

«Approved»
by the decision of the Board of Directors
of «National Company «KazAutoZhol» JSC

Annex № ____
To Minutes of the Board of Directors № 06
dated from 30.09.2013

**RULES OF PROCUREMENT OF GOODS, WORKS AND SERVICES
BY JOINT STOCK COMPANY «NATIONAL COMPANY «KAZAUTOZHOL»**

Astana, 2013.

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1. General provisions

1. The present Procurement Rules shall define procedure of procurement of goods, works or services by joint stock company «National Company «KazAutoZhol» (hereinafter - the Rules).

2. These Rules shall make use of the following terms:

1) **potential vendor** - individual engaged in business activities, legal entity (except for government agencies, unless otherwise stipulated there to by the laws of the Republic of Kazakhstan), the temporary association of legal entities (consortium), claiming to be the conclusion of the procurement contract;

2) **local content** - percentage of the cost of wages of citizens of the Republic of Kazakhstan, engaged in the performance of a procurement contract of the total wage bill under this contract, and (or) the cost of share (s) of Kazakh origin set in the product (goods) in accordance with the criteria of sufficient processing or full production by residents of the Republic of Kazakhstan of the total value of the goods (goods) for the procurement contract;

3) **the web portal of public procurement** - state information system that provides a single point of access to e-services, e-procurement (www.goszakup.gov.kz);

4) **domestic suppliers of works, services** - physical and (or) legal persons who are residents of the Republic of Kazakhstan, using no less than ninety-five percent of the local labor force of the Republic of Kazakhstan to implement the provision of services;

5) **domestic entrepreneurs** - potential vendors who are residents of the Republic of Kazakhstan and engaged in entrepreneurial activity;

6) **domestic producers** - potential vendors - individuals and (or) legal entities, residents of the Republic of Kazakhstan and producing:

goods completely manufactured in the Republic of Kazakhstan listed in item 5 of the Rules on determination of the country of origin and registration, compilation and issue of the examination report on the origin of goods and registration, certification and issuance of certificate of origin as approved by Decree of the Government of the Republic of Kazakhstan № 1647 dated October 22, 2009;

products which have undergone sufficient processing in the Republic of Kazakhstan in accordance with the criteria of sufficient processing, established by item 7 of the Rules on determination of the country of origin and registration, compilation and issue of the examination report on the origin of goods and registration, certification and issuance of certificate of origin as approved by Decree of the Government of the Republic of Kazakhstan № 1647 dated October 22, 2009;

7) **vendor** - individual engaged in business activity, legal entity (except for government agencies, unless otherwise stipulated thereto by the laws of the Republic of Kazakhstan), temporary association of legal entities (consortium), acting as counterparty to the customer in the concluded with it procurement contract;

8) **customer** - JSC «National Company «KazAutoZhol» and/or its affiliates, acting under a power of attorney;

9) **procurement** - the purchase by customers of goods, works and services on a

paid basis needed for functioning as well as for core operations of the customer performed in a manner, prescribed by these Rules, as well as by civil legislation, except for:

purchase of services carried out by individuals under employment contracts or from individuals who are not entities of entrepreneurial activity, on the paid service contract;

contributions (deposits), including in the authorized capital of newly established legal entities;

acquisition of equity stake in the charter capital of legal entities;

purchase of goods, works and services carried out in accordance with international treaties of the Republic of Kazakhstan, as well as within the implementation of investment projects financed by international organizations, member of which is the Republic of Kazakhstan;

purchase of goods, works and services carried out in accordance with international treaties of the Republic of Kazakhstan, as well as within the implementation of investment projects financed by international organizations, member of which is the Republic of Kazakhstan;

acquisition of balancing power, electric power at the centralized trading, spot market in accordance with the laws of the Republic of Kazakhstan on the power industry, electrical and (or) thermal energy power generation from a qualified organization, carried out in accordance with the laws of the Republic of Kazakhstan in the sphere of supporting the use of renewable energy;

payment of fees and charges levied at the seaport;

reimbursement of travel expenses;

payment of remuneration to the members of the management body and supervisory board;

purchase of agricultural products and processed products from the producers of agricultural products and processed products, who are residents of the Republic of Kazakhstan, as well as services for their storage, handling, transportation, carried out in accordance with the laws of the Republic of Kazakhstan;

10) **Procurement Manager** - the customer, through its structural unit structural unit responsible for organizing and carrying out procedures for the procurement;

11) **database of goods, works and services and their suppliers** - the list of local goods, services and suppliers, which is formed and maintained by the National Institute of Development of local content;

12) **guaranteed order** - the acquisition of the customer and their affiliated entities of goods and services included in the database of the goods, works and services and their suppliers, which is generated and maintained by the National Institute of Development of local content;

13) **bidding documents** - documentation provided to potential vendor to prepare application for tender, which contains information on terms and procedures of a tender;

14) **e-procurement** - procurement performed by means of information systems to ensure automation of organization and tender processes by methods of request of price quotations or tender, including the use of Dutch auction;

15) **tender security for participation in the tender** - a bank guarantee or other security applications for participation in the open tender, a certain customer in the bidding documents;

16) **providing refund (payment)** - a bank guarantee or other security refund (prepaid), defined by the customer in the bidding documents;

17) **the enforcement of the contract** - a bank guarantee or other security performance of the contract as defined by the customer in the bidding documents;

18) **integrated works:**

1) set of works and services, including:

implementation of project and survey works,

“turnkey” construction ,

project and survey work management, “turnkey” construction, and

services, associated with specified works;

2) implementation of projects in the field of information technology “turnkey”, which includes:

supply of software, consulting services for the implementation of information systems and supply of equipment (if necessary);

19) **work** - activities related to construction, arrangement of primary deposits, having real results, as well as other activities, referred to the works in accordance with the laws of the Republic of Kazakhstan;

20) **goods** - items (things), including semi-finished products or raw materials in solid, liquid or gas state, electric and thermal energy, objectified results of intellectual creative activity, as well as rights in rem, under which it can be possible to make the purchase and sales transaction in accordance with the laws of the Republic Kazakhstan;

21) **services** - activities aimed at meeting the needs of the customer, with no real results;

22) **similar goods, works and services** - goods, works or services, which, while not identical, have similar characteristics and are composed of similar components, which allows them to perform the same function;

23) **memorandum of technology** - an agreement concluded by the authorized state support of industrial innovation with national holding company, national holdings , national companies and affiliated legal entities and determining the list of goods, works and services and the placement of guaranteed public order;

24) **conflict of interests of a Tender Commission member** - a situation where personal interests of a member of Tender Commission may influence objectivity of participation hereof in decision-making by Tender Commission;

25) **affiliate of potential vendor** - any individual or legal entity with the right to make decisions and (or) influence decisions taken by potential vendors, including by the act of transaction performed in writing, as well as any individual or legal entity where a potential vendor enjoys such right thereto;

26) **Tender Commission** - a collegial body established by customer/Organizer of procurement (unified procurement organizer) to perform tender procedure;

27) **list of unreliable potential vendors of the customer** - systemized information data on unreliable potential suppliers (vendors) posted on the official

website of the customer;

28) **investment strategic project** - investment project, defined by the Government of the Republic of Kazakhstan;

29) **expert commission** - a collegial body, created by customer (organizer) involved for participation in the development of technical specifications of procured goods, works and services, as well as for preparation of expert opinion on the consistency of proposals of potential vendors to technical specifications of purchased goods, works and services;

30) **expert** - an individual determined by customer, involved for participation in the development of technical specifications of procured goods, works and services, as well as for preparation of expert opinion on the consistency of potential vendors proposals to technical specifications of purchased goods, works and services.

3. Procurement of goods, works and services are based on the following principles:

- 1) publicity and transparency of procurement process;
- 2) efficient expenditure of funding used for procurement;
- 3) procurement of goods, works, services of high quality;
- 4) ensuring all potential suppliers with equal opportunity to participate in the procurement process;

5) increasing the local content in the goods, works and services procured by the customer;

- 6) fair competition among potential vendors;
- 7) control and responsibility for decisions taken;
- 8) minimization of participation of intermediaries in the procurement process;
- 9) effective implementation of investment projects.

4. The procurement process includes:

- 1) the development and approval of the procurement plan;
- 2) selection of a vendor the choice of the supplier;
- 3) conclusion and execution of procurement contract.

5. Procedures for the organization and conduct of procurement are performed by the Customer or the Procurement Manager.

Documents on held/conducted procurement are stored in the structural unit responsible for organizing and carrying out procedures for the procurement of the Customer/Procurement Manager.

Filing deadlines defined in the rules of office work and (or) the nomenclature of affairs of the Customer.

6. The **list of unreliable potential vendors of the customer** approves the executive body of the customer to submit a structural unit responsible for organizing and carrying out procedures for the procurement.

2. Procurement planning

7. The Customer shall develop and approve the procurement plan on the basis of the relevant budget (strategy development, plan development, business plan, production plan, the estimate of income and expenditure), in accordance with Annex 1

to this Rules, which contains the following information:

1) the name of the goods, works and services , including the amounts allocated for the procurement for the medium term over the years. Range of activities should include information on the amount of goods purchased in the framework of the implementation of these works;

2) the manner and the timing of purchases;

3) planned date and place of delivery of goods, works and services;

4) the planned delivery of the goods , works and services in accordance with the schedule and by year within the defined and specified amounts for each financial year in the cases award of procurement contracts with terms of their completion in the next (next) fiscal year (years).

8. Procurement Plan shall be approved by the t first head of the Customer or a person or other person authorized by him within 20 (twenty) working days from the date of approval of the budget, and (or) development plan and (or) the business plan of the Customer.

9. Customer within five (5) working days from the date of approval of the procurement plan, and within 5 (five) working days from the date of making changes and (or) amendments to the procurement plan places on the web portal of public procurement information on the planned procurement of goods, works and services. The customer is obliged to place ads on the implementation of the procurement and the outcome of the procurement on the web portal of public procurement and on-site customer implemented methods provided in subparagraphs 1), 2) and 3) of paragraph 18 of these Rules.

10. The decision on the implementation of procurement shall be adopted by the Customer on the basis of the approved procurement plan.

