurement procedure is presented.
- Feedback tools for the opportunity to ask a question.
- The training program is posted on the website zakupki.rosatom.ru in the section "Suppliers".

