

PURCHASE PROCEDURE

CHAPTER 1. GENERAL PROVISIONS

1. The relations interconnected with the procedure of goods, works and services procurement by “Armenia” International Airports” CJSC (hereinafter referred to as Company) shall be regulated by the given procedure, the fundamental rights and obligations of the relations as well as other affairs related to the procurement processes shall be defined based on Articles 3, 52 and 53 of the RA Law “On Procurement”.
2. The purpose of the given procedure is to ensure the cost of compensation in the procurement process, that is:
 - Procurement (with equivalent compensation) of the goods/services/works required for the performance of the powers entrusted to the Company and for implementation of the objectives set out in Master Plan for 2013-2017 presented by Zvartnots International Airport Concessionaire approved by Government Decree N 1495-N dated 26.12.2013, as well as in the Master Plan to be submitted for a later period (hereinafter referred to as the Master Plan).
 - Implementation of the most economical, efficient and effective procurement of goods / services / works and procurement processes.
3. In pursuance of the objective set forth in Clause 2 of the given Procedure the procurement process shall be based on the following principles:
 - free and fair competition, protection and encouragement;
 - organization of the procurement process on competitive, transparent, public and non-discriminatory basis with common rules;
 - expansion of the range of participants with the purpose to sign a contract and promotion of competition among them;
 - juridical equality for any person to participate in procurement process, regardless of whether he/she is a foreign natural person, an organization or a stateless person.
4. Due to the peculiarities of the procurement process other legal acts adopted by the relevant governing bodies of the Company may define implementation of the rules prescribed in the present Procedure, as well as additional terms not provided for in the present procedure with respect to the invitation and the basic terms of the contract.

CHAPTER 2. APPROVAL OF THE PROCUREMENT PROGRAM

1. The Manager of the Purchase Department or the person authorized by him/her (Hereinafter referred to as Procurement Coordinator) shall send an e-mail to the managers of the departments of the Company requiring each department to submit a list of the goods / services / works to be procured for its activities during the next fiscal year. The Procurement Coordinator shall send the mentioned e-mail to the departments no later than 80 days before the start of the fiscal year.
2. Each department of the company shall make a Procurement List which shall contain the following information:
 - Name of the goods / services / works,
 - The required quantity of the goods / services / works,
 - The requirements for quality of the goods / services / works,
 - The terms during which the goods are to be supplied, services to be provided and /or works to be performed.
3. The procurement list compiled by every department of the Company shall be approved by the manager of the given department and shall be submitted to the Procurement Coordinator within 15 working days after receiving the letter referred to in Clause 1 of the given chapter.
4. Upon receipt of the Procurement Lists from all the departments the Procurement Coordinator, in case of any questions, shall send an e-mail to the managers of the Departments to discuss the procurement lists.
5. As needed the Procurement Coordinator may, no later than within three business days after sending the e-mail, organize a meeting with the Manager of the department to discuss the comments and suggestions presented by him/her on the Procurement List.
6. As a result of the discussions conducted through electronic correspondence and / or meetings, appropriate changes shall be made to the Procurement Lists.
7. The procurement lists with appropriate amendments shall be approved by the relevant department manager and Procurement Coordinator.
8. Based on the approved Procurement Lists the Purchase Department shall prepare a Procurement Plan which, besides consolidation of the Procurement Lists, shall include classification of the goods / services / works by suppliers, performers or contractors (hereinafter referred to as Supplier) according to the following criteria:
 - Products / services / works that have Approved Suppliers (suppliers who have been selected during the previous fiscal year and the validity of the contracts signed with them has not terminated),
 - Products / services / works procurement of which can be made only from one person as prescribed in Clauses 4, 5 of Chapter 3 of the present Procedure,

