

Official Journal of the European Union

L 342



English edition

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Volume 58

29 December 2015

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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2015/2461

of 30 October 2015

amending Delegated Regulation (EU) No 110/2014 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, and in particular Article 209 thereof,

Whereas:

- (1) Regulation (EU, Euratom) No 547/2014 of the European Parliament and of the Council ⁽²⁾ was accompanied by a joint statement on the separate discharge for joint undertakings under Article 209 of the Regulation (EU, Euratom) No 966/2012. In accordance with that statement, Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council ⁽³⁾ aligned the rules on external audit and discharge applicable to the public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 (hereinafter 'PPP bodies') with those applicable to the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012. It also extended the non-application of the provisions laid down in paragraphs 5 and 6 of Article 60 of Regulation (EU, Euratom) No 966/2012 to the PPP bodies.
- (2) Since the discharge for the implementation of the budget of each PPP body is to be given by the European Parliament, upon recommendation of the Council, to the director of the PPP body, the provisions of Commission Delegated Regulation (EU) No 110/2014 ⁽⁴⁾ which relate to the reporting obligations of the PPP bodies and to the discharge procedure should be made consistent with the corresponding provisions of Commission Delegated Regulation (EU) No 1271/2013 ⁽⁵⁾. In particular, it is necessary to introduce the obligation for each PPP body to provide a consolidated annual activity report which includes comprehensive information on the implementation of its work programme, budget, staff establishment plan, its management and internal control systems. Furthermore, the procedure for drawing up the provisional accounts and approving the final account of the PPP bodies should be aligned to the one laid down in Delegated Regulation (EU) No 1271/2013.

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ Regulation (EU, Euratom) No 547/2014 of the European Parliament and of the Council of 15 May 2014 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union (OJ L 163, 29.5.2014, p. 18).

⁽³⁾ Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union (OJ L 286, 30.10.2015, p. 1).

⁽⁴⁾ Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 38, 7.2.2014, p. 2).

⁽⁵⁾ Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 328, 7.12.2013, p. 42).

- (3) In line with the new obligation introduced in Article 209(2) of Regulation (EU, Euratom) No 966/2012, which requires that an independent external auditor verify the annual accounts of the PPP body, the provisions in Delegated Regulation (EU) No 110/2014 should be aligned with the corresponding provisions in Delegated Regulation (EU) No 1271/2013.
- (4) In the award of contracts, the relevant provisions of Regulation (EU, Euratom) No 966/2012 and Commission Delegated Regulation (EU) No 1268/2012 ⁽¹⁾ should apply, subject to any specific provision of the constituent instrument of the PPP body or of the basic act of the programme the implementation of which is entrusted to the PPP body in order to ensure a coherent implementation with actions directly managed by the Commission.
- (5) This Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union* in order to allow for the timely adoption of the revised financial rules of the PPP bodies in view of their entry into force as of 1 January 2016, and thus to ensure the effective application of the new external audit requirements to the audits of the annual accounts of the PPP bodies for 2016,

HAS ADOPTED THIS REGULATION:

Article 1

Delegated Regulation (EU) No 110/2014 is amended as follows:

- (1) in Article 1, the first paragraph is replaced by the following:

‘This Regulation lays down the essential principles on the basis of which the Public-Private Partnership body (hereinafter “PPP body”) shall adopt its own financial rules. The financial rules of the PPP body shall not depart from this Regulation except where its specific needs so require and with the Commission’s prior consent in accordance with the fourth subparagraph of Article 209(1) of Regulation (EU, Euratom) No 966/2012.’;

- (2) in Article 17, paragraph 4 is replaced by the following:

‘4. The authorising officer shall conserve the supporting documents relating to operations carried out for a period of five years from the date of the decision granting discharge in respect of implementation of the budget of the PPP body for the year concerned. Personal data contained in the supporting documents shall be deleted where possible when those data are not necessary for control and audit purposes. In any event, as regards the conservation of traffic data, Article 37(2) of Regulation (EC) No 45/2001 shall apply.’;

