

Annex 11.

Procurement Policy of the Core FB MC

ARTICLE 1. OBJECTIVE AND SCOPE

- 1.1. The main objective of establishing this Procurement Policy Annex is to comply with the obligation deriving from article 75 (2) and Preamble (23) of CACM Regulation, which provisions stipulate that the regional cost resulting from activities of NEMOs or TSOs cooperating in a certain region shall be only recovered, if it is efficiently incurred, reasonable and proportionate.
- 1.2. In addition to the purpose to comply with the CACM Regulation, this Annex aims to describe the general principles and procedure of the Core FB MC 's procurements in order to ensure a transparent, economically efficient, non-discriminant purchase of goods, services and works, while contributing to the efficient functioning of the Core FB MC.
- 1.3. The Parties also intend to avoid conflict of interest while pursuing common procurements and to maximize the benefits that can be delivered to the Core FB MC while acquiring services, works, and goods.
- 1.4. The Parties acknowledge, that EU or their national public procurement law might be applicable when purchasing goods, services or works in connection with the Core FB MC as some of the Parties are under the scope of either Directive 2014/25/EU, or Directive 2014/24/EU or their national public procurement law. In such cases, Article 4.4 and 4.5 are not applicable.
- 1.5. This Annex applies to all common procurements of goods, works and services, resulting from the operation of the Core FB MC and decided by the Core JSC, regardless of whether it is under the scope of Public Procurement law or not.
- 1.6. Core JSC has the right to decide on matters concerning procurement which are not regulated in this Annex.

ARTICLE 2. DEFINITION

- 2.1. Capitalized terms and expressions used in this Annex shall have the meaning set forth in Annex 1 of the Core DAOA.
- 2.2. For the purpose of this Annex, the capitalized terms and expressions used herein and that are not set forth in Annex 1 of the Core DAOA, shall have the following meaning:

Candidate	means any natural or legal person, or any other kind of entity, which offers the execution of works and/or a work, the supply of products or the provision of services on the market, who may submit a tender;
-----------	--

Contracting Entity	has the meaning set forth in article 4 (1) of Directive 2014/25/EU;
Directive 2014/24/EU	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;
Directive 2014/25/EU	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;
Evaluation Criteria	means the award criteria, which serve to identify the most economically advantageous tender;
EU Threshold	means the value of the procurement as set forth in Directive 2014/25/EU or 2014/24/EU;
PoA:	means power of attorney, the agreement entered into between the Procuring Party and the other Parties for the management of a procurement within the Core FB MC;
Procurement Manager:	means the person or entity that has been designated by the Parties to coordinate and follow up the procurement processes as well as to execute the tasks attributed to it as set out in this Annex;
Procuring Party:	means the Party that will conduct the procurement process in its name and on behalf of the other Parties and shall stipulate the awarded contract with the provider;
Public Procurement:	means the purchasing of goods, works or services under public procurement law;
Request for Proposal or "RfP":	means the document drafted by the Procurement Manager that describes the project, the requirements and specifications and the contractual terms with regard to procurement process;
Selection Criteria:	means the technical, professional, economic, financial, legal capacity to perform the contract.

ARTICLE 3. GENERAL PRINCIPLES

3.1. The following general principles shall be followed in the common Core FB MC procurements:

- (i) Any procurement procedure that may be required for the operation of the Core FB MC shall always ensure the compliance with the following principles such as equal treatment, non-discrimination and transparency, while assuring, at the same time, economic efficiency, timeliness and correctness;
- (ii) Strict following of the planning of the procurement;
- (iii) Selection based on objective criteria, free from personal interests;
- (iv) Approval of procurement deliverables by the relevant Core JSC;
- (v) Recommendation of selection to the relevant Core FB MC governance bodies;
- (vi) Equal terms of participation are provided to all candidates, in the same manner;
- (vii) Documentation of the conducted process must be recorded for auditing purposes;
- (viii) Compliance with Applicable Law, especially with the EU Directives in respect of public procurement in the energy sector (i.e. Directives 2014/24/EU and 2014/25/EU), if applicable.

ARTICLE 4. RULES FOR SELECTION PROCEDURES

4.1. Request for procurement

4.1.1. If external services are required, each Core FB MC Subcommittees, working groups or task forces, by way of its convener, is entitled to propose to the Core JSC the assignment of a certain activity through a selection carried out by means of a procurement procedure.

4.1.2. The request for procurement shall be submitted to Core JSC for approval, and shall contain at least the following elements:

- (i) The object of the procurement;
- (ii) The contents of the expected deliverables;
- (iii) The quality objectives (deliverable form, respect of scope, finishing level, level of support to seek);
- (iv) The assumed value (an assumed budget, considering standard rates of economic operators in the relevant market);
- (v) The target date for completion;
- (vi) The technical specifications;
- (vii) List of possible Candidates (if known);

4.1.3. Before approving the request for procurement, Core JSC may ask Core LTF opinion whether according to Article 1.4 the procurement is under any public procurement law or not, and if possible, Core LTF gives a proposal for the applicable procurement procedure.

4.2. Approval of Core JSC

4.2.1. In conformity with the Applicable Law, the Core JSC shall then:

- (i) Based on the assumed value, and the object of the procurement, decide on the applicable procurement procedure as it is set forth in Article 4.5 of this Annex;
- (ii) Decide on the appointment of a Party candidate for the Procuring Party role. In the event that no Party applies for the Procuring Party role, the JSC shall decide how to continue with the procurement.
- (iii) Provide the necessary instructions to the Procuring Party for the organization of the procurement;
- (iv) If necessary, establish a Procurement Task Force with the task to:
 - o suggest the main content of the procurement procedure;
 - o draft the Power of Attorney in compliance with Article 4.3.1;
 - o follow up of the procurement process;
 - o upon request of the Procuring Party, to support the procurement process.

4.3. Obligations of the Procuring Party

4.3.1. Before launching the procurement process, a Power of Attorney (PoA) must be signed between the Parties and the Procuring Party, which shall contain the main requirements of the procurement (e.g. object of the procurement, procurement method, Selection Criteria, Evaluation Criteria, timeline of the procurement, applicable law for the procurement).

4.3.2. The procurement shall take place in accordance with the PoA, and subject to the Applicable Law, in particular as regards public procurement procedures applicable to the Procuring Party.

4.4. Award of the Contract

4.4.1. Once the Candidates have demonstrated the appropriate capacity to perform the contract on the grounds of the Selection Criteria, the offer will be assessed by the General TF on the basis of Evaluation Criteria, which serve to identify the most economically advantageous Candidate.

4.4.2. The award of contracts is preferably based on the most economically advantageous tender, which is the one which represents the best value for money, taking into account inter alia quality, environmental and or social criteria, and price.

4.5. Applicable Procurement procedures below applicable EU/national threshold

4.5.1. The applicable procurement process shall be as open as reasonably possible.

4.5.2. Direct assignment, whereby there is only one economic operator who is invited to offer the execution of a work, supply of products, or provision of services can be applied in specific cases.