- Products / services / works procurement of which shall be made through negotiations, by determining the best price or by announcing a tender.
9. The Procurement Plan shall be prepared by the Purchase Department within 20 business days after confirmation of the purchase lists and shall be submitted to the General Manager of the Company for approval. In case of need for additional work to prepare the procurement plan the term provided for in the given clause may be prolonged.
 10. The General Manager of the Company has the right to confirm the Procurement Plan or submit his remarks and / or suggestions within 10 business days after its receipt. The General Manager of the Company shall interconnect his comments and / or suggestions to the Procurement Coordinator or the Manager of the Department.
 11. If necessary, a discussion shall be held with the General Manager of the Company, the Manager of the relevant department and / or Procurement Coordinator on the comments and / or suggestions presented.
 12. As a result of the discussion, after making relevant changes to the Procurement Plan, the Company's General Manager shall approve it.
 13. The Purchase Department shall carry out procurement in accordance with the Procurement Plan approved for the given fiscal year.
 14. If during operation of the Company or of its departments there arises a need to purchase goods / services / works which are not foreseen in the Procurement Plan or a less quantity of goods / services / works is foreseen or the need to procure the given goods / services / works has arisen earlier than it has been foreseen by the Procurement Plan, the relevant Department shall inform the Purchase Department about the fact.
 15. The Purchase Department shall notify the General Manager of the Company before acquisition of the goods / services / works referred to in Clause 14 of the present Chapter.
 16. The General Manager of the Company has the right to approve the purchase order submitted by the Department within 10 business days or submit appropriate remarks and / or suggestions or reject it.
 17. If the General Manager approves or submits comments and / or suggestions, the Purchase Department shall, after making the necessary changes, carry out procurement of the required goods / services / works.
 18. When approving the procurement plan, the General Manager of the Company shall make a decision by which the managers of the departments determined by him shall be given payment cards or cash with a monthly limit within the framework of which, in the event of an urgent need, they can carry out procurement of the goods / services / works not foreseen in the Procurement Plan. Taking into account the urgency and low cost of these purchases, they are not approved by the General Manager. The mentioned purchases shall be carried out directly through a simplified procedure.

19. The limit of the amount allocated to the managers of the departments may not exceed AMD 500 000 (five hundred thousand) per month as per the decision of the General Manager of the Company.
20. At the end of each month, the managers of the relevant departments of the Company shall submit to the Chief Accountant of the Company a report on the purchases made within the respective amount allocated to them by specifying the name, quantity and amount paid for the goods / services / works purchased. The procurement documentation shall also be attached to the report.
21. The managers of the Company's departments shall return the amount allocated to them but not used during the given month to the Company Chief Accountant.

CHAPTER 3. SELECTION OF A SUPPLIER

1. If there arises a necessity to purchase goods / services / works, the relevant concerned department shall notify the Procurement Coordinator about it by providing him/her with an appropriate Purchase Request and a Technical Characteristics of the goods / services / works.
2. Upon receipt by the Purchase Coordinator of the Purchase Request the Purchase Department shall choose the supplier of the goods / services / works.
3. When choosing a supplier for the procurement of goods / services / works, the classification referred to in Clause 8 of Chapter 2 of the given Procedure is taken as the basis.
4. Goods / services / works are subject to purchase by one person, if:
 - 4.1. it is conditioned by existence of copyright and related rights, special or exclusive right. The following purchases may be made on the basis of the existence of a special or exclusive right:
 - natural gas supply
 - electricity supply
 - fixed phone line
 - irrigation, drinking, technical and industrial water supply
 - acquisition of the goods / services / works from the person who is the sole supplier (contractor, executor) of the goods / services / works to be procured on the basis of legal regulation or administrative norm provided by the competent authority
 - copyright protection of the developers of urban planning documents
 - acquisition of printed or electronic publications, mass media, with the exception of distance broadcasting
 - comprehensive school education
 - music school education
 - evening and distance school education
 - special general education
 - inclusive education
 - specialized general education
 - extracurricular education
 - industrial education

- real estate renting
- hospital treatment
- ambulatory polyclinic treatment
- hygienic anti-epidemic service
- hard-to-reach diagnostic studies
- acquisition of goods / services / works to receive official delegations, organize foreign visits, with the exception of acquisition of air tickets from air transport agents
- aircraft maintenance services
- banking service
- postal service
- acquisition of maintenance services (including the necessary accessories for the maintenance) of the object of procurement from the person producing the object of procurement or the only representative of the latter
- acquisition of goods / services / works from the state or community-based organization if the purpose (the subject of the main activity prescribed by the Charter) of the establishment of the given organization is provision of the object of procurement, works performance or service provision to the founder
- acquisition of real estate which is communal property
- acquisition of garbage collection services
- acquisition of car insurance services in accordance with the requirements and minimal tariffs set by the "Armenian Motor Insurers' Bureau" Union of Legal Entities
- acquisition of the equipment required for airport renovation and maintenance or the necessary equipment, devices, technical means due to the rarity of the equipment, devices and technical means.