11. The customer determines the Procurement Manager for the procedures of the organization and conduct of procurement.

12. Purchase of goods, works and services not covered by approved procurement plan, shall not be allowed.

13. The customer can implement procurement procedures concerning the selection of a supplier of goods, works and services to the approval of the budget, and (or) development plan (business plan, income and expenses) and the procurement plan. In this condition the procurement contract shall be the adoption of the budget (business plan, income and expenses) and the procurement plan for goods, works and services in respect of which the procurement procedures concerning the selection of the provider.

14. The customer is obliged to make changes, additions to the procurement plan in the event of:

- changes, additions to the approved budget, and (or) development plan and (or) a business plan;

- adjustment of design and construction documents.

The customer has the right to make changes and (or) amendments to the procurement plan within the approved budget, and (or) development plan and (or) business plan.

15. The customer prior to the date of opening envelopes with applications for participation in the tender and the price proposals or procurement contract from one

source shall have the right to abandon the procurement in cases reduce the cost of procurement of goods, works and services provided for in the plan (s) of procurement, sound reducing the need not appropriate or reasonable purchase of goods, works and services. In this event, the costs incurred by the potential supplier is not reimbursed. Not permitted to make changes and additions to the procurement plan, providing for an increase in the cost of acquisition, the increase in demand or the occurrence of the advisability of purchasing such goods, works and services in the current year. Disclaimer of procurement is done by making appropriate changes in the procurement plan.

In event of cancellation of the procurement Customer shall:

1) within 5 (five) working days from the date of the decision to abandon the procurement notify the persons involved in the procurement conducted by the publication of the announcement on the website of the customer and the web portal of public procurement;

2) within 10 (ten) working days of receiving an application from a potential supplier of the refund of maintenance of the application.

16. During the procurement process of the tender or quotation inquiry:

1) heterogeneous goods, works and services in the Customer must bidding documents or in the announcement of the procurement price proposals request to divide such goods, works and services for the lots for uniformity;

2) homogeneous work, services customer has the right in the bidding documents or in the announcement of the procurement price proposals request to divide homogeneous work, service to the lots in their place of execution, delivery;

3) the goods of the customer has the right in the bidding documents or in the announcement of the procurement price proposals request to share similar goods into lots by type of similar goods and (or) at the point of delivery. The requirements established by this paragraph of the Rules do not apply to the purchase of complex operations and centralized procurement of audit services separate and consolidated financial statements;

17. Consideration of applications for participation in the tender price proposals for participation in the procurement price proposals request, comparison and evaluation, as well as to determine the winner in the cases referred to in paragraph 16 of the Rules shall be carried out for each lot, provided for in the bidding documents or in the announcement of the procurement price proposals request.

3. The methods of procurement

18. Customer, unless otherwise stipulated by legislative acts of the Republic of Kazakhstan, purchases in the following ways:

1) tender (open, closed, two-stage);

2) request for quotations;

3) in the organized electronic trading;

4) through the commodity exchanges;

5) direct procurement;

6) guaranteed order.

Procurement through the means provided in subparagraphs 1) and 2) of the Rules of this paragraph may be conducted by means of electronic procurement on the basis of this Rules.

19. A potential supplier is not entitled to participate in the ongoing procurement if:

1) the potential supplier or its subcontractor (coauthor) is in the list of potential suppliers of customer fraud , and (or) in the Register of unfair participants of public procurement;

2) a legal entity, a member of the consortium is in the List of potential unreliable supplier (vendors) and the Customer (or) in the Register of unfair participants of public procurement;

3) there is a conflict of interest with members of the Tender Commission.

20. Procurement methods shall be chosen by the Customer independently based on the Rules.

4. Tendering

4.1.General provisions

21. Procurement by means of tendering shall be carried out in accordance with the Article 915 of the Civil Code of the Republic of Kazakhstan.

22. To participate in procurement by means of tendering Potential vendor must have the legal capacity (for legal entities) and the civil legal capacity (for individuals).

4.2. Procurement through open tendering

23. Procurement procedure through open tendering shall imply the following consecutive actions:

1) decision making on procurement of goods, works or services through open tendering, approval of composition of Tender Commission, expert commission (expert) if necessary, nomination of Secretary of Tender Commission and approval of bidding documents;

2) post of open tendering announcement on the web-site of the Customer and on the web portal of public procurement.

3) publication of bidding documents on the web-site of the Customer and on the web portal of public procurement, provision of bidding documents in electronic form to potential vendors in electronic form;

4) receipt and registration of applications for open tendering from potential vendors by Secretary of Tender Commission;

5) meeting of Tender Commission to open envelopes with applications for open tendering from potential vendors, record of minutes of opening envelopes with applications for open tendering from potential vendors; consideration of applications for open tendering submitted by potential vendors by Tender Commission;

6) summarizing results of open tendering, minutes on results of open tendering;

7) publication of information on results of open tendering on the web-site of the

Customer and on the web portal of public procurement;

8) conclusion of a procurement contract with the winner of open tendering.

4.3. The tender commission, Expert Commission (expert)

24. Decision on procurement of goods, works and services through open tendering, approval of composition of the Tender Commission, if necessary, the expert commission (experts), appointment of Tender Commission's Secretary, approval of bidding documents shall be drafted the form of the order of the Head of the Customer or any other person authorized by him.

For elaboration of technical assignments and (or) technical specifications of purchased goods, works and services, the Customer during bidding documents elaboration period shall have the right to establish experts commission (to involve experts).

25. Tender Commission shall consist of Chairperson, Deputy Chairperson and members of Tender Commission. During the absence of the Chairperson, Deputy Chairperson of Tender Commission shall execute his functions. Tender Commission shall consist of at least 5 persons and compose odd number of persons.

Chairperson of Tender Commission acts: the authorized person appointed by the Head of the of the Customer not less than the managing director, and in the branch - not below the branch manager.

26. Chairperson of Tender Commission shall be obliged to:

- 1) work plans and directs the activities of the tender commission;
- 2) chair the meetings of the Evaluation Committee;
- 3) perform other functions provided by the Rules.

27. Tender Commission shall operate from the date on which the decision on its establishment enters into force and terminate its work after summarizing the tender (if the tender has failed) or from the date on which procurement contract for goods, works and services is concluded except for the cases, provided by items 73-75 of the Rules.

28. Meetings of Tender Commission shall take place provided that simple majority of Tender Commission is present and be recorded in the minutes signed by attending members of Tender Commission, its Chairperson, his Deputy and Secretary of Tender Commission. If any member of Tender Commission is absent, minutes of Tender Commission's meeting shall indicate reason of his absence, annexed by a document, confirming such fact.

In case of absence of a simple majority of the composition of Tender Commission, the Customer to reach a quorum shall alternate for a missing member of Tender Commission. Alternation for a missing Secretary of Tender Commission, and (or) expert shall be performed by the Customer on a mandatory basis.

29. Decision of Tender Commission shall be taken by an open voting and shall be considered as adopted if it received a majority vote of the total number of attending the meeting members of Tender Commission. Where votes are equal the decision shall be considered as taken if Chairperson of Tender Commission or, in case of his absence, Deputy Chairperson has voted for it. Where a member of Tender Commission disagrees with decision of Tender Commission, he/she shall have a right for individual

opinion, which must be stated in writing and attached to minutes of the meeting.

Where there is anyone of Tender Commission has a conflict of interests, this person shall notify Secretary of Tender Commission of this, which is recorded in the minutes on the results of open tendering. In such a case, this person shall not participate in decision-making by Tender Commission.

30. Secretary of Tender Commission shall arrange organizational activity of Tender Commission. Secretary of Tender Commission shall not be a member of the commission and shall have no voting right in Tender Commission's decision-making process.

Secretary of Tender Commission shall:

1) form the agenda of the meeting of Tender Commission, provide Tender Commission with necessary documents, arrange meetings of Tender Commission;

2) draw up and sign minutes of opening the envelopes with applications for participation in the tender, minutes on results of open tendering, as well as other minutes of the meeting of Tender Commission;

3) provide for security of documents and materials of procurement of goods, works and services through open tendering from the moment of opening of applications for participation in the tender;

4) perform other functions stipulated by the Rules.

31. In the absence of Customer's professionals with relevant expertise to determine compliance of proposed by potential vendors of goods, works and services with requirements of bidding documents, the Customer shall have the right to engage as experts civil servants on a grant basis, and other experts, both on a fee paid or on a grant basis according to agreement of parties.

The obligatory condition to engage this or that person as an expert shall be compliance of his activity profile with procurement item.

32. The experts (Expert Commission) shall provide for expert opinion on compliance of proposed by potential vendors of goods, works and services with the requirements of bidding documents and shall not be eligible to vote in decision-making by Tender Commission. Experts (Expert Commission) opinion shall be taken into account by Tender Commission only if it is drafted within the requirements of bidding documents. Expert opinion must be in writing, signed by the experts (members of Expert Commission) and shall be attached to the minutes on results of the tender.

In case of expert's disagreement with opinion of Expert Commission, he shall submit a dissenting opinion, in writing, which shall be attached to Expert Commission's opinion and constitute its integral part.

33. Any interested person shall have the right to attend meetings of Tender Commission for opening of the envelopes. Permission shall be granted for audio and video recordings of meetings of Tender Commission, except as provided by Legislation of the Republic of Kazakhstan.

4.4. Bidding documents

34. Bidding documents should contain the following information:

1) the place of the tender, name and location of the Customer and (or) Procurement Manager;

2) description and required technical, quality and performance characteristics of procured goods, works and services, including approved in the prescribed manner design and estimate documentation/required section of approved in the prescribed manner design and estimate documentation, technical specifications, and, if necessary, indicating the normative and technical documentation;

If technical specifications indicate a reference to the technical conditions, standards and other normative-technical documents that are not registered on the territory of the Republic of Kazakhstan, Customer/Procurement Manager must include these documents in the tender documents or to provide them electronically or on paper within 3 (three) days at the request of potential suppliers.