- (3) Article 20 is replaced by the following:

‘Article 20

Annual reporting

1. The authorising officer shall report annually to the governing board on the performance of his or her duties in the form of a consolidated annual activity report containing:

- (a) information on:

- (i) the implementation of the PPP body’s annual work programme, budget and staff resources;
- (ii) management and internal control systems including the summary of number and type of internal audits carried out by the internal auditor, the internal audit capabilities, the recommendations made and the action taken on those recommendations and on the recommendations of previous years, as referred to in Articles 26 and 28;

⁽¹⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (iii) any observations of the Court of Auditors and the actions taken on those observations;
- (iv) the accounts and the report on budgetary and financial management without prejudice to Articles 39, 41 and 42;
- (b) a declaration of the authorising officer stating whether he or she has a reasonable assurance that unless otherwise specified in any reservations related to defined areas of revenue and expenditure:
 - (i) the information contained in the report presents a true and fair view;
 - (ii) the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management;
 - (iii) the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

The consolidated annual activity report shall indicate the results of the operations by reference to the objectives set, the risks associated with the operations, the use made of the resources provided and the efficiency and effectiveness of the internal control systems, including an overall assessment of the costs and benefits of controls.

The consolidated annual report shall be submitted to the governing board for assessment.

2. No later than 1 July each year, the governing board shall send the consolidated annual activity report together with its assessment of it to the Court of Auditors, the Commission, the European Parliament and the Council.

3. Additional reporting requirements may be laid down in the constituent instrument in duly justified cases, in particular when it is required by the nature of the field in which the body operates.;

(4) in Article 33, paragraph 1 is replaced by the following:

‘1. As regards procurement, Title V of Regulation (EU, Euratom) No 966/2012 and Delegated Regulation (EU) No 1268/2012 shall apply subject to paragraphs 3 to 6 of this Article and any specific provisions of the constituent instrument or the basic act of the programme the implementation of which is entrusted to the PPP body.;

(5) Article 35 is replaced by the following:

‘Article 35

Grants

As regards grants, Title VI of Regulation (EU, Euratom) No 966/2012 and Delegated Regulation (EU) No 1268/2012 shall apply subject to any specific provisions of the constituent instrument or of the basic act of the programme the implementation of which is entrusted to the PPP body.;

(6) in Article 39, the third paragraph is replaced by the following:

‘Where the accounts of the PPP body are required to be consolidated in accordance with the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012, the PPP body shall send the report on budgetary and financial management to the European Parliament, the Council, the Commission and the Court of Auditors by 31 March of the following financial year.;

(7) Article 43 is replaced by the following:

‘Article 43

Provisional accounts and approval of the final accounts

1. Where the accounts of the PPP body are required to be consolidated in accordance with the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012, the accounting officer of the PPP body shall send the provisional accounts to the accounting officer of the Commission and to the Court of Auditors by 1 March of the following year.

In the case referred to in the first subparagraph, the accounting officer of the PPP body shall also send by 1 March of the following year a reporting package to the accounting officer of the Commission, in a standardised format as laid down by the accounting officer of the Commission for consolidation purposes.

2. The Court of Auditors shall, by 1 June of the following year at the latest, make its observations on the provisional accounts of the PPP body.

On receiving the Court of Auditor’s observations on the provisional accounts, the accounting officer shall draw up the final accounts of the PPP body. The director shall send the final accounts to the governing board which shall issue an opinion on them.

Where the accounts of the PPP body are required to be consolidated in accordance with the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012, the accounting officer shall send the final accounts and the opinion of the governing board to the accounting officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July of the following financial year. In such case the accounting officer of the PPP body shall also send by 1 July a reporting package to the accounting officer of the Commission in a standardised format as laid down by the accounting officer of the Commission for consolidation purposes.

Where the accounts of the PPP body are required to be consolidated in accordance with the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012, the accounting officer of the PPP body shall also send to the Court of Auditors, with a copy to the accounting officer of the Commission, at the same date as the transmission of the final accounts, a representation letter covering those final accounts.