4.2. the goods / services / works to be purchased can be obtained only from one person, which is conditioned by the need for aviation security:

4.3. additional quantities of goods are obtained, which are prescribed for the replacement or replenishment of the equipment (devices) previously provided with by the Supplier and the change of the original trader will force the Company to acquire goods with other features which can lead to incompatibility or disproportionate technical complications in terms of exploitation and maintenance.

4.4. by purchasing works or service from a person, the company decides to make additional purchases not included in the original contract from the same person. Additional purchase may be made prior to expiration of the original agreement

4.5. goods are acquired from an enterprise that has ceased to be a business entity or insolvency liquidators or managers based on the agreement with creditors or through similar procedure with special favorable conditions for the Company.

4.6. The Company has become aware of certain offers, which make it possible to obtain goods / services / works at lower than the market prices (promotions by the proposing organization, stimulating events,

etc.) and the Company finds it appropriate to obtain such goods / services / works to ensure its current or future functionality.

4.7. The Company shall obtain certain goods / services / works from a supplier with whom previously such contracts were signed, and the said supplier was informed of the Company's commercial and / or other confidential information, and the Company intends to restrict the scope of the persons informed of the mentioned confidential information.

4.8. In case of urgent necessity, the employee of the company makes necessary expenses to repair the vehicle or other technical means entrusted to him, which are submitted in writing to the Company and approved by the latter within no later than 10 days after making such expenditures.

4.9. Business trip, training, and representative expenses shall be made.

5. Purchase can be made from a single person or by determining the best price through negotiations (without any limitation of the amount) when an urgent demand for extraordinary or unforeseen procurement has occurred, or the given purchase has been an urgent requirement, or as a result of applying another procurement procedure no procurement contract has been concluded in accordance with the terms of the present Procedure or the tender has been declared canceled and the application of any other procedure provided for in the present Procedure is not acceptable in terms of time from the point of view of ensuring the company's relevant functions.

6. In case of making a purchase from one person defined by this Procedure negotiations shall be conducted with one person and if the terms proposed by the Company are acceptable, a contract shall be concluded with the person in compliance with Chapter 6 of the given Procedure.

7. If there is no Approved Supplier for the given goods / services / works or its purchase from a single provider is not a mandatory requirement the supplier's choice is made by negotiating the best price or by holding an open tender. In this case, the Company may provide for the following qualification criteria:

- Compliance of the supplier's professional activity to the activity provided for by the contract,
- Supplier's professional experience,
- Supplier's technical means,
- Supplier's financial means,
- Supplier's labour force.

8. In order to assess "Supplier's financials means" qualification criteria tax and financial statements for the last reporting period may be required from the invited Participant based on which the evaluating commission examines and assesses the impact of the participant's existing financial obligations on the contract to be concluded. During the review of the financial position of the participant defined in this paragraph, the Assessment Commission may request additional information from the Participant regarding the monetary and other liabilities of the Participant in respect of banks, credit organizations and other entities, as well as to state and municipal budgets, on seizures and / or arrests imposed on the participant's bank accounts and other means.

9. Suppliers are also required to submit (upon request) non-price criteria for their right to participate in the procurement process. The participant's non-price criteria for participation in the procurement process are:
 - the criterion of not being found insolvent or bankrupt or not found in the liquidation process by a court decision,
 - non-price criterion for not being included in the list of participants who are not eligible to participate in the procurement process,
 - the criterion of the abuse of a dominating position and the absence of an anti-competitive agreement.
10. A market research is carried out to select the supplier by conducting a negotiation to determine the best price or through open tender procedures.
11. In each case, prior to market research, the scope and timing of the research is determined. Market research is done by the Purchase Department.
12. A source of information about suppliers in a particular area is the list of the suppliers formed by the Purchase Department during its activities. Information can also be obtained through the Internet, telephone conversations or meetings with provider/ his/her representative, various seminars, exhibitions, etc.
13. Based on the information obtained as a result of the survey, a reference shall be drawn up which shall contain the following information:
 - Suppliers' data (name, address, TIN, bank account, director, contact person),
 - Compliance of the Supplier with qualification criteria,
 - Qualitative and quantitative features offered for the goods / services / works to be procured,
 - Price offers submitted by each supplier,
 - The history of cooperation between each Supplier and Company (if any).