3) quantity of goods, volume of work performed, services rendered, which are subject of procurement;

4) qualification requirements, providing for the presence of work experience at a potential supplier preceding the purchase on the market of goods, works, services, confirmed by the originals or notarized copies of the relevant acts, confirming the receipt-delivery of the work performed, services rendered;

5) the requirement for the availability of qualified professionals with experience in the area corresponding to the procurement item at the potential suppliers, confirmed by the documents identified by Customer, the Legislation of the Republic of Kazakhstan, including the notary certified copies of diplomas, certificates and other documents certifying the professional qualifications of experts and their experience;

6) the quantitative and qualitative requirements of a machinery and equipment (depending on the species and the scope of work) and other resources, including its own requirements for the number of vehicles and equipment;

7) for procurement of works of more than twelve (12) months, the requirement of own funds or ability to attract funds in the amount of credit equal to the cost of three-month volume of purchased works;

8) place and conditions of delivery of goods, services, works;

9) required term (schedule) of delivery of goods, services, works, provision of guarantees on the quality of goods, works and services;

10) conditions of payment and a draft of procurement contract;

11) description of all mandatory criteria for evaluating and comparing the applications of potential vendors to participate in tendering, affecting conditional decrease of prices;

12) information on inclusion of a potential supplier in the List of unreliable potential suppliers (vendors) of the Customer;

13) requirements to the content of a price quotation:

price quotation of a potential supplier should contain price per unit, as well as general/final price of goods, works and services without VAT, with the inclusion of the costs of transportation and insurance, payment of customs duties and other taxes, fees and other expenses under the terms of the supply of goods, works and services;

price quotation of a potential supplier may contain a discount to the total/final price of goods, works and services provided under the terms of the Customer

identified in the bidding documents, as well as a discount to the total/final price of goods, works and services provided by the account of alternative conditions.

If a potential supplier offers discounts to the total/final price under the terms of the Customer identified in the tender documents and (or) discounts under alternative conditions, the price quotation shall contain the total/final price, taking into account the specified discount.

14) currency or currencies, in which quotations of a potential vendor must be expressed, as well as exchange rate of the National Bank of the Republic of Kazakhstan to be used to convert conditional price to a single currency for their comparison and evaluation;

15) limited volumes of goods, works and services that can be transferred by the potential supplier to subcontractors (co-contractors) to perform work or provide services that are the subject of ongoing purchases (if the tender documentation provides for the right of a potential supplier to attract sub-contractors (co-contractors) to perform work or provide services);

16) requirements to language of compilation and submission of applications to participate in the tender;

17) conditions of submission, content and types of tender security to participate in the tender (if bidding documents provide for submission of tender security to participate in the tender).

Calculation of the amount paid to ensure compliance with requests to participate in the tender to the requirements of the tender documentation is determined according to the rate of the National Bank of Kazakhstan, established on the date of transfer of payment, issuing a bank guarantee or other security as defined by the Customer;

18) indication of the right of potential vendor to modify or withdraw his application to participate in the tender prior to final date for their submission;

19) procedure, manner, place and final date for submission of an envelope with application for participation in the tender and required duration of applications for participation in the tender;

20) conditions for meeting with potential suppliers on the explanation of provisions of tender documents (if the tender documentation provides for meetings with potential suppliers), as well as the means by which potential providers may seek clarifications on the content of tender documentation. In this case, the date of such a meeting must be scheduled no later than 7 (seven) calendar days before the date of opening the envelopes;

21) place, date and time of opening of envelopes with applications for participation in the tender;

22) description of procedure of opening of envelopes with applications to participate in the tender, evaluation and comparison of applications for participation in the tender;

23) conditions, species, size (not more than 10 (ten) percent of the total amount of the procurement contract (in long-term procurement of no more than 3 (three) percent of the total long-term procurement contract) and method to make collateral of the procurement contract execution (if the tender documents provides for depositing a collateral of the execution of a procurement contract);

24) data on amounts allocated for purchase of goods, works and services without VAT that are subject of procurements through the tender;

25) e-mail of the web site, where information for publication shall be posted;

26) procedure and terms for making modifications in bidding documents;

27) procedure for conclusion of procurement contract following the results of the tender;

28) e-mail address and telephone numbers of the Procurement Manager for appeals by potential vendors in connection with the ongoing procurement.

Conditions of application of paragraphs 5)-7) of this section provides for the tender documents of the Customer;

29) the Bidding documents are prohibited to indicate trademarks, service marks, trade names, patents, utility models, industrial designs, appellations of origin and name of the manufacturer, as well as other characteristics that determine the identity of purchased goods, works and services to the individual potential supplier or manufacturer, except when it is carried out procurement of:

1) goods and services for addition, modernization, re-equipment, as well as for further technical support, maintenance and repair work, including routine repairs (if necessary) of the basic (fixed) equipment;

2) goods in accordance with the project (project-estimate) documentation, which has the positive endorsement of the state expertise;

3) to determine the service provider for the provision of goods in leasing and causing a detailed description of the leased asset.

35. The Bidding documents may also contain other additional information and requirements.

36. Bidding documents may stipulate that only the following categories shall be invited for participation in the tender:

1) domestic producers of procured goods;

2) domestic entrepreneurs – on procurement of works and services;

3) organizations for handicapped (individuals -invalids engaged in entrepreneurial activity), producing the procured goods and listed in the Registry of the organizations for handicapped (individuals -invalids engaged in entrepreneurial activity) of the Customer.

37. The bidding documents shall include:

1) conditional decrease in prices of 5% for local producers of goods and services (domestic producers and suppliers of works and services);

2) the warranty is a potential supplier of the share of local content in the works or services (code- price decline of 0.1% for every 1% local content), signed by the head of the potential supplier or a person authorized by him, showing the percentage of local content in the proposed works or services and containing payment share of local content, confirming the final percentage of local content in the proposed works or services produced in accordance with the requirements of the Uniform Procedures, approved by the Government of the Republic of Kazakhstan.

In case of non compliance calculate the percentage of local content specified in this subparagraph, the requirements of a common methodology approved by the Government of the Republic of Kazakhstan, or the technical specifications of the

bidding documents the tender commission does not apply to the potential supplier discount conditional on criteria specified in this subparagraph.

In the case of non-potential supplier of the documents confirming the criteria that influence the conditional price reduction, the tender commission does not apply to such a potential supplier conditional rebate, while failure of the documents confirming the criteria that influence the conditional price drop, not a reason to reject such a proposal.

In the case of participation in a consortium bid, the tender commission to determine whether the consortium requirements specified in subparagraph 4) of paragraph 34 of the Rules, taking into account the experience of members of the consortium, which has the most experience among all the participants in the consortium.

38. Bidding documents may stipulate submission by a participant of the tender of a tender security for participation in the tender in the form of a banking guarantee or other form determined by the Customer as a safeguard that the bidder will:

1) not withdraw or change his application for participation in the tender following the final date for submission of applications;

2) conclude contract, in the event of winning the tender, with the Customer within the time period determined by the minutes summarizing the results of the tender and will submit collateral for advance (pre-payment) return and (or) security for execution of the procurement contract, if the terms of procurement provide for submission of such a security.

Tender security for participation in the tender shall be submitted in the amount determined by bidding documents not exceeding 3 (three) per cent of the amount provided for procurement of these goods, works or services by Customer's procurement plan. Validity of tender security shall not be less than the term of the application for participation in the tender.

At that, validity of the tender security starts from the date of opening envelopes with applications for participation in tender.

39. Tender security made by the potential supplier is returned to a potential supplier within 10 (ten) working days as from the date of one of the following cases:

1) withdrawal of the tender application by this potential supplier before the expiry of the deadline for submission of applications;

2) signing the protocol on the outcome of the tender. This case does not apply to the potential supplier, determined by the winner and a potential supplier who has won the second place on the basis of comparison and evaluation;

3) entry into force of the procurement contract and contribution of the refund of the advance (pre-payment) and (or) the execution of a procurement contract under the tender documents;

4) the entry into force of the procurement contract and contribution of the refund of the advance (pre-payment) and (or) the execution of a procurement contract under the tender documents by a potential supplier, who took on the results of comparison and evaluation the second place, as defined in the case provided for by item 75 of the Rules.

40. Tender security made by the potential supplier is returned to a potential

supplier is not returned in occurrence of one of the following cases:

1) a potential supplier has withdrawn a tender application after the expiry for submission of applications;

2) a potential supplier, determined by the winner of the tender, declined to sign the procurement contract;

3) the winner of the tender after conclusion a procurement contract did not fulfill or did not fulfill in time the requirement set by the tender documents on the contribution of a security providing refund of the advance (pre-payment) and (or) the execution of the procurement contract;

4) a potential supplier who took on the results of comparison and evaluation the second place, as defined in the case provided for by item 73 of the Rules, deviated from signing a procurement contract or after conclusion of a procurement contract did not execute or did not fulfill in time the requirement set by the tender documents on the contribution of a security providing refund of the advance (pre-payment) and (or) the execution of the procurement contract.

41. Tender security for participation in the tender shall not be submitted by:

1) domestic producers of procured goods;

2) organizations of disabled persons (natural persons - persons with disabilities engaged in entrepreneurial activities), consisting in the List of organizations that produce goods, performing works, rendering services by non-governmental associations of disabled people of Kazakhstan.

The provisions of this paragraph shall not apply to consortia.

4.5. Notice on Procurement through Open Tendering

42. Customer/Procurement Manager at least 20 (twenty) calendar days prior to final date of submission of applications by potential vendors for participation in open tendering shall be obliged to publish on the web portal of public procurement the text ads on the implementation by an open tender, as well as the approved bidding documents.

45. Advertisement on procurement through open tendering should include the following information:

1) full name, e-mail and postal address and contact phone numbers of Customer and (or) Procurement Manager;

2) name of procured goods, works and services;

3) name as well as required volume, place and terms of delivery of goods, execution of works and rendering of services (Customer/Procurement Manager are entitled to indicate that this information is contained in the tender documentation);

4) place and methods of receiving copies of bidding documents;

5) place and deadline for tender applications, as well as day, time and place for opening of envelopes with tender applications. At that, the time period between the deadline of submitting the tender applications and opening envelopes should not be 60 (sixty) minutes.

Information contained in advertisement on procurement through open tendering should correspond with information indicated in bidding documents.

4.6. Submission of bidding documents

43. Tender documents are submitted by the Customer / Procurement Manager to potential suppliers both in electronic form from the date of publication of the advertisement. The electronic version of tender documents is free.

44. No submission of tender documents shall be allowed before release of the announcement text on open tendering.

4.7. The content, design and submission of applications for participation in the open tender

45. Application for participation in open tendering shall be a form of expressing consent of potential vendor to deliver goods, execute works and render services in accordance with requirements and conditions stipulated by bidding documents.