The final accounts shall be accompanied by a note drawn up by the accounting officer in which the latter declares that the final accounts were prepared in accordance with this chapter and with the applicable accounting principles, rules and methods.

The final approved accounts of the PPP body shall be published in the *Official Journal of the European Union* by 15 November of the following year.

The Director of the PPP body shall send to the Court of Auditors a reply to the observations made in its annual report by 30 September of the following year at the latest. The replies of the PPP body shall be sent to the Commission at the same time.’;

(8) the heading of Chapter 9 is replaced by the following:

‘CHAPTER 9

EXTERNAL AUDIT, DISCHARGE AND COMBATTING FRAUD’;

(9) Articles 46 and 47 are replaced by the following:

'Article 46

External audit

1. An independent external auditor shall verify that the annual accounts of the PPP body properly present the income, expenditure and financial position of the PPP body prior to the consolidation in the final accounts of the PPP body.

Unless otherwise provided for in the constituent instrument, the Court of Auditors shall prepare a specific annual report on the PPP body in line with the requirements of Article 287(1) of the Treaty on the Functioning of the European Union. In preparing the report, the Court shall consider the audit work performed by the independent external auditor referred to in the first subparagraph and the action taken in response to his or her findings.

2. The PPP body shall send to the Court of Auditors the budget of the PPP body, as finally adopted. It shall inform the Court of Auditors, as soon as possible, of all decisions and acts adopted pursuant to Articles 6, 7 and 10.

3. The scrutiny carried out by the Court of Auditors shall be governed by Articles 158 to 163 of Regulation (EU, Euratom) No 966/2012.

Article 47

Timetable of the discharge procedure

1. The European Parliament, upon a recommendation from the Council, shall, before 15 May of year $n+2$ except where otherwise provided in the constituent instrument, give a discharge to the director in respect of the implementation of the budget for year n . The director shall inform the governing board of the observations of the European Parliament contained in the resolution accompanying the discharge decision.

2. If the time limit provided for in paragraph 1 cannot be met, the European Parliament or the Council shall inform the director of the reasons for the postponement.

3. If the European Parliament postpones the decision giving a discharge, the director, in cooperation with the governing board, shall make every effort to take measures as soon as possible to remove or facilitate removal of the obstacles to that decision.;

(10) the following Articles 47a and 47b are inserted:

'Article 47a

The discharge procedure

1. The discharge decision shall cover the accounts of all the revenue and expenditure of the PPP body, the budget result and the assets and liabilities of the PPP body shown in the financial statement.

2. With a view to granting the discharge, the European Parliament shall, after the Council has done so, examine the accounts and financial statements of the PPP body. It shall also examine the annual report drawn up by the Court of Auditors, together with the replies of the director of the PPP body, any relevant special reports by the Court of Auditors in respect of the financial year concerned and the Court of Auditors' statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions.

3. The director shall submit to the European Parliament, at its request, in the same manner as provided for in Article 165(3) of Regulation (EU, Euratom) No 966/2012 any information required for the smooth application of the discharge procedure for the financial year concerned.

Article 47b

Follow-up measures

1. The director shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council.

2. At the request of the European Parliament or the Council, the director shall report on the measures taken in the light of the observations and comments referred to paragraph 1. The director shall send a copy thereof to the Commission and the Court of Auditors.';

(11) in Article 48, paragraph 1 is replaced by the following:

'1. The PPP body shall grant Commission staff and other persons authorised by it, as well as the Court of Auditors, access to its sites and premises and to all the information, including information in electronic format, needed in order to conduct their audits.';

(12) Article 50 is replaced by the following:

'Article 50

Adoption of the PPP body's financial rules

1. Without prejudice to paragraph 2, each PPP body referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 shall adopt new financial rules within nine months of the date on which the PPP body falls within the scope of Article 209 of that Regulation.

2. Each PPP body referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 which has already adopted its financial rules in accordance with this Regulation shall revise them in view of their entry into force on 1 January 2016.'.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2016.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 October 2015.