CHAPTER 4. PURCHASE PROPOSAL/ PURCHASE INVITATION

1. If the goods / services / works are subject to procurement only from one supplier as prescribed in Clauses 4, 5 of Chapter 3 of the given Procedure, the Purchase Department shall prepare and send a purchase invitation to the given supplier mentioning the essential conditions for the goods / services / works to be purchased.
2. Upon receipt of the invitation the Supplier, within the deadlines specified therein, shall submit an offer to sign the contract in which all essential terms of it are mentioned.

3. If the Company accepts the supplier's offer completely without any reservations, a contract shall be concluded between the Company and the Supplier in the manner prescribed by Chapter 6 of the present Procedure.
4. If the Company does not agree with the terms of the supplier's offer, negotiations are underway between the parties. In the event of a mutual agreement between the parties as a result of the negotiations, the parties shall conclude a contract according to the terms agreed upon in Chapter 6 of the given Procedure on mutually agreed terms.
5. If the parties fail to achieve a mutual agreement as a result of the negotiations, the Company shall carry out market research and select a supplier/suppliers in the manner prescribed by Chapter 3 of the given Procedure.
6. In the event there is no approved supplier for procurement of goods / services / works or they are not procured from one person, the supplier's choice shall be made through negotiations, either by choosing the best price or through an open tender.
7. Selection of the supplier by negotiating the best price shall be done if the purchase price of the goods / services / works does not exceed AMD equivalent to USD 150 000 (one hundred fifty thousand).
8. In this case the Purchase Department shall compile a purchase invitation and send it to those suppliers that became known as a result of the market research and offer the Company the most favorable conditions for the products / services / works. In this case, the history of cooperation between the Company and suppliers shall also be taken into account.
9. The purchase invitation shall specify all essential conditions for goods / services / works, as well as the terms and procedure for submitting proposals by suppliers.
10. Upon expiration of the submission deadline by the suppliers, the Purchase Department shall examine the proposals submitted. As a result of a comparative analysis the Purchase Department, within 5 business days, shall make a reference and present it to the General Manager of the Company.
11. Based on the analysis the General Manager of the Company within 10 business days shall select the supplier who has offered the Company the most favorable conditions for the goods / services / works, i.e. the lowest price for the highest quality.
12. Within 3 working days after the Supplier's selection, the Procurement Coordinator shall notify all interested parties about it.
13. If the value of the purchased goods / services / works exceeds USD equivalent to AMD 150,000 (one hundred fifty thousand) and there is no Approved Supplier for them or they are not subject to procurement from one person, and, if the Company fails to select through negotiations a supplier meeting its requirements, procurement of the goods / services / works shall be carried out by the Company through open tender procedure.

CHAPTER 5. OPEN TENDER PROCEDURE

The Company shall carry out the following actions when organizing an open tender:

1. If there arises a necessity to purchase goods / services / works the interested department shall inform the Procurement Coordinator by presenting a purchase request and the technical characteristics of the required goods / services / works.
2. Upon receipt of the purchase request the Procurement Coordinator shall immediately inform the General Manager of the Company, who, within 10 business days, shall make a decision on forming an evaluation committee.
3. The Evaluation Committee shall discuss and approve the texts of the announcement and invitation prepared within 10 working days by the Procurement Coordinator on the basis of the purchase requests submitted by the interested department.
4. The purchase announcement shall contain the following information:
 - the name and location of the customer;
 - open tender code;
 - a brief and clear statement of the content of the subject matter of the contract;
 - the announcement of the participants on the right to participate in an open tender;
 - conditions for receiving paper-based invitations;
 - language or languages in which applications should be submitted;
 - application form, place;
 - clear information on the name and location of the body responsible for the appeal and the deadline for lodging the complaint;
 - other information if necessary.
5. The invitation must contain:
 - a reference to the published statement, in addition to which the invitation is provided;
 - tender code;
 - application preparation instructions;
 - qualification criteria, requirements for participation and their evaluation procedure;
 - specification of the purchase object;
 - the brief summary of the qualification criteria of the participants;
 - the criteria to be used to determine the chosen participant;
 - application evaluation and participant selection procedure;
 - if the purchase is carried out in stages and the participants are permitted to submit applications for only a portion of the goods/ works / services to be purchased, its terms and conditions;
 - the procedure for calculating the application price;
 - a note that the proposed price includes the cost of transportation, insurance, duties, taxes and other payments besides the cost of the goods/ works /services and may not be less than their prime cost. The proposed price calculation must be submitted in an application;
 - the requirements relating to the enforcement of the application and the contract;