46. Application for participation in open tendering should contain:

1) filled in and signed by potential vendor application for participation in open tendering;

2) notarized copy of the license or a statement of the potential supplier that contains a link to the official online source (website) of the state licensing authority that uses an electronic licensing system (in case if tender conditions imply activity subject to compulsory licensing);

3) technical specification of potential vendor, which should comply with the requirements set by the tender documentation;

4) documentation on compliance of the status of the procurement participant (if the procurement is provided among the participants listed in item 36 of the Rules);

5) documents certifying compliance with the requirements set forth in sub-items 4) - 7) of item 34 of the Rules (if the tender documentation provides with such requirements);

6) a list of subcontractors to perform work (subcontracting for services), the amount and type of transferred to the sub-contract (co-execution) of works and services, which shall not exceed a certain limit of works and services in the tender scope (if the tender documentation provides for the right of a potential provider to engage sub-contractors (co-contractors) to perform works or services);

7) notarized copy of the license or a statement of the potential supplier that contains a link to the official online source (website) of the state licensing authority that uses an electronic licensing system for contracted work (services rendered by a co-contractor), if a potential supplier draws subcontractors (co-contractors) in the tender, which supposes the activity subject to obligatory licensing;

8) the original document confirming the tender security relevant to conditions of application, content and form set forth in the bidding documents, at that, the amount of tender application shall not be less than the size specified in the tender documents (if the tender documents provides for contribution of a tender security).

Validity of tender security shall not be less than the term of the application for participation in the tender.

9) the original or a notarized copy of the appointment (election) of the first head of a potential supplier (in case of participation of the consortium it is provided the original or a notarized copy of the appointment (election) of the head of each legal entity included in the consortium, as well as the original or a notarized copy of the document confirming the right of signing the consortium agreement by the authorized person of each legal entity included in the consortium);

10) documents confirming the applicability of criteria for the evaluation and comparison referred to in item 37 of the Rules to the application (if the potential supplier claims for the application of the criteria that affect the conditional price reduction).

At that, the failure to provide the documents confirming the criteria affecting the conditional price reduction is not the reason for rejection of such application;

11) a price quotation and an additional price quotation on a price reduction (if any) signed by the potential supplier which form and content must comply with the mandatory requirements specified in sub-item 13) of item 34 of the Rules;

12) a notarized copy of certificate of state registration (re-registration) of a legal entity, for an individual - a notarized copy of the registration as a business entity, for the temporary association of legal entities (consortium) - a notarized copy of the consortium agreement and notarized copies of certificates of state registration (re-registration) of participants of the consortium;

13) a document containing information about the founders: a notarized copy of the charter, approved in the manner prescribed by the legislation, for legal entities, registered on the basis of a model charter - a copy of the application of the established form on legal entity registration (in case of participation of the consortium it is submitted a notarized copy of the charter of each legal person belonging to the consortium), a notarized copy of an extract from the register of holders of shares issued for no more than 30 (thirty) calendar days prior to the date of opening of envelopes;

14) the original or a notarized copy of power of attorney issued to the person (s) representing the interests of a potential supplier for the right of signing the application and documents contained in the tender application for the right to submit additional price quotation on the price reduction in the price, except for the first head of a potential provider who has the right to act on behalf of a potential supplier without power of attorney, in accordance with the Charter of the potential supplier.

Application for participation in open tender must meet the requirement of the language of preparation and submission of tender applications, as set out in the tender documents, as well as the validity of a tender application must comply or be less than the period prescribed by the tender documents.

The potential provider-non-resident of the Republic of Kazakhstan submits the same documents provided by this item of the Rules, as residents of the Republic of Kazakhstan, or documents that contain similar information.

47. Application for participation in open tendering shall be submitted by potential vendor in a sealed envelope prior to maturity of their submission indicated in bidding documents which must be laced, pages or sheets are numbered, the last page or a list is certified by the signature and seal (for individual, if any) of potential vendor.

Technical specification of a tender application (in stitched form with numbered pages or leaves, the last page or the list certified by signature and stamp (for an individual, if any) of the potential supplier) and the original document confirming the security of a tender application are applied separately.

The front side of the sealed envelope with the application for participation in the tender potential vendor must indicate:

full name and postal address of the potential vendor;

full name and postal address of the Customer, which must conform to the same information specified in the tender documentation;

name of the tender (lot) for participation in which the application of the potential vendor is submitted.

Envelope with application for participation in open tendering submitted after the deadline shall not be opened and shall be returned to potential vendor.

48. Customer registers in chronological order the information on potential vendors in the register of applications for participation in open tendering who has submitted before the deadline envelopes with applications for participation in open tendering.

Secretary of the Tender Commission shall be responsible for storage of applications submitted by potential suppliers to tender for the period from the date of their adoption and prior to their transfer by the Customer/Procurement Manager in the established procedure to archive for safekeeping. The Customer/Procurement Manager in order to eliminate the possibility of access to the tender applications of persons who do not have this special powers must provide the Secretary with the necessary conditions for their storage (room, safe deposit box with the right and ability to access of the Secretary).

49. Potential vendor no later than the deadline for applications for participation in open tendering shall be entitled to:

1) change and (or) complement submitted application for participation in open tendering;

2) withdraw its application for participation in open tendering without losing the right to return submitted application for participation in open tendering.

Withdrawal of application for participation in open tendering after expiration of the final date of submission of the envelope with application for participation in open tendering, except for cases provided by item 66 of the Rules, shall not be allowed.

50. Potential vendor bears all costs related to its participation in procurement through open tendering. Customer shall have no liability for reimbursement of these costs regardless of the results of procurement through open tendering.

4.8. Opening of Envelopes with Applications for Open Tendering

51. Before the start of the meeting of Tender commission the Secretary of Tender commission shall check authorities in writing of representatives of potential vendors for representing interests of potential vendors when opening envelopes with applications and price quotations for open tendering, and notify participants about the conduct of audio and/or video.

52. Tender commission shall open envelopes with applications for open tendering on the day, time and in the place indicated in bidding documents.

When opening each envelope with application for open tendering the Tender commission shall declare information on the list of documents and materials contained in application for open tendering.

53. Envelopes with applications for open tendering shall be opened if submitted in a due course indicated in advertisement on procurement through open tendering and bidding documents.

54. Application for open tendering shall be also opened in case if only 1 (one) application for open tendering has been submitted for the tender (lot) and considered for compliance with the requirements of the bidding documents.

55. Meeting of Tender commission on opening of envelopes shall be conducted in the following manner:

1) Chairperson of Tender commission or a person designated by Chair person informs attendees of the following:

composition of tender commission, Secretary of Tender commission;

presence or absence of requests from potential vendors, as well as of a meeting with potential vendors on explanation of provisions of bidding documents;

presence or absence of the fact, as well as reasons for making amendments in bidding documents;

potential vendors, who have submitted in a due course applications for open tendering, registered at the application for open tendering log;

reads out other information on this tender.

2) Chairperson of Tender commission or a person designated by Chair person opens envelopes with applications on participation in open tendering, and announces the availability of application on participation in open tendering, technical specifications and tender security for participation in the tender in accordance with the requirements of registration of the application, set the tender documents and the offer price discount (if any);

3) the authorized representatives of the potential suppliers have the right to review prices and discounts (if any) declared by other potential suppliers for signature on the appropriate price quotations after the announcement of prices and discounts, announced by potential suppliers in the price quotations and additional price quotations for the reduction in prices (if any);

4) Secretary of Tender commission shall:

record relevant minutes of opening of envelopes with applications for open tendering and with price quotations;

inform potential vendors or their authorized representatives on the period, when they can receive copy of above-mentioned minutes of the meeting of Tender commission;

inquire from authorized representatives of potential vendors on availability of complaints or objections against actions (or inactions) of Tender commission.

56. Minutes of opening of envelopes with applications and price quotations for open tendering shall be signed and initialed by all members of Tender commission, and the Secretary of Tender commission.

57. Not later than 3 (three) working days following the day of the meeting of Tender commission, the Customer shall post on its website and the web portal of public procurement the text of signed minutes of opening of envelopes with applications for open tendering.

58. Minutes of the meeting of Tender commission on opening of envelopes with applications and price quotations should contain the following information:

- 1) day, time and venue of the meeting;
- 2) composition of Tender commission;
- 3) full name, de facto address of potential vendors that have submitted applications in due date with indication of the date and time of submission of applications;
- 4) information on content of applications, prices and discounts declared by potential vendors in price quotations and supplementary quotations, submitted during Tender commission's meeting;
- 5) price quotation of a potential supplier and discounts;
- 6) full name, de facto address of potential vendors, that have been returned applications due to their submission following the final date of submission of applications;
- 7) complaints or objections against actions (or inactions) of Tender commission, declared by authorized representatives of potential vendors during the meeting of Tender commission on opening of envelopes.

In the absence of applications for participation in the tender the minutes of the meeting of the Tender Commission for opening envelopes with applications for participation in open tender will not be issued.

4.9. Consideration of Applications for Open Tendering and Summarizing Open Tendering

59. Applications for open tendering shall be considered by Tender commission with respect to compliance of applications with requirements of item 46 of the Rules. Those applications not been rejected according to reasons indicated in item 46 of the Rules shall be compared and evaluated by Tender commission to select the winner of open tendering.

60. Applications shall be considered by Tender commission during the period not exceeding 10 (ten) working days from the day of opening of envelopes with applications for open tendering. When procuring goods, work and services with difficult technical characteristics and specifications, the applications shall be considered by Tender commission with engagement of an expert (-s) for a period not exceeding 20 (twenty) working days from the day of opening of envelopes with applications for open tendering.

In the case of procurement of goods, on which a part of the lots or one lot require additional consideration related to the testing of products in connection with a proposal to a potential supplier of alternative specifications and (or) technological solutions for its production, the period for consideration of applications for this lot (lots) is extended to obtain the test results, but not more than 20 (twenty) working

days. At that, on the remaining lots that do not require further consideration, applications are considered by Tender Commission within the period established by the first paragraph of this item.