For the Commission

The President

Jean-Claude JUNCKER

COMMISSION DELEGATED REGULATION (EU) 2015/2462**of 30 October 2015****amending Delegated Regulation (EU) No 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, and in particular Articles 58, 60, 101, 103, 104, 104a, 105, 106, 107, 108, 110, 111, 112, 113, 115, 116, 117, 118, 119, 124, 131, 138, 139, 190, 191, 204 and 209 thereof,

Whereas:

- (1) Regulation (EU, Euratom) No 966/2012 has been amended by Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council ⁽²⁾ to align it to the amended Directive 2014/24/EU of the European Parliament and of the Council ⁽³⁾ on public procurement and Directive 2014/23/EU of the European Parliament and of the Council ⁽⁴⁾ on the award of concession contracts and to strengthen the system of protection of the Union budget. It is therefore necessary to update Commission Delegated Regulation (EU) No 1268/2012 ⁽⁵⁾ on the rules of application of Regulation (EU, Euratom) No 966/2012.
- (2) Article 290 of the Treaty on the Functioning of the European Union (hereinafter 'TFEU') provides that a legislative act may delegate to the Commission the power to adopt non-legislative acts only to supplement or amend certain non-essential elements of the legislative act.
- (3) It is necessary to align the content of the delegation agreement with entities entrusted with budget implementation in indirect management with the extended obligations introduced by Regulation (EU, Euratom) No 966/2012 to notify and impose administrative sanctions on economic operators in the event of irregularities or fraud.
- (4) The assimilation of non-profit organisations to international organisations permitting the application of the relevant specific rules on indirect management should be limited and subject to conditions. It is therefore appropriate to lay down the procedures to be followed and the criteria to be applied for any such assimilation.
- (5) In the interest of clarity and consistency, it is necessary to add new definitions and to make technical clarifications to ensure that the terminology of Delegated Regulation (EU) No 1268/2012 corresponds to that of Directives 2014/24/EU and 2014/23/EU as far as possible.
- (6) It is appropriate for procurement procedures to be published in the *Official Journal of the European Union* to follow the information for notices provided in Directive 2014/24/EU and for those notices to be transmitted by electronic means. As these notices must be published in all EU languages, it is necessary to adjust the time limit for receipt of tenders by extending the time limit between dispatch and publication at Union level beyond that provided for in Directive 2014/24/EU.

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union (OJ L 286, 30.10.2015, p. 1).

⁽³⁾ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁽⁴⁾ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

⁽⁵⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (7) It is appropriate to simplify the publication of contract awards falling outside the scope of Directive 2014/24/EU and it is appropriate that such publication take place primarily on the internet site of the contracting authority rather than in the *Official Journal of the European Union*, as is the case for *ex ante* publicity.
- (8) The competitive procedure with negotiation should be considered a standard procedure and should replace the former negotiated procedure with prior publication. It is therefore appropriate to limit annual reporting on exceptional procedures to the negotiated procedure without prior publication.
- (9) It is necessary to ensure that the innovation partnership is used only when the desired product does not exist on the market. It is therefore appropriate to provide that it is necessary to carry out preliminary market analysis before using an innovation partnership.
- (10) It is necessary to cater for all possible purchases including those falling outside the scope of Directive 2014/24/EU. The negotiated procedure should therefore be used without prior publication for these purchases, including certain legal services, certain categories of financial services, loans and public communication networks.
- (11) International organisations may provide services as economic operators therefore it is appropriate to provide for their possible participation in procurement procedures. It is also necessary to provide for the possibility to use the negotiated procedure without prior publication for some international organisations that are prohibited from participating in competitive tendering by their statute. The resulting contract should be adapted with respect to the applicable law and jurisdiction.
- (12) For harmonisation and simplification purposes, the standard procedures applicable for public procurement should also be applied to concession contracts, including the competitive procedure with negotiation. This meets the requirements of Directive 2014/23/EU on concessions which provides for *ex ante* and *ex post* publicity obligations. Therefore, the threshold for service concessions should be aligned with the threshold for service contracts.
- (13) For harmonisation and simplification purposes, the standard procedures applicable for public procurement should also be applied to purchases provided for under the light regime in Directive 2014/24/EU, including the competitive procedure with negotiation. Therefore, the threshold for light regime purchases should be aligned with the threshold for service contracts.
- (14) In the interests of clarity and simplification, the duration of a call for expressions of interest and the time limit within which to receive requests to participate should be aligned with those under the dynamic purchasing system, since both systems are very similar in all other respects.
- (15) In the interests of administrative simplification and in order to encourage participation of small and medium-sized enterprises, it is appropriate to provide for negotiated procedures for middle-value contracts.
- (16) Certain provisions should be adapted to facilitate the use of electronic procurement procedures including the electronic submission of tenders. In particular, the procurement documents including the full tender specifications should be made available by electronic means from the start of a procedure, including in the case of two-step procedures, except in justified cases. In addition, the outcome of a procedure should be notified by electronic means and tenderers and candidates should agree to be notified in this way when submitting their tenders or requests to participate and should provide a valid e-mail address for this purpose.
- (17) Contractors should be required to comply with any applicable obligations in the fields of environmental, social and labour law.