- conditions for applications submission, including the form, location, term, the language of the application, as well as the validity period of the application;
 - order of getting clarifications on the procurement process, information on the meetings to be held with the participants, as well as the name and surname of the secretary of the evaluation committee;
 - the form, place, date and time of opening applications;
 - the references to the provisions of this law and other legal acts relating to the given purchase;
 - conditions for submitting the offer to sign a contract;
 - the actions (inaction) of the procurement process or appeal against the decisions made, the rights of the participant and procedure;
 - the grounds for rejecting the application;
 - other necessary information related to application preparation, submission, opening and evaluation, as well as procurement;
 - a note on the submission of the procurement participant's statement on the right to participate in the procurement and the submission of his / her statement on the application for substantiating the conformity with the qualification criteria envisaged by the invitation provided that the participant is obliged to submit (in the cases and manner prescribed by law and the given Procedure) the documents (information) provided by the invitation supporting the announcement,
 - a note on the Procurement participant's submission of his / her statement on the lack of abuse of dominating position and anticompetitive agreement.
6. The announcement shall be published on the procurement.am website (hereinafter referred to as Bulletin) within 3 working days after approval of the Purchase announcement and invitation texts by the Evaluation committee. The text of the announcement may also be published on the Company's www.aia-zvartnots.aero website. The Procurement Coordinator shall organize the publication process defined in this clause.
7. The announcement shall define one of the following terms for submission of the applications:
- twenty calendar days if, according to the Committee's assessment, more than 10 calendar days may be required for preparation of applications depending on the description, technical conditions and qualification criteria of the purchase object and the terms of the purchase (urgency) permit to apply the 20 calendar – day condition, or
 - 10 calendar days, if according to the Committee's assessment, preparation of applications depending on the description, technical conditions and qualification criteria of the purchase object may be done within 10 calendar days.
8. The terms specified in Subclauses of Clause 7 of the given Chapter shall be calculated from the day following the publication of the Purchase Announcement in the Bulletin. By the decision of the Tender Commission, the deadline for filing applications may be defined by a longer period than the ones specified in Clause 7 of this chapter, based on the specifications of the goods / services / works to be acquired by the tender. In determining the deadline for applications submission the possible price changes in the market (the possible increase in prices) is also taken into account and the fact of involvement of as many participants as possible in the procurement process due to the specific peculiarities of the procurement process.

9. A paper-based invitation shall be provided to the person who submitted a written request based on the announcement within two (2) business days after filing the request. An electronic version of the invitation shall be available to the participants on the Company's website.
10. The purchase participant also has the right to demand the invitation translated into English and Russian.
11. The Company may establish a fee for invitation, the amount of which cannot exceed the costs set for the preparation of the invitation.
12. The fee for the invitation in English and Russian is set out in the Announcement.
13. The invitation may provide for the performance measures of the application and the contract. Based on the specific purchasing characteristics and the expansion of the scope of participants and promotion of competition between them, the Commission may not define the performance measures of the application and the contract.
14. Upon receipt of the invitation, the participants shall submit an application (which is compiled according to the instructions specified in the invitation) to participate in the tender until expiration of the deadline set out in the invitation (within 10 or 20 calendar days after the date of publication of the announcement in the Bulletin or within another term established by the Commission). The necessary documents specified in the invitation shall be attached to the submitted application.
15. The Participant can participate in the procurement procedure and submit an application without receiving the invitation.
16. The Participant has the right to request a clarification of the invitation at least five business days prior to the deadline for filing the application. Clarification shall be provided to the participant who has made the inquiry within three working days after the inquiry is received.
17. The announcement on the content and clarification of the inquiry shall be published in the Bulletin on the day following the day of providing the clarification to the participant who has made the inquiry without indicating the data of the participant.
18. Clarification shall not be provided if the inquiry has been made in breach of the deadline set out in this clause, or if the inquiry is beyond the scope the content of the invitation.
19. Amendments may be made to the invitation at least five working days before the deadline for submission of tender applications.
20. Within three working days after the date of the amendment, an announcement on the terms of modification and provision thereof shall be published in the Bulletin, as well as on the Company's website.