61. When considering applications the Tender commission shall have right to:

1) request potential vendor for materials and explanations needed for consideration, evaluation and comparison of applications (except for proposed price (discounts), technical specification and documents confirming criteria affecting the conditional price reduction provide by item 37 of the Rules);

2) request necessary information from relevant state authorities, individuals and legal entities for check up on the facts purposes.

At that, inquiries and other actions of the Tender Commission, related to bringing the application for the participation in an open tender in accordance with the requirements of item 46 of the Rules, regarding the completion of the application with missing documents, the replacement of documents, harmonization of improperly completed documents are prohibited.

62. No rejection of a tender application of a potential vendor shall be allowed due to the following formal basis.

Formal reasons are cases that are not listed in item 63 of the Rules.

63. Tender commission shall reject an application if:

1) application is recognized incompliant with requirements provided by item 46 of the Rules except for cases of non-compliance with technical specification when a potential supplier proposes better conditions for delivery of goods, performance of work and rendering services as well as better characteristics of procured goods, works and services;

2) potential vendor is an affiliate of another potential vendor, which has applied for this tender (lot);

3) potential vendor's quotation exceeds amount allocated for procurement;

4) potential vendor or its subcontractor is included in the List of unreliable vendors (suppliers) of the Customer and (or) Register of state procurement.

These reasons for rejection of applications for participation in the tender potential suppliers are not exhaustive.

64. Non-rejected applications will be assessed by the tender commission according to the criteria in the bidding documents. In this assessment is subject to the total/final price quotation potential supplier.

The winner shall be selected on the basis of the lowest conditional price calculated with account of criteria usage set out in bidding documents.

Potential vendor, who took the second place following the results of assessment, shall be selected based on the price following minimum conditional price calculated with due account for usage of criteria set out in bidding documents.

When conditional prices of tender price quotations are equal, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be domestic producer of procured goods.

When conditional prices of tender price quotations are equal, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be a domestic producer with greater work experience in

production of procured goods.

When conditional prices of tender price quotations are equal and domestic producer is not available, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be potential vendor with greater work experience on the market of procured goods subject to open tendering.

When conditional prices of tender price quotations and work experience on the market of procured goods are equal, (or in case of impossibility to define work experience on the basis of submitted by potential vendors bidding documents) the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be potential vendor submitted tender application earlier.

In case of procurement of works and services under equality of conditional prices of tender price quotations, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be domestic producer of procured goods, services.

In case of equality of conditional prices of tender price quotations of domestic vendors of works, services, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) recognizes domestic vendor of works, services, having more experience in the market of purchased works, services that are the subject of the open tender.

In case of equality of conditional prices of tender price quotations, in the absence of domestic vendor of works, services, the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) recognizes the potential vendor having more experience in the market of purchased works, services that are the subject of the open tender.

When conditional prices of tender price quotations and work experience on the market of procured works and services are equal (or in case of impossibility to define work experience on the basis of submitted by potential vendors bidding documents) the winner (or potential vendor, which came in a close second following the results of confrontation and assessment) shall be potential vendor submitted tender application earlier.

65. Results of open tendering shall be recorded in the minutes. The minutes shall be signed and sheet-by-sheet initialed by all members of the Tender commission and Secretary thereof.

In the absence of applications for participation in the tender, the minutes on the outcome of the tender is compiled and published within the period prescribed for the compilation and publication of the report on opening.

66. The minutes shall contain the following information:

- 1) venue and date of summarizing;
- 2) applications for open tendering from potential vendors;
- 3) amount allocated for procurement provided by annual procurement plan without VAT;
- 4) rejected applications with the detailed reasons for rejection and non-application of criteria affecting the conditional price reduction;

5) potential vendors recognized as compliant with bidding documents qualification;

6) results of using evaluation and confrontation criteria;

7) results of open tender;

8) amount and timing for concluding procurement contract in the event when the tender is valid;

9) on a potential vendor, which came in a close second;

10) information on sending inquiries in accordance with item 61 of the Rules to potential vendors, appropriate state bodies, individual and legal entities;

11) other information as may be deemed necessary by Tender commission other information that the tender commission.

72. Open tendering shall be recognized by Tender commission as invalid when:

1) less than two applications for tender has been submitted;

2) less than two applications of potential vendors left after rejection by Tender commission on a basis of provisions provided by item 63 herein;

3) winner and potential vendor, which came in a close second, weasel from conclusion of a contract;

4) winner of the tender and potential vendor, which came in a close second, do not submit advance (pre-payment) and (or) any other collateral security on contract execution in accordance with items 69 и 76 herein.

73. If procurements through tender are found invalid, the Customer shall have the right to make one of the following decisions:

1) on re-procurement through tender;

2) on changing bidding documents and re-procurement through tender;

3) on single source procurements.

The decision provided for in sub-item 1) of this item of the Rules shall be adopted by the Customer within 20 (twenty) working days from the day following the date of signing the minutes on the outcome of the tender or from the date of discovery as provided by sub-items 3) and 4) of items 67 of the Rules. Within 3 (three) working days from the date of the decision the Customer shall publish a relevant announcement on the website of the Customer and on the web portal of public procurement.

The decision, provided for in sub-item 3) of this item of the Rules on the basis of procurement, recognized as invalid on the grounds specified in sub-items 1) and 2) of item 67 of the Rules, shall be taken by the Customer for up to 10 (ten) working days from the day following the date of signing the minutes on the results of open tender.

68-1. The Procurement Manager no later than within 3 (three) working days after signing minutes on open tendering, shall:

1) notify the winner;

2) post minutes on the results of open tender on the website of the Customer and on the web portal of public procurement.

69. If the contract provides for the payment of the purchase advance (prepaid) and (or) the provision of the winning bidder to ensure performance of the contract, the successful tenderer shall, within twenty (20) working days from the date of the procurement contract to provide maintenance refund (prepaid) and (or) the performance of the contract.

70. The Customer shall pay the advance (prepayment) within 20 (twenty) working days from the date of submission by the winner of tender of the collateral security on refund of the advance (prepayment), specified by the Customer. Advances on contracts for procurement of works for the construction, reconstruction and repair of roads, including engineering services are set up to 30 % of the annual amount of the contract or up to 10 % of the total contract. For other procurement contracts, including the implementation of projects with a deadline of less than 12 months, provided an advance of up to 30 % of the contract. Where appropriate contractual procurement of goods, works and services of the advance set the collegial executive body of the Customer (decision of the Board).

71. The requirement to provide the Customer with the collateral security on refund of the advance (prepayment) does not apply to:

- cases where the subject of the procurement is insurance services, electric energy or fuels and lubricants (by the decision of the Customer);
- domestic producers of goods purchased;
- organizations of disabled persons (individuals - persons with disabilities engaged in business activities), manufacturing the purchased goods, consisting in the the List of organizations that produce goods, performing works, rendering services by non-governmental associations of disabled people of the Republic of Kazakhstan.

72. The bank guarantee in the amount of more than 170 thousand-monthly index is taken as security refund (prepaid) and / or enforcement of the contract:

- from banks - residents of the Republic of Kazakhstan, long-term credit rating in foreign currency, which is not lower than "B " by Standard & Poor's, or "B-" by Fitch or "B3" by Moody's Investors Service or rating of the parent organization (which owns a 50% stake in the bank - resident RK) is not below the " BBB " by Standard & Poor's and " BBB" by Fitch and " Baa2 " by Moody's Investors Service;
- from banks - non-residents of Kazakhstan, long-term credit rating in foreign currency, which is not lower than " BBB" by Standard & Poor's, « BBB" by Fitch «Baa2 " by Moody's Investors Service.

If there is more than one rating is taken into account the least of them.

73. If the collateral security on refund of the advance (prepayment) and (or) collateral security on contract execution will not be provided within a specified time, then the Customer unilaterally terminates the procurement contract, and the tender security made by the potential vendor is withheld and the tender commission determines the potential vendor, which came in a close second following the results of confrontation and assessment, as the winner of the tender.

The full and proper performance by the vender of its obligations under the procurement contract prior to the deadline to make enforcement of the procurement contract is an exception.

74. In the event that the winner of the tender within the time limits set by the minutes on the outcome of the tender does not submit to the Customer a signed procurement contract, the Customer withholds the tender security made by the potential vendor and the tender commission within three (3) working days from the date of the signed procurement contract, specified in the notification to the winner, or from the date of the written refusal to sign the procurement contract by the winner,

determines the potential vendor, which came in a close second following the results of confrontation and assessment, as the winner of the tender at the price and terms offered by it in the application for participation in the tender.

75. Decision of Tender commission on nomination of potential vendor, which came in a close second as a result of confrontation and assessment, as the winner, shall be recorded in the minutes on nomination of potential vendor which came in a close second as a result of confrontation and assessment, as the winner, which should contain amount and terms for conclusion of procurement contract.

Customer/Procurement Manager post minutes Customer no later than within 3 (three) working days after signing minutes shall notify the winner and send him signed contract. Customer no later than within 3 (three) working days after signing minutes shall notify the winner and send him signed contract.

The vendor, which came in a close second following the results of confrontation and assessment, must sign the procurement contract during no more than 5 (five) calendar days from the date of receipt of notice from the Customer. In case of refusal to sign the procurement contract, or the absence of a procurement contract signed by the vendor, which came in a close second following the results of confrontation and assessment, the procurement shall be made again.

76. If during the execution of the contract the procurement contract was terminated by the fault of the vendor, the Customer must send the potential vendor, which came in a close second following the results of confrontation and assessment, a notice of intention to conclude the procurement contract at a price not exceeding the price offered by it in the application for participation in the tender, taking into account the value of liabilities executed by the vendor and paid by the Customer. If the potential vendor, which came in a close second following the results of confrontation and assessment, will not response to the notice, the Customer after the expiration of 10 (ten) working days from the date of the notice shall be entitled to make procurement in accordance with the Rules.

If the procurement contract provides for the payment of an advance (prepayment), winner of the tender, determined in accordance with item 84 of the Rules shall, within not more than 20 (twenty) working days from the date of the procurement contract to provide security on refund of the advance (prepayment).

77. Information about the vendor, which have not provided the enforcement of refund of an advance (prepayment), and (or) the enforcement of the contract, shall be sent by the Procurement Manager to the collegial executive body of the Customer to register the information about this vendor in the List of unreliable potential vendors of the Customer, except when the customer changes the terms of payment under the contract in connection with the refusal of a potential vendor of the advance (prepayment) of the contract, defined by the Customer.

