

RULES FOR EXECUTION OF TENDERS

1. Scope of application of the Rules.

The present Rules define detailed principles for evaluation of the market value of orders and execution of tender proceedings in the sphere of purchase of raw materials, technical materials and investments connected with the execution of the project within the framework of the Smart Growth Operational Programme 2014-2020, Priority axis I Support for R&D activity of enterprises, Action 1.1: R&D projects of enterprises, Submeasure 1.1.1: Industrial research and development work implemented by enterprises.

Project title: Development of an innovative manufacturing technology for the manufacture of refractory materials with an increased share of recycled raw materials.

Number of the application for funding: POIR.01.01.01-00-0997/19.

2. Definitions.

Wherever these Instructions refer to:

2.1. Orderer – this ought to mean Zakłady Magnezytowe “ROPCZYCE” S.A.

2.2. Supplier – this ought to mean the subject who applies for order granting, has presented an offer or a subject with whom the Orderer has signed an agreement concerning the grant of an order.

2.3. Agreement – this ought to mean an agreement against payment concluded in written between the Supplier and the Orderer on the strength of which an order is granted.

2.4. Commission – this ought to mean the Tender Commission appointed by the President of the Management Board – General Manager of Zakłady Magnezytowe “ROPCZYCE” S.A. by way of an Official Command. That Commission is responsible for evaluation of the market value of orders within the framework of the executed Smart Growth Operational Programme Project, as well as for the execution of tender proceedings.

3. Principles for the execution of tenders.

3.1. The Commission will make, through appointed qualified employees of the company, evaluation of the market value of orders by forwarding written or e-mail enquiries to potential offerers.

3.2. The executed evaluation of the value of orders will be documented in form of Records.

3.3. The conducted offering proceedings will be executed according to the up-to-date prescriptions of the Guidelines concerning qualification of expenses under European Regional Development Fund, European Social Fund and Compatibility Fund for the years 2014-2020 / MliR/2014-2020/12(4) of August 22nd, 2019.

3.4. The Commission makes an estimation if there are at least three potential Suppliers in the market.

3.5. In the event when three potential Suppliers do not exist, the Commission makes a written declaration on this matter together with a justification that indicates objective premises to confirm the declaration.

3.6. The Commission admits the possibility to present written inquiries for offers in form of registered letters or courier mail or in form of electronic mail or by fax to at least three potential Suppliers, provided that there are as many potential Suppliers for the given order in the market.

3.7. The tender announcement should additionally be published on the website of the Orderer: www.ropczyce.com.pl, on the notice board in Ropczyce, at 1 Przemysłowa St., as well as on the <http://www.bazakonkurencyjnosci.funduszeuropejskie.gov.pl> site.

3.8. In the event when in spite of having sent enquiries for offers to at least three potential Suppliers, the Orderer receives one or two offers, the principle of competitiveness is considered to have been fulfilled.

3.9. The Commission may communicate with the Suppliers at its option in a written form, by means of registered letters or/and by electronic mail.

3.10. The Orderer will grant an order to the Supplier who has submitted the most favourable offer basing on the principles and criteria indicated in art. 5 of the present Rules.

4. Tender announcement – a sample formulation of the enquiry for offers.

Zakłady Magnezytowe “ROPCZYCE” S.A. announces a tender of the execution of a purchase (purchase name) in connection with a project executed within the framework of the Smart Growth Operational Programme 2014-2020 Action 1.1 – Project title: Development of an innovative manufacturing technology for the manufacture of refractory materials with an increased share of recycled raw materials.

- Object of the inquiry for offers¹;
- Scope of the inquiry for offers;
- Validity period of the offer;
- Deadline for submission of offers;
- Deadline for delivery of the object of the tender;
- Criteria for the evaluation of offers together with the information on the point or percent weights assigned to the individual criteria for the evaluation of the offer and the methodology for their assignment.

Sample weight criteria in the sphere of:

- price,
 - commercial terms and conditions (including warranties, payment terms)
- (Weight criteria used for the evaluation of offers are individually defined for each tender by the Tender Commission)

- Procedure for submission of offers

¹ For description of the subject of the order are used names and codes defined in the Common Procurement Vocabulary quoted in the (EC) Regulation No 2195/2002 of the European Parliament and of the Council of 5 November 2002 on the Common Procurement Vocabulary (CPV).

- by means of a registered letter, courier mail or fax to the address: Zakłady Magnezytowe "ROPCZYCE" S.A., ul. Przemysłowa 1, 39-100 Ropczyce, Poland, with a designation "PRZETARG-POIR 1.1.1" or by means of electronic mail to the address given in the inquiry for tenders,
 - delivery in a closed envelope with the designation "PRZETARG-POIR 1.1.1" to the General Office of the Company in Ropczyce, Poland, at 1 Przemysłowa St. between 7.00 – 15.00 hours and confirmed by the person submitting the offer by signing her/his name in the Incoming Correspondence Register.
- Conditions for participation in the proceedings and description of the method for the evaluation of their fulfilment:
 - Information on the ban of personal or capital connections:
 - Definition of conditions for essential modifications of the agreement concluded as the result of the executed proceeding for order granting if the Company provides a possibility to modify such an agreement:
 - Tender settlement date:
 - Contact persons in Zakłady Magnezytowe "ROPCZYCE" S.A.:
 - Offerer's knowledge and experience.

Offerers may participate in the proceeding who possess the knowledge and experience necessary for proper execution of the subject of order.