21. In case of making amendments, if there has been established an application security condition for the given procurement process, the participants are obliged to extend the validity of their application security or submit a new application security.
22. A protocol shall be drawn up on the results of the amendments to the clarification and invitation, which shall be attached to the procurement procedure protocol.
23. Participants shall submit applications in terms and conditions defined by the announcement and invitation. Applications shall not be accepted after the submission deadline.
24. In the event of submission of the application in paper form the participant's proposals and related documents shall be put in the envelope glued and sealed (if the seal condition is applicable to the participant) by the participant.
25. The documents included in the envelope shall be drawn up from the original copy and from the number of the copies specified in the invitation.
26. The words "original copy" and "copy" are respectively written on the envelopes of the documents.
27. The manager of the participant or the person authorized by the latter (hereinafter referred to as agent) shall sign the envelope and the documents provided for in the invitation and drawn up by the participant.
28. If the application is submitted by the agent the application shall be accompanied by a document certifying the latter's authorization.
29. The following is written on the envelope in the language the application is filed:
 - the name of the client and the place of filing the application (address),
 - tender procedure code,
 - "do not open until the applications opening session" words,
 - name, location address and telephone number of the participant, address and e-mail address (if the participant has an e-mail address).
30. Applications are registered by the secretary (procurement coordinator) in the registry, in the sequence of receipt, writing on the envelope the registration number, date and the exact time.
At the request of the participant the latter shall be provided with a reference on it.
31. If provided for in the invitation the participants can participate in the purchase procedure through joint activities, (with conception), in which case:
 - the application shall be accompanied by a contract of joint activity;
 - united qualifications of all members of the contract of joint activity shall be taken into account during evaluation of the application;

- the participants bear joint and coherent responsibility;
 - the order of participation in the procurement process through joint activities shall be determined by the invitation.
- 32.** The procedure for submission of applications and accompanying documents electronically shall be defined by tender invitation.
- 33.** On the day of the deadline for submission of applications, at the time specified in the announcement, the Commission shall hold an application opening session in which all applicants have the right to participate.
- 34.** The Commission's applications opening session shall be competent if one of the members of the Commission and the Secretary are present at the session. If one of the members of the commission and the secretary are present at the Commission session provided for in this clause, the responsibilities of the Chairman of the Commission shall be borne by the Commission member concerned.
- 35.** The Chairman of the Commission, in consultation with the Secretary, shall announce the Commission meeting open.
- 36.** At the Applications opening session the envelopes presented by the participants shall be opened by the order of registration and the documents submitted shall be published.
- 37.** After opening of the envelopes and publication of the documents therein, the Commission shall announce a break for examination of the submitted documents. The Commission may set up a break for up to 5 business days depending on the timing of the examination of the submitted documents.
- 38.** When announcing the break, the participants shall be informed by the commission that in the manner prescribed by the invitation during the next session of the Commission simultaneous negotiations shall be held between the participants who meet the non-price criteria.
- 39.** After announcing the break the members of the commission shall examine the submitted documents and evaluate the non-price proposals. When evaluating the non-price offers (qualification criteria, right of participation, etc.), the Commission shall make a decision on whether the non-price proposals meet or do not meet the terms of the invitation. If the application submitted by a participant does not comply with the non-price criteria, the Commission's report shall indicate the facts that serve as the ground for not satisfying.
- 40.** Non-price criteria defined by the invitation shall be evaluated as follows:
- "The right to participate in the procurement procedure" non-price criterion is estimated based on the following documents submitted by the Participant: on non being involved in bankruptcy, insolvency or liquidation processes, absence of anticompetitive agreement and abuse of dominant position, as well as on not being included in the list of participants who are not eligible to participate

in the procurement process, or, if defined by invitation, the participant shall attach to the tender application the documents specified in the invitation for the right to participate;

- When evaluating "Qualification criteria" non-price criteria the procurement process record shall indicate the participants whose qualification criteria based on the submitted documents do not comply with the qualification criteria set out in the invitation, otherwise the participants shall be considered qualified at this stage.