78. The requirement to provide the Customer with the collateral security on execution of the contract does not apply to:

1) organizations of disabled persons (individuals - persons with disabilities engaged in business activities), manufacturing the purchased goods, consisting in the the List of organizations that produce goods, performing works, rendering services by non-governmental associations of disabled people of the Republic of Kazakhstan;

2) domestic producers of goods purchased;

Provisions of this item do not apply to the consortiums.

79. Customer, no later than within 3 (three) working days after receiving written request from potential vendor, which has submitted tender application, must provide it with free copy of the minutes on open tendering.

80. In case of violations that affect the outcome of the tender (lot) in the ongoing/conducted open tender (lot), the Customer/ Procurement Manager and (or) the tender commission prior entering into the contract is obliged to cancel the tender (lot) or its results. In this case, the tender (lot) should be revised (in the same composition of the tender commission, with the same potential vendors participating in the tender (lot), or be repeated.

In case of violations in the tender (lot) documentation before the date of opening envelopes with applications of potential vendors, the Customer/ Procurement Manager shall cancel the tender (lot), adjust the bidding documents and re-issue a tender (lot).

The Customer/ Procurement Manager within 2 (two) working days from the date of the decision to cancel the tender (lot) or its outcome shall notify the persons involved in the procurement and publish an announcement on the website of the Customer and on the web portal of public procurement.

5. Closed Tendering

81. Closed tendering shall be held when information on procured goods, works and services make state secrets.

82. The procedure for closed tendering is similar to that of open tendering with the exception of provisions on publication of information on closed tendering and item 33 of the Rules.

83. Potential vendors shall be notified about closed tendering by sending invitations to the closed tendering.

6. Two-Stage Tendering

84. Tenders may be delivered through two-stage tendering procedures in the following cases:

1) it is necessary to determine the technical and financial capabilities of potential vendors do (deliver, render) purchased works, goods and services;

2) provides for the execution of complex and specialized works.

85. Procurement through two-stage tendering shall provide for the following consecutive actions:

1) stage I shall contain the following actions:

decision by Customer on procurement of goods, works and services through two-stage tendering, approval of composition of tender commission, of expert (experts), nomination of secretary of tender commission, approval of bidding documents;

publication of notice on procurement through two-stage tendering on the website of the Customer and on the web portal of public procurement, or sending invitations to potential vendors if this is a closed process;

providing potential vendors with bidding documents;
receipt and registration of applications for stage I of two-stage tendering (qualification) from potential vendors by Secretary of Tender commission. Applications for tendering shall be submitted by potential vendors without prices and tender security for participation in the stage I of two-stage tendering;
meeting of Tender commission on opening envelopes with applications for stage I of two-stage tendering from potential vendors, minutes of opening envelopes with applications from potential vendors;
review of applications by Tender commission for stage I of two-stage tendering from potential vendors, qualification of potential vendors by Tender commission on the basis of financial capabilities and of submitted technical specifications of procured goods, works and services, composition of participants' list for stage II of two-stage tendering, formalization of the minutes of stage I of two-stage tendering, inform potential vendors which have participated in stage I of the results;
2) stage II shall contain the following actions:
if necessary, modifications to bidding documents, including adjustment of technical specifications (specification);
sending adjusted technical specifications (specification) to bidder which has passed stage I request for proposal and, if necessary, adjusted technical specifications;
consideration by the tender commission price quotations with discounts, if any, of the participants of the second stage of the tender, summarizing the tender, formalization of the minutes on the outcome of the tender;
communication of results to bidders which have passed stage I, publication of minutes of open two-stage tendering on the website of the Customer and on the web portal of public procurement (shall not be published in the event of closed tendering);
conclusion of contract with the winner.

86. The term of the start of the second phase of a two-stage tender shall not exceed 14 (fourteen) calendar days from the date of summarizing the first phase of the two-stage tender.

87. Unless otherwise stipulated by the Rules two-stage tendering shall apply same requirements and provisions as when holding open tendering.

7. Request for Price Quotations

88. Purchases by price proposals request made on similar goods, works and services, with the choice of supplier is critical in his proposed price.

89. This method shall be used for procurement of goods, works and services when the amount provided for their procurement by Customer's procurement plan for the relevant calendar year does not exceed four thousand-fold monthly estimate indicator, established by the law on the republican budget for the relevant fiscal year.

To apply methods of request for price quotations, annual volumes of procurement of homogeneous types of goods, works and services, planned for the relevant calendar year, may not be split into parts, those not exceeding four thousand-fold monthly estimate indicator, established by the law on the republican budget for the relevant fiscal year.

This requirement shall not be applied when Customer purchases goods, works and services necessary for functioning of his branch (representative office) thereof, subject to procurement on behalf of the Customer directly by this branch (representative office) hereof.

90. Procurement Manager no later than within 7 (seven) working days prior to the deadline for submission of price quotations shall be obliged to post on the website of the Customer and the Procurement Manager and on the web portal of public procurement, notice containing the information on:

1) planned procurement through request for price quotations - name, brief characteristics, as well as required volume, location, conditions of payment, deadlines and terms of delivery of goods, execution of works and rendering of services (technical specifications to be attached if necessary), term of a procurement contract conclusion with a potential vendor, recognized as the winner;

2) first day for submission of price quotations by potential vendors;

3) venue, date and time of opening of envelopes with price quotations;

4) draft procurement contract;

5) information on sums allocated for procurement of goods, works or services without VAT, which are subject of the request for price quotations;

6) requirements in terms of formalization of envelopes with price quotations.

91. Procurement through request for price quotations may stipulate that procurements shall be held only among:

1) domestic producers;

2) domestic entrepreneurs – when purchasing works and services.

92. Submission of price quotation by potential vendor shall imply an expression of consent to deliver goods, execute works or render services in compliance with terms of public procurement contract.

93. Price quotation shall be submitted in a sealed envelope prior to the time of opening of envelopes, indicated in the announcement on procurements through request for price quotations. Each potential vendor shall submit only one price quotation, sealed with the signature and seal (if any) of a potential vendor, which should contain the following information and documents:

1) name, legal and physical address of a potential vendor;

2) name, characteristics and quantity of goods supplied, the name and amount of work done, services rendered;

3) place and date of delivery of goods, works and services;

4) unit price and total price of goods, works and services, excluding VAT, with the inclusion of costs associated with the delivery of goods, works and services;

5) a copy of the certificate on state registration of a potential vendor;

6) a copy of the license (if the terms of the procurement provide for the activity, which is subject to compulsory licensing);

7) technical specification, signed by the potential vendor (in case if in the announcement of the procurement by the method of request for price quotations contained technical specifications and request for a potential vendor of technical specifications);

8) documents of compliance with the status of the procurement participant (if the procurement is provided among the participants listed in item 91 of the Rules).

94. On the front side of the sealed envelope with price quotations, a potential vendor must indicate:

- 1) full name and postal address of a potential vendor;
- 2) name and postal address of the Procurement Manager, which must conform to the same data given in the announcement of the procurement;
- 3) list of procurement of goods, works, services and lot for participation in which the price quotation of a potential vendor is submitted.

95. Data on Potential Vendor is subject to be included into the relevant register of price quotation. Specified data shall be put in chronological order as far as Potential Vendors provide envelopes with the price quotation.

96. Envelope with price quotation not conformed with the terms of item 94 of the Rules as well as provided after beginning of envelopes opening procedure shall be returned and shall not be registered.

97. In the venue, on the date and time, specified in the notice of procurement through price quotations, Customer shall open envelopes with price quotations and announce price quotations.

98. Any interested party shall have the right to be present at the opening of envelopes. Audio and video recording of envelopes opening shall be allowed with the exception of those cases stipulated by the legislation.

Authorized representatives of Potential Vendors shall have the right to get information on the price quotation of other Potential Vendors under a signature.

The Procurement Manager shall ensure all parties interested a full access to the procedure of opening the envelopes.

99. The Procurement Manager shall announce prices submitted by potential vendors in price quotations, introduce submitted price quotations to the authorized representatives of Potential Vendors under a signature, compare price quotations and identify the Potential Vendor with the lowest price quotation.

100. The Procurement Manager shall compare price quotations and determine the potential vendor with the lowest price quotation.

If the lowest price quotation is submitted by several potential vendors, the winner is a potential vendor, who is a domestic producer of the goods purchased. If there are no domestic producers of the goods purchased, the winner is a potential vendor, whose price quotation was received earlier than other price quotations of potential vendors.

If the lowest quotation is submitted by several potential vendors, which are the domestic producers of goods, the winner is the potential vendor with the largest share of local content in accordance with the CT-KZ certificate. In case of equal values for the percentage of local content in procurement in accordance with the CT-KZ certificate, the winner is a potential vendor, whose price quotation was received earlier than other price quotations of potential vendors.

101. If the quotation of the potential vendor is expressed in other currencies, it is used the exchange rate of National Bank of Kazakhstan as of the date of opening of price quotations to bring the price quotations to a single currency for the purpose of

their comparison.

102. Price quotation of potential vendor shall be rejected when:

- 1) it exceeds amount allocated for procurement;
- 2) goods, works and services proposed by potential vendor are not comply with the requirements of the technical specification of the Customer, potential vendor does not agree or proposes to alter and (or) modify essential terms of procurement with the exception of events when potential vendor proposes better terms of delivery of goods, execution of works or rendering services, as well as better qualities of procured goods, works or services;
- 3) it does not meet the requirements provided by item 94 herein;
- 4) potential vendor submits more than one price quotation;
- 5) the potential vendor or its subcontractor (co-executor) is in the List of unreliable potential vendors (suppliers) of the Customer and (or) in the Register of unfair participants of public procurement.

103. Procurement through request for price quotations shall be stated as invalid when:

- 1) less than two price quotations have been submitted;
- 2) less than two price quotations remained after price quotations have been rejected on grounds provided by item 102 of these Rules;
- 3) potential vendor avoided entering into procurement contract.

104. If the procurement through request for price quotations shall be declared invalid, the Customer is entitled to re-implement the procedures specified in item 90 of the Rules within 5 (five) working days following the date of approval of the outcome of procurement.