The Orderer reserves himself the right to verify the Offerer's knowledge and experience by submission of an appropriate declaration and documentation.

- Additional conditions
1. A possibility to submit a partial offer is not acceptable.
 2. Advance payment is not preferred.
- A clause concerning the possibility to cancel the tender or alter the conditions for the tender proceeding without giving reasons at each stage of the proceeding – according to the art. 6 of these Rules.

5. Principles and criteria for selection of the Supplier.

- 5.1. The Commission opens and acquaints itself with the contents of the submitted offers after the deadline for their submission has passed.
- 5.2. The Commission is the subject burdened with the obligation to verify the offers, check their correctness and entirety from the substantial and formal point of view resulting from the tender inquiry.
- 5.3. In the tender are solely considered offers that fulfil substantial and formal requirements in view of correctness and completeness of the required data.
- 5.4. For each tender the Commission individually defines the weight criteria on the basis of which the evaluation of offers will be conducted. Those criteria and evaluation methodology will each time be indicated with the announcement of a tender for order granting.

- 5.5. Each criterion is subject to evaluation according to the adopted scale of 5 points from 0 to 5 points.
- 5.6. In case of parameterized criteria for the evaluation of offers (e.g. the price against comparable parameters, payment date with comparable remaining payment terms and conditions), evaluation of the criterion is defined on the principle of proportion to the most favourable value that obtains the appraisal of "5" calculated according to the following formula:
- a/ In case of a criterion with the lowest value (e.g. the price)
(The lowest value / The evaluated value) x 5
- b/ In case of a criterion with the highest value (e.g. the payment date)
(The evaluated value / The highest value) x 5
- 5.7. In case of non-parameterized criteria for evaluation of the offers (e.g. warranty rules, range of services), the appraisal is made at the discretion of the Commission.

Table 1. Rating list according to the adopted criteria

Rating criterion type	Supplier 1	Supplier 2	Supplier 3
Criterion 1	rating in the 0-5 scale	rating in the 0-5 scale	rating in the 0-5 scale
Criterion 2	rating in the 0-5 scale	rating in the 0-5 scale	rating in the 0-5 scale
Criterion 3	rating in the 0-5 scale	rating in the 0-5 scale	rating in the 0-5 scale
Criterion 4	rating in the 0-5 scale	rating in the 0-5 scale	rating in the 0-5 scale

Table 2. Complex list of ratings with consideration to the weights of individual criteria adopted in the inquiry for offers

Rating criterion type	Criterion weight	Supplier 1	Supplier 2	Supplier 3
Criterion 1	0-100%	weight x rating	weight x rating	weight x rating
Criterion 2	0-100%	weight x rating	weight x rating	weight x rating
Criterion 3	0-100%	weight x rating	weight x rating	weight x rating
Criterion 4	0-100%	weight x rating	weight x rating	weight x rating
Total points		Total points	Total points	Total points

- 5.8. The basis for evaluation of offers and selection of a supplier is obtaining a total of the highest amount of points.
- 5.9. After a proposal of the Commission, a possibility is admitted to complete or additionally negotiate the conditions of the offer that obtained the highest number of points in the tender.

- 5.10. Calculation of the value of an offer made in a foreign currency will be made on the basis of the average NBP exchange rate from the day on which the records from the estimation of offers was signed.
- 5.11. Additional negotiations with the Supplier who obtained the highest point rank within the scope comprised by the inquiry for offers is conducted by the Purchasing Department of the Orderer, and they make records of settlements accepted by Zakłady Magnezytowe "ROPCZYCE" S.A. and the Supplier.
- 5.12. Additional negotiations have to be confirmed in a written form (by a registered letter, courier mail, fax, in an electronic form or in form of direct discussions confirmed by a note signed by both parties).
- 5.13. The report of settlements is the basis to conclude an agreement with the Supplier.
- 5.14. The report from the executed tender is signed by all members of the Commission, approved by the organizational manager and one member of the Management Board of Zakłady Magnezytowe "ROPCZYCE" S.A. In case the organizational manager is absent, the report from the executed tender is signed by two members of the Management Board.

6. Tender cancellation without giving reasons and alterations of tender conditions.

- 6.1. The Orderer is vested in the right to cancel the tender or alter the tender conditions at each stage of the proceedings, without giving reasons.
- 6.2. The Orderer is vested in the right to alter the conditions of the tender proceedings (including the deadline for submission of offers and the date for tender settlement) at each stage of the proceedings, but before the deadline for submission of offers. The Orderer will by registered or electronic mail advise all the offerers to whom inquiries for offers have been sent, about the existing alterations. Furthermore the information will be placed on the website of the Company www.ropczyce.com.pl and in the building at 1 Przemysłowa St. in Ropczyce, Poland, as well as on the website: <http://www.bazakonkurencyjnosci.funduszeuropejskie.gov.pl>.

7. Final provisions.

- 7.1. After the selection has been made, the Orderer will publish the information about the results of the proceedings on the website: <http://www.bazakonkurencyjnosci.funduszeuropejskie.gov.pl>, on the website of the Company www.ropczyce.com.pl, as well as by sending written information to the offerers by means of conventional post, indicating the data of the winner of the proceedings.
- 7.2. All alterations to these Rules require a written form in order to be valid.
- 7.3. The present Rules are subject to publication on the Orderer's website: www.ropczyce.com.pl.