41. When assessing the criterion of the right of participation, as provided for in the first paragraph of Article 38 of this chapter based on the announcement that the Participant is not included in the list of participants who are not entitled to participate in the procurement process, the Procurement Coordinator shall check the information listed on www.gnumner.am, and announce at the session of "Winer determination" whether the information provided by the Participant is credible or not. If the Participant has presented inaccurate information on the requirement set forth in this paragraph, the Participant is immediately declared as unqualified and the latter is deprived of the right to further participate in the procurement process.
42. When defining the qualification criteria, the Invitation may specify that the Participants submit the documents certifying conformity of their data to the relevant qualification criteria set out in the Invitation. When defining the qualification criteria, the Invitation may specify that the Participants submit the documents certifying the conformity of their data to the relevant qualification criteria set out in the Invitation. In these cases, the documents submitted by the participant are considered qualified and allowed to participate in the further procurement process.
43. At the session of tender applications opening the commission may request from certain participants to present samples of the results of their products / works to evaluate the compliance of the proposed products / works with the requirements of the Company. The samples mentioned in this paragraph shall be submitted to the simultaneous negotiation session before the negotiations begin. If, in the evaluation of the Commission, certain samples do not comply with the requirements set by the Company, the mentioned participants shall be regarded as unqualified in respect of the relevant goods and / or works and shall be deprived of the right to participate in the negotiations. If necessary, the Commission may interrupt the negotiation session for the submission and examination of the samples specified in this sub-clause and request the participants to submit samples within the deadline set by the Commission.
44. If the tender has been announced for a specific topic or for a project or design to perform certain works the commission members evaluate the submitted projects, the cost of their implementation and other conditions, either positive or negative, in the manner prescribed by the invitation. The positively assessed participants shall take part in the next round of the tender, that is at the negotiating session.
45. The session following the applications opening session is negotiations session. The said session shall be competent if two thirds of the members of the Commission are present.

46. The chair of the commission (substitute person) shall announce the results of the application evaluation and inform the participants present at the session which participant non priced offers do not comply with the invitation requirements, as a result of which the listed participant is deemed unqualified.
47. The Commission shall have the right to request explanations from the Participant regarding the inaccuracies of the provisions contained in the application. In the event that the explanation provided by the participant gives an opportunity to clarify the provision contained in the application, the Commission based on the clarification shall consider the Participant as qualified. Otherwise, the non-price offers submitted by the participant do not comply with the invitation requirements.
48. If the application submitted by the participant contains discrepancies between the data written in letters and numbers the Commission shall base on the data written in letters.
49. The Commission Chair (or Vice chairman) shall again clarify the procedure for simultaneous negotiations to the participants meeting the non-price requirements (participants of the commission session) and shall recommend the Secretary of the Commission to hand out the negotiation leaflets to the participants.
50. The commission chair shall fix the time of the negotiations, which is set from 15 minutes to an hour, depending on the timely submission of price proposals. When registering the negotiation period, the Commission may also take into account the proposals of the tender participants.
51. After setting the negotiation period, the participants fill out the negotiated sheet with the new price they offer (if there is any offered by the participant).
52. The commission chair shall collect the completed negotiation leaflets from the participants at the same time, after which the commission chair or another member of the commission shall announce the names of the participants (names) and the new prices offered by them.
53. After announcing the new prices offered by the participants, the commission chair shall again hand out the negotiation leaflets to the participants, offering to re-submit a new price offer.
54. The above-mentioned simultaneous negotiation process shall continue until the end of the negotiation period. Upon the end of the set period, the Chairperson of the Co commission chair shall suggest the participants to complete the final prices offered by them, after which the commission chair shall collect the negotiation leaflets from all the participants simultaneously.
55. After collecting the negotiation leaflets, the commission chair shall announce the final prices, after which he/she shall announce a break to declare the winner. After the break, the commission chair shall announce the participant who took the first place of the tender and clarify that the participants of the tender may receive the protocol of the session from the Commission Secretary.

56. A protocol on the announcement of the winner shall be drawn up and provided to all the participants of the tender upon their request. The break for announcing the winner may not exceed 5 working days (idle time), which is defined for the preparation of the protocol of the Commission, as well as for the implementation of the procedures defined in this Procedure for the conclusion of the contract.
57. The period from the end of the session where the winner was announced till Contract conclusion shall be considered as idle time during which the processes defined in this procedure are implemented.
58. The Company shall suggest concluding a contract with the participant who took the first place in the tender in the manner prescribed by Chapter 6 of the present Procedure.
59. The Participant, with whom the Company shall conclude a procurement contract in accordance with the procedures set forth in this Procedure, shall be deemed to be the winner of the tender.
60. If based on the Tender results the price offers of the participant who has submitted the best price offer are higher than previously provided for by the Company, or, if according to the previous studies conducted by the Company, the prices offered in the tender are higher than the prices available on the market (there is an opportunity to buy a purchase item at cheaper price) the evaluative commission may propose the participant who has submitted the best price to change the final price and conclude a contract with a reasonable price at the market (at a price that is reasonably acceptable and available as a result of the Company study). If based on the Tender results the participant who has submitted the best price does not agree with the Commission's proposal, the General Manager of the Company shall announce the tender cancelled based on the reasoned proposal of the Commission. In this case, the Company has the right to conclude a contract with a supplier offering the lowest price for the same goods / services / works in the market. The condition mentioned in this clause is an inseparable part of the invitation.
61. If no participant appears at the opening of the application at the date and time specified in the announcement, the general manager of the company announces the General Manager shall announce the tender cancelled and may purchase the goods / services / works through negotiations by determining the best price in accordance with Clause 5 of Chapter 3 of the present Procedure.