In the case if the procurement through request for price quotations is recognized failed again, the Customer is entitled to:

- 1) make procurement through request for price quotations again;
- 2) change the conditions of procurement and make procurement through request for price quotations again;
- 3) make the procurement through the same source method.

The decision under sub-item 3) of this item of the Rules should be made by the Customer within 5 (five) working days from the day following the date of approval of the outcome of procurement.

105. Results of procurement through request for price quotations shall be documented in the form of minutes signed by the Head of the Customer/Procurement Manager or other authorized representative and shall be summarized not later than 2 (two) working days after submission of price quotations by potential vendors. The minutes of the procurement method of price quotations should contain:

- 1) full name of the Customer/Procurement Manager, postal address;
- 2) name of procurement of goods, works and services by the method of price quotations;
- 3) full name of potential vendors that submitted price quotations before the deadline for submission of price quotations, proposed prices of goods, works, services;
- 4) about any rejected price quotations stating the reasons for rejection;
- 5) the winner of the procurement by the method of price quotations;

6) amount and tenancy of the procurement contract, if procurement by the method of price quotations is valid.

Not later than 2 (two) working days after approval of results of procurement through price quotations, Customer shall publish information about the results at the website of Customer and the web portal of public procurement.

106. In case of violations that affect the outcome of the procurement through price quotations in the ongoing/conducted procurement through price quotations, the Customer Procurement Manager prior entering into the contract is obliged to cancel the procurement (lot) or its results. In this case, the procurement should be repeated.

The Customer/Procurement Manager within 2 (two) working days from the date of the decision to cancel the procurement (lot) or its outcome shall notify the persons involved in the procurement and publish an announcement the website of Customer and the web portal of public procurement.

In case of violations in the content of the announcement on procurement through price quotations before the date of opening envelopes with applications of potential vendors, the Customer/Procurement Manager shall adjust the announcement and re-issue procurement (lot) within the period specified in item 90 of the Rules.

8. Procurement on organized e-bidding and through open commodity exchange and centralized electric power e-bidding

107. Procurement on organized e-bidding shall be performed on the decision of the Chief Executive of the Customer or any other person authorized by him through electronic trade system providing procurement of goods, works and services in the real-time mode established by the legislation of the Republic of Kazakhstan on regulation of trading activities.

108. Procurement on organized e-bidding shall be performed through the conclusion of commercial transactions on the basis of an agreement (contract) of the participants of electronic trade on the purchase and sale of goods using electronic means of communication.

109. Participants in electronic commerce shall be:

persons who provide services related to the organization and management of the relevant information systems and networks (reception, accommodation, storage of electronic documents with proposals on the sale and purchase), (Agent);

persons offering certain goods for the realization (Seller);

persons who are potential buyers of the goods (Buyer).

Protection of the rights and legitimate interests of the participants of e-commerce shall be carried out in the manner prescribed for entities of trading activity.

110. Procurement of goods through the commodity exchanges shall be performed by the decision of the head of the Customer or any other person authorized by him in accordance with the legislation of the Republic of Kazakhstan on the commodity exchanges on the list of commodities approved by Decree of the Government of the Republic of Kazakhstan, in the amount of not less than the minimum lot size, provided by the list of commodities.

9. The conclusion of the procurement contract

111. Procurement Contract shall be concluded according the civil law and draft contract in the bidding documents or in the notice of procurement through price quotation.

A procurement contract is signed based on a decision of a single-source procurement should correspond to conditions of items 117-1118 and 123-124 of the Rules. Amendments on the grounds, not provided in accordance with items 121 and 122 of the Rules, are not allowed in draft contract or concluded single-source procurement contract.

In the case of procurement contract with a non-resident of the Republic of Kazakhstan, the procurement contract in its proposed form with the requirements of the legislation of the Republic of Kazakhstan can be issued.

112. Procurement contract shall contain the price offered by the winner of the tender or procurement through price quotation, including VAT, except where the winner of the tender or procurement through price quotation is not a VAT payer or the goods supplied, the work performed, services rendered is not subject to VAT in accordance with the laws of the Republic of Kazakhstan.

113. Procurement contract work involving more than 18 months, must comply with the Rules of implementation and funding for the construction, reconstruction, repair, maintenance, diagnostics, certification and instrumental inspection of roads of international and national importance to be approved by the Government of the Republic of Kazakhstan.

114. Customer not less than 10 (ten) calendar days prior to the deadline for signing the contract in accordance with the minutes on the results of the procurement shall send the winner of the tender, the procurement by price quotations request a draft procurement contract signed by the Customer. The winner of the tender, the price quotations request procurement must sign a draft procurement contract within 5 (five) calendar days from the date of receipt of the draft procurement contract, signed by the Customer. Procurement contract through the tender or price quotations request shall be concluded within the time specified in the minutes on the outcome of the procurement, but not more than twenty (20) calendar days from the date of signing the minutes on the outcome.

If a procurement contract is concluded with non-residents of the Republic of Kazakhstan this period may be extended for an additional 10 (ten) calendar days.

The procurement contract by the single source method shall be signed within 20 (twenty) calendar days from the date of the decision of the procurement by the method of a single source (item 125 of the Rules).

115. Contract for the procurement of goods, works or services must contain the share of local content in goods, works or services indicated by the vendor in the application for participation in the tender or the price quotation under a certificate of origin ST-KZ form, warranty and responsibility for non-fulfillment of the obligations on the share of local content in the form of a fine of 5% and 0,15% for every 1% of unsettled local content from the total value of the contract, but not greater than 15% of the total value of the contract. Also, the procurement contract shall contain the

responsibility of the vendor in the form of fines for late reporting on local content, and providing false statements.

Procurement contract shall entitle the Customer to refuse from fulfilling the contract unilaterally and demand recuperation of damages in the event of misrepresentation by potential vendor or vendor of unreliable information on local content in goods, works and services.

116. Procurement contract for turnkey construction must contain the obligation of the general contractor for the acquisition of goods subject to installation, equipment of the facility under construction and (or) goods of the domestic producers used during the construction in accordance with the approved project estimates. Monitoring of the market of domestic producers of these goods shall be carried out using information databases of the Holding, the Customer, including the Registry of domestic producers, as well as relevant information databases of the authorized body, containing information on domestic producers and their goods. In the absence of domestic producers the general contractor purchases goods on a common basis.

117. If a contract is concluded with an organization of disabled persons (individual engaged in entrepreneurial activity), listed in the List of organizations that produce goods, performing works, rendering services by non-governmental associations of disabled people of Kazakhstan, a domestic producer, the terms of the contract shall provide payment in advance in the amount of at least 30% from the contract value, which shall be paid not later than 30 (thirty) calendar days after concluding the contract.

118. Customer shall return performance guarantee to vendor after full and proper execution of obligations under procurement contract.

If the vendor fails to perform the contractual obligations, the Customer may deduct from the amount paid for enforcement of the procurement contract an amount of the fine charged to the vendor for breach of performance of its contractual obligations and losses arising in connection with this. The remaining amount of the contract enforcement shall be returned to the vendor within 10 (ten) working days from the date of full and proper performance of its obligations under the contract, as well as removing the violations of the contract committed and possible for the elimination (in case of approval of such violations) without inclusion them to the List of potential unreliable vendors of the Customer.

In the case of full payment of the penalties by the vendor, the contract enforcement shall not be kept by the Customer and the vendor shall not be included in the List of unreliable potential vendors of the Customer.

119. The procurement contract shall provide for the responsibility of the Customer for violation of items 117-118 of the Rules.

120. Where potential vendor fails to furnish signed procurement contract during time period determined by bidding report/decision on approving results of procurement through request for price quotations or, having concluded contract, fails to furnish performance guarantee, such potential vendor shall be recognized as avoiding public procurement contract.

Where potential vendor is recognized as avoiding procurement contract, the Customer shall retain bid security furnished by such vendor and Procurement Manager

shall communicate relevant information to collegial executive body to make information on such vendor available for the List of potential unreliable vendor (vendors) of the Customer.

121. Amendments in a draft procurement contract shall be assumed under the following interrelated conditions:

1) reduction of a procurement contract value providing constancy of quality and other conditions, which vendor's selection is based on;

2) in case of approval of alternative terms of potential vendor by the Customer;

3) in case of refusal or amendments to the conditions on the advance payment (pre-payment);

4) regarding the extension of the obligations execution of the supplier to supply goods, render services, perform works in cases of its conclusion in accordance with items 75 and 76 of the Rules with a potential supplier, who took the second place on the evaluation and comparison, at that, the procurement agreement is concluded on the price not exceeding the its proposed price in the application for participation in the tender. In this case it is taken into account the payment by Customer of obligations performed by the winner of the tender.

In the case of application of item 75 of the Rules, the period is extended by the number of days calculated from the date of signing of the tender protocol prior to the expiry date established for signing the procurement contract by the winner, or from the date of the written refusal to sign the procurement contract by the winner (except when the winner of the tender refused to sign the agreement within the time limit set for the signing of the contract).

122. Amendments in the concluded procurement contract shall be assumed:

1) in reducing the prices of goods, works and services and, accordingly, the amount of the procurement contract, if during the execution of the procurement contract prices for similar goods, works and services have changed downwards;

2) in terms of increase or decrease the amount of the procurement contract, as well as a corresponding change in the terms of the performance of the contract, if the appropriate changes in design documentation that passed the state examination and in the procurement plan;

3) in the part of decrease or increase in the procurement contract value for the amount or volume not exceeding those initially planned in the procurement plan, related to decrease or reasonable demand increase in procured goods, works, except for works specified in the sub-item 2) of this item, services as well as in the part of the corresponding change of contract terms under conditions of unit price constancy of goods, works and services, specified in the concluded procurement contract. Such change of the concluded contract on the procurement of goods, works and services shall be assumed within the amount, provided for the procurement of these goods, works and services in a procurement plan for a year specified for procurement;

4) if vendor under procurement contract performance has proposed under conditions of unit price constancy better quality and (or) technical characteristics and (or) goods delivery terms, performance of works, provision of services subject to the concluded procurement contract;

5) in the part of decrease or increase of procurement contract value on execution

of works with the deadline in the following (subsequent) year (years), caused by changes in tax, customs and other spheres; as well as in the part of the appropriate terms change of contract performance in case of financing modifications by years subject to necessary changes being made in design and estimate documentation that passed state examination;

6) in the part of increase or decrease the amount of the procurement contract related to changes in prices, tariffs, fees and charges established by the legislation of the Republic of Kazakhstan. Such a change in the current procurement contract of goods, works and services may be within the amounts provided for the purchase of these goods, works and services in the procurement plan;

7) in terms of changes in the unit price, on which the state regulation of prices is established within the price set by the state body, exercising management in the spheres of natural monopolies and regulated markets.

123. Changes and additions made to the procurement contract shall be presented in the form of a supplementary written agreement to the contract, which is an integral part of the contract.

124. Amendments shall not be assumed in a draft or concluded procurement contract if they may modify provisions on procurement that are being performed (have been performed), or proposals that have influenced Vendor's selection, not otherwise provided by items 121 and 122 of the Rules.

10. Single-source Procurement

125. Single-source procurement shall be performed:

1) if you purchase one of the methods specified in subparagraphs 1)-4) of paragraph 18 hereof, declared invalid, if the immutability of the original terms of the procurement;

2) when Customer which has procured goods, works and services from some vendor needs to procure from the same vendor for the purpose of unification, standardization or compatibility with available goods, equipment, technology, works or services;

3) payment of arbitration fees, expenses associated with the resolution of the dispute to arbitration court;

4) procurement of goods, works and services, if the total amount of homogeneous goods, works and services, provided for the procurement plan for the relevant calendar year does not exceed thousand-fold amount of monthly calculation index established by the Law on republican budget for the relevant fiscal year;

5) procurement of goods, works and services when there is a need to make procurement of every-day and (or) every-week need (during the period from procurement announcement and up to contract conclusion) according to the list, approved by Collegial Executive Body/Supervisory Body of Customer (in case of absence of collegial executive body/supervisory body, by managing body/supreme authority (general meeting of participants) of Customer;

6) procurement of goods, works and services for the localization and (or) emergency response, to eliminate accidents at electric power facilities, communication

systems, life support systems, railway, air, road and sea transport, communications, sewage treatment plants, oil pipelines, gas pipelines and other hazardous production facilities, as well as in the event of breakage, failure of communication mechanisms, components, spare parts and materials in transit, requiring immediate recovery;

7) procurement of goods, works and services by subdivisions of the Customer in a foreign country (outside the territory of the Republic of Kazakhstan) for the operation of a branch office;

8) procurement of goods, works and services from a person defined by the laws of the Republic of Kazakhstan;

9) procurement of goods, works and services - objects of intellectual property – from person who possesses prerogative rights in respect to procured goods, works and services;

10) acquisition of the right of nature;

11) procurement of goods – feedstock for strategic productions extracted outside of the Republic of Kazakhstan and procured from abroad according to the list of goods approved by the approved by collegial executive body/supervisory body of customer (in case of absence of collegial executive body/supervisory body, by managing body/supreme authority (general meeting of participants) of Customer;

12) procurement of goods for the purpose of further processing according to the list, approved by collegial executive body/supervisory body of Customer (in case of absence of collegial executive body/supervisory body, by managing body/supreme authority (general meeting of participants) of Customer;

13) procurement of materials of exhibitions, seminars, conferences, meetings, forums, symposiums, trainings, and payment for participation in the mentioned events;

14) procurement of periodical print publications on paper and (or) in electronic version, services on placing information in the foreign mass media, as well as services on providing information allocated on web-sites, the voiced books issued on different magnetic carriers, the books published in point system, blind aid to serve sight-disabled persons;

15) procurement of services of specialized libraries;

16) procurement of services on provision of international information organizations with information;

17) procurement of services on compulsory medical examination of employees engaged in hard works in harmful (extremely harmful) and (or) dangerous working conditions, as well as jobs connected with high risk, aggregates and mechanisms;

18) procurement of services of a marine agent, marine broker;

19) procurement of services for the calibration of measuring instruments used in the field of state metrological control;

20) procurement of securities within treasury operations associated with accommodation of temporarily redundant cash;

21) acquisition of works on projects involving secrecy of their location;

22) procurement of goods from the domestic producers according to the long-term contracts providing for organization of a serial production in the Republic of Kazakhstan according to the technical specifications of Customer, if such goods haven't been produced for last three years in the territory of Kazakhstan;

- 23) acquisition of services for trust management of property;
- 24) procurement of goods, works, services by Customer to perform obligations of a contract:
 - on state procurement, concluded by it as vendor within the laws on state procurement;
 - on procurement, concluded by it as vendor within Rules on tender results;
 - on procurement, concluded by it as vendor in accordance with the law on subsoil use following the tender results;
- 25) procurement of jet fuel for civil aviation of the Republic of Kazakhstan directly from domestic oil companies;
- 26) procurement of goods, works, services from organizations twenty-five percent or more of the voting shares (equity) is directly or indirectly owned by the Customer, at the organizations that are directly or indirectly owned by twenty-five percent or more of shares (equity) of the customer, as well as in institutions whose founders are customers on the main subject of their activities;
- 27) procurement of goods, works and services to implement investment strategic projects;
- 28) procurement of goods or services related to the introduction of new technology, from the owner of this technology;
- 29) procurement of design from a vendor which duly performed the bulk of the work on the preparation of project documentation;
- 30) procurement of design from a vendor, which project documentation arising out of necessity to amend the project documentation;
- 31) procurement of goods, works and services are procured at prices, tariffs, duties and payments set up by legislation of the Republic of Kazakhstan or legislation of other countries;
- 32) procurement of goods, works and services from natural monopolies in regulated services according to Natural Monopolies Legislation;
- 33) procurement of goods, works and services from dominant (monopoly) at a particular market of procured goods, works and services, share of which on such market is 100 (one hundred) percent, as well as state from monopolies according to their core business;
- 34) procurement of natural gas, water and electric power through connected network;
- 35) purchase of goods and services related to hospitality expenses;
- 36) procurement of property (assets) realized at tenders (auction):
 - by legal executives according to the laws of the Republic of Kazakhstan on enforcement proceeding;
 - conducted in accordance with the laws of the Republic of Kazakhstan on bankruptcy;
 - conducted in accordance with the Land Law of the Republic of Kazakhstan;
 - conducted in accordance with the legislation on natural monopolies and under privatization of the state-owned property;
- 37) procurement of consulting and legal services to protect and represent the interests of the Customers in international commercial arbitration and international

courts;

38) procurement of goods for onward transmission to leasing in the implementation of leasing activity, as well as goods and services directly related to the acquisition, delivery and bringing the leased asset to a working condition;

39) procurement of drugs in the event of a threat to the life of the patient;

40) the acquisition of training, retraining and advanced training of employees, as well as services to prepare for the international accreditation of clinics holding, including educational programs, technical assistance, test accreditation and accreditation;

41) procurement of goods, works and services in the performance of state order;

42) procurement of services on operation of access roads;

43) procurement of services on rent of satellite resources;

44) procurement of services for distribution, broadcast television, including satellite and terrestrial facilities;

45) procurement of services on spanning video / audio materials;

46) procurement of services of rating agencies, financial services;

47) procurement of effluent discharge services (sewage);

48) procurement of services on repair of air materiel at the specialized repair bases;

49) procurement of electricity, including from a power supply organization entered the holding;

50) procurement of goods, works and services required for the implementation of targeted scientific and technical programs, approved by the legislation.

11. Execution of a procurement contract

126. Procurement contract shall be executed according to Civil Law of the Republic of Kazakhstan, Rules and internal document of the Customer which regulates preparation, conclusion and execution of contracts.

127. In case of improper performance of obligations under the contract as well as in the execution of contract, breach of sub-item 9) of item 34 of the Rules the Customer unilaterally terminates this contract and the volume of procurement under the long-term contract shall be purchased in accordance with the provisions of this Rules.

12. Monitoring of local content

128. The Customer shall monitor local content of purchased goods, works and services. For this purpose, companies of the Procurement Manager shall provide mandatory reporting of goods, works and services on local content by vendors of goods, works and services, with attached copies of conforming documents, except for the delivery of goods, execution of works, and provision of services in the territory of foreign state by vendors - non - residents of the Republic of Kazakhstan.

134. Local content shall be calculated according to the uniform accounting method approved by the Decree of the Government of the Republic of Kazakhstan.

135. To perform monitoring of local content in procurement of goods, works and services, companies of the Holding shall assign a liable structural unit and/or official.

129. Summarized information on local content shall be given on the website of the Customer and the web portal of public procurement.

13. Additional provisions

130. Procurement by guaranteed reservation made in the conclusion of a memorandum of Technology between the authorized body in the field of public support of industrial innovation and the customer according to the norms established by the Government of the Republic of Kazakhstan.

131. The Executive shall organize the supervision of compliance with the Procurement Manager and branch requirements of these Rules.

132. The Procurement Manager represented by the structural subdivision of the Customer:

- 1) provides methodological guidance on procurement issues;
- 2) exercises control over the procurement of goods, works and services, including:
 - communicates with the internal audit services;
 - investigates complaints of potential vendors (suppliers);
 - requests necessary documents, reports, inquiries, including those necessary to deal with complaints of potential vendors (suppliers);
 - submits proposals and recommendations on the necessary steps in the procurement to the management on the basis of investigation of complaints of potential vendors (suppliers) and audits;
- 3) monitors local content in goods, works and services;
- 4) conducts monitoring and analysis of procurement.

133. Potential vendors (suppliers) have the right to appeal the decisions and actions taken by the executive body of the Customer, as well as other persons, including members of the tender, the expert committees, and an expert, within five (5) calendar days in accordance with the laws of the Republic of Kazakhstan.

Complaints may also be submitted for consideration to the Customer or the authorized body on procurement.

14. Responsibility for violation of the Rules

133. The employees of the Customer, including the head, responsible for procurement, members and secretary of the tender commission, the head of the structural unit responsible for organizing and carrying out the procurement procedures, the persons responsible for compiling and reporting on procurement issues shall be personally liable for breach of the Rules.

15. Final provisions

134. Procurement procedures which started (announced) before the effective date

of the Rules shall be performed in accordance with the order in force as of the date of decision-making on procurement.

135. Executive body of the Customer may determine extra measures to support domestic producers, organizations of disabled people (individuals engaged in entrepreneurial activity).