CHAPTER 6. CONTRACT CONCLUSION AND PERFORMANCE

1. After selecting the supplier, besides the essential terms agreed between the Company and the Supplier, the parties consider it is necessary to settle other terms as well or signing a contract by making a single document is a mandatory requirement, within 10 days, the Company shall send to the Supplier a draft contract drawn up by the Company Lawyer and approved by the Chief Accountant and the General Manager of the Company. The essential terms of the contract must comply with the terms of the Purchase offer / invitation.

2. The essential terms of the contract are:
 - Characteristics of the goods / services / works,
 - Procedure and deadlines for delivering goods, performing works, providing services,
 - Requirements for quality of goods / services / works,
 - Price of the goods / services / works and payment terms,
 - The procedure of acceptance and delivery of the outcome of goods / services / works,
 - Warranty, compulsory security requirements,
 - Responsibility of the Parties.
3. The Supplier shall examine the draft contract within 5 business days and submit his comments and suggestions (if any).
4. The comments and suggestions submitted by the supplier shall be discussed by the Company General Manager, Chief Accountant and representatives of the Supplier
5. The Company and the Supplier may agree that the draft contract to be signed between them shall be submitted by the Supplier. In this case after selecting the supplier the draft contract submitted by him shall be examined by the Purchase Coordinator, Company Lawyer, Chief Accountant within the scope of their powers as well as by the General Manager of the Company within ten days and their comments and suggestions shall be submitted to the Supplier within 5 working days after receipt of the draft contract.
6. In the event of a mutual agreement on the comments and / or suggestions submitted, the Company and the Supplier shall conclude the contract after making the relevant amendments if necessary.
7. In the event that the Company and the Supplier fail to reach a mutual agreement, the Company carries out the actions defined in Chapters 2, 3, 4 and 5 of the given Procedure to select a relevant supplier and conclude a contract with him.
8. After signing the contract during its validity period, if the Company as a result of market research shall find out that there are cheaper prices offered by other suppliers in the market for the same goods / services / works, the Company shall propose to the Supplier to reduce the cost of the goods / services / works to a reasonable extent. If the supplier agrees to reduce the above mentioned prices to a reasonable extent, the contract shall be amended accordingly. Otherwise, if the Supplier does not agree with the Company's price reduction proposal, the Company shall be entitled to unilaterally terminate the contract in accordance with the terms and conditions set forth in the contract. When making a decision on termination of the contract by the company, the risks associated with the non-supply of goods / services / works as a result of the contract will be assessed.
9. Supervision of the contract is exercised by the Manager of the Company's relevant Department, the Procurement Coordinator, the Company Lawyer, Chief Accountant, each within the scope of the powers vested in him, as well as the General Manager of the Company.

CHAPTER 7. MONITORING OF PURCHASE PROCESS

1. The Procurement Coordinator shall, within 15 business days after the end of the fiscal year, make the annual report on the procurement made (hereinafter referred to as "Report") as a result of the procurement review made during the financial year.
2. The report should contain the following information:
 - List on the purchases made,
 - Information on the way the supplier shall be selected,
 - Status of the payments made for the purchase (paid, postponed, deferred, etc.),
 - Differences between the procurement plan and the purchases actually made,
 - Problematic purchases,
 - Other information.
3. The report shall be submitted to the discussion of the General Manager of the Company and Chief Accountant. As a result of the discussion the Procurement Coordinator shall make a record, which states:
 - Discussed issues,
 - Decisions on the discussed issues,
 - A special action plan designed to avoid problematic purchases,
 - Offers for general improvement of procurement process.
4. Company subdivisions, each in its part, are informed about the issues mentioned during the discussion. The Procurement Coordinator shall submit the above mentioned records to the General Manage of the Company.