- (18) The contracting authority should accept the European Single Procurement Document (ESPD) as defined in Directive 2014/24/EU for exclusion and selection criteria as a standardised declaration whenever feasible, or, failing that, a declaration on honour. It should request supporting documents from the successful tenderers only or, in specific cases, from all tenderers or candidates.
- (19) In order to ensure the proper functioning of the database for the early detection and exclusion system, it is necessary to lay down rules on accessing the information contained in the database and the transmission thereof.
- (20) In the interests of simplification and with the aim of reducing the administrative burden, it is appropriate to use the existing automated information system established by the Commission for the reporting of irregularities and fraud in accordance with sector-specific rules for the purpose of the early detection and exclusion system.
- (21) It is necessary to lay down detailed rules on the organisation and composition of the panel created to ensure that the system for imposing administrative sanctions is effective and consistent.
- (22) It is necessary to determine the selection criteria for both a single economic operator and a group of economic operators in the procurement documents while ensuring proportionality and equality of treatment.
- (23) In the interests of legal certainty, it is necessary to clarify that the selection criteria are strictly linked to the evaluation of candidates or tenderers and that the award criteria are strictly linked to the evaluation of the tenders. In particular, the qualifications and experience of staff assigned to perform the contract should only be used as a selection criterion and not as award criterion, as this would introduce a risk of overlap and double evaluation of the same element. Furthermore, any change in the staff assigned to perform the contract, even where justified through illness or a change in position, would call into question the conditions under which the contract was awarded and thereby create legal uncertainty.
- (24) With a view to simplification, it is appropriate to link the requirements for opening and evaluation committees to the level of risk analysis by the authorising officer.
- (25) It is appropriate that, when notified of the outcome of a procedure, candidates and tenderers are informed of the grounds on which the decision was taken and receive a detailed statement of reasons based on the content of the evaluation report.
- (26) It is necessary to provide for the option of a performance guarantee in relation to works, supplies and complex services in order to guarantee compliance with substantial contractual obligations and to ensure proper performance throughout the duration of the contract. It is also necessary to provide for a retention money guarantee to cover the contract liability period, in line with customary practice in these sectors.
- (27) It should be possible for certain administrative entities to act as central purchasing bodies for wholesale purchases or for centralised procurement.
- (28) It is necessary to defer the application of the amendment on the time limit between dispatch and publication of a notice in the *Official Journal of the European Union* in order to adapt the system used for the translation of notices.
- (29) It is necessary to defer the application of the provision on the availability, in the database for the early detection and exclusion system, of the information on fraud and irregularities contained in the automated information system of the Commission (the Irregularity Management System) until the database can receive this information.
- (30) This Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union* in order to ensure that it can apply from the beginning of the financial year,

HAS ADOPTED THIS REGULATION:

Article 1

Delegated Regulation (EU) No 1268/2012 is amended as follows:

- (1) in Article 32, the introductory sentence of the first subparagraph of paragraph 1 is replaced by the following:

‘Acts likely to be affected by a conflict of interests within the meaning of Article 57(2) of the Financial Regulation may, inter alia, take one of the following forms without prejudice to their qualification as illegal activities under point (d) of Article 106(1) of the Financial Regulation:’

- (2) the title of Article 40 is replaced by the following:

‘Article 40

Content of the agreement entrusting budget implementation tasks to entities and persons

(Articles 60(3) and 61(3) of the Financial Regulation)’

- (3) in Article 40, point (f) is replaced by the following:

‘(f) rules which allow the entity or person to exclude economic operators which are in a situation referred to in points (d) and (f) of Article 106(1) and in point (b) of Article 107 of the Financial Regulation from participating in procurement, grant or prize award procedures or from being awarded procurement contracts, grants or prizes and rules which allow the entity or person to impose a financial penalty to these economic operators;’

- (4) in Article 40, point (h) (i) is replaced by the following:

‘(h) arrangements providing for:

- (i) an undertaking of the entrusted entity to inform the Commission without delay of fraud or irregularity as referred to in points (d) and (f) of Article 106(1) of the Financial Regulation occurring in the management of Union funds and the measures taken;’

- (5) in Article 40, the following paragraphs are added:

‘In the case of point (f) of the first paragraph, for the purpose of Article 106(5) of the Financial Regulation, a third country is considered in failure to act, inter alia, where its national legislation does not allow to exclude an economic operator from all EU financed award procedures within the meaning of Article 106 of the Financial Regulation. The delegation agreements specify where a third country is considered in failure to act.

For the purpose of point (h)(i) of the first paragraph, in the case of third countries and international organisations, these arrangements specify where the third country and the international organisation shall prevent, detect, correct and notify irregularities and fraud in accordance Article 60(3) of the Financial Regulation.’

(6) Article 43 is replaced by the following:

‘Article 43

Specific provisions for indirect management with international organisations

(Article 58(1)(c)(ii) and Article 188 of the Financial Regulation)

1. The international organisations referred to in point (ii) of Article 58(1)(c) of the Financial Regulation shall be international public-sector organisations set up by international agreements and specialised agencies set up by such organisations.

The agreements referred to in the first subparagraph shall be submitted to the authorising officer responsible for the *ex ante* assessment referred to in Article 39 before the Commission entrusts tasks of budget implementation.

2. The following organisations shall be assimilated to international organisations:

(a) the International Committee of the Red Cross;

(b) the International Federation of National Red Cross and Red Crescent Societies.

3. The Commission may adopt a duly justified decision assimilating a non-profit organisation to an international organisation providing that it satisfies the following conditions:

(a) it has its own legal personality and autonomous governance bodies;

(b) it has been established to perform specific tasks of general international interest;

(c) at least six Member State are members of the non-profit organisation;

(d) it provides adequate financial guarantees;

(e) it operates on the basis of a permanent structure and in accordance with systems, rules and procedures which may be assessed in accordance with Article 61(1) of the Financial Regulation.

4. Where the Commission implements the budget under indirect management with international organisations, the verification agreements concluded with them shall apply.’

(7) Article 53 is replaced by the following:

‘Article 53

Report on negotiated procedures

(Article 66 of the Financial Regulation)

Authorising officers by delegation shall record, for each financial year, contracts concluded by the negotiated procedures referred to in points (a) to (f) of Article 134(1) and Article 266 of this Regulation. If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the institution, the authorising officer responsible shall report to the institution setting out any measures taken to reverse that trend. Each institution shall send a report on negotiated procedures to the European Parliament and Council. In the case of the Commission, that report shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.’;

- (8) the heading of Title V of Part One is replaced by the following:

‘TITLE V

PUBLIC PROCUREMENT AND CONCESSIONS’;

- (9) in Chapter 1 of Title V of Part One, Sections 1, 2 and 3 are replaced by the following:

‘Section 1

Scope and award principles

Article 121

Scope and definitions

(Article 101(2) of the Financial Regulation)

1. Building contracts cover the purchase, long lease, usufruct, leasing, rental or hire purchase, with or without option to buy, of land, existing buildings or other immovable property.

2. Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products. A supply contract may include, as an incidental matter, siting and installation operations.

3. Works contracts cover either the execution, or both the execution and design, of works or a work related to one of the activities referred to in Annex II to Directive 2014/24/EU of the European Parliament and of the Council ⁽¹⁾* or the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work.

A “work” shall mean the outcome of building or civil engineering works taken as a whole that is sufficient in itself to fulfil an economic or technical function.

4. Service contracts cover all intellectual and non-intellectual services other than those covered by supply contracts, works contracts and building contracts.

5. In the case of mixed contracts consisting of supplies and services, the main subject matter shall be determined by a comparison of the values of the respective supplies or services.

A contract covering one type of procurement (works, supplies or services) and concessions (works or services) shall be awarded in accordance with the provisions applicable to the public contract.

6. Any references to nomenclatures in the context of public procurement shall be made using the “Common Procurement Vocabulary (CPV)” as set out in Regulation (EC) No 2195/2002 of the European Parliament and of the Council ⁽²⁾*.

7. The contracting authority shall not demand that a group of economic operators have a given legal form in order to submit a tender or request to participate, but the selected group may be required to adopt a given legal form after it has been awarded the contract if this change is necessary for proper performance of the contract.

8. All exchanges with contractors, including the conclusion of contracts and any amendments thereto, may be done through electronic exchange systems set up by the contracting authority.

9. The electronic exchange systems shall meet the following requirements:

- (a) only authorised persons may have access to the system and to documents transmitted through it;
- (b) only authorised persons may electronically sign or transmit a document through the system;

- (c) authorised persons must be identified through the system by established means;
- (d) the time and date of the electronic transaction must be determined precisely;
- (e) the integrity of documents must be preserved;
- (f) the availability of documents must be preserved;
- (g) where appropriate, the confidentiality of documents must be preserved;
- (h) the protection of personal data in accordance with the requirements of Regulation (EC) No 45/2001 must be ensured.

10. Data sent or received through such a system shall enjoy legal presumption of the integrity of the data and the accuracy of the date and time of sending or receiving the data indicated by the system.

A document sent or notified through such a system shall be considered as equivalent to a paper document, shall be admissible as evidence in legal proceedings, shall be deemed original and shall enjoy legal presumption of its authenticity and integrity, provided it does not contain any dynamic features capable of automatically changing it.

The electronic signatures referred to in point (b) of paragraph 9 shall have the equivalent legal effect of handwritten signatures.

Article 122

Framework contracts and specific contracts

(Article 101(2) of the Financial Regulation)

1. The duration of a framework contract may not exceed four years, save in exceptional cases duly justified in particular by the subject matter of the framework contract.

Specific contracts based on framework contracts shall be awarded in accordance with the terms of the framework contract.

When awarding specific contracts, the parties may not make substantial changes to the framework contract.

2. Where a framework contract is concluded with a single economic operator, the specific contracts shall be awarded within the limits of the terms laid down in the framework contract.

In duly justified circumstances, contracting authorities may consult in writing the contractor, requesting it to supplement its tender if necessary.

3. Where a framework contract is to be concluded with several economic operators ("multiple framework contract"), it may take the form of separate contracts signed in identical terms with each contractor.

Specific contracts based on framework contracts concluded with several economic operators shall be implemented in one of the following ways:

- (a) following the terms of the framework contract: without reopening of competition, where it sets out all the terms governing the provision of the works, supplies or services concerned and the objective conditions for determining which of the contractors shall perform them;

- (b) where not all the terms governing the provision of the works, supplies or services concerned are laid down in the framework contract: through reopening of competition among the contractors, in accordance with paragraph 4 and on the basis of any of the following:
 - (i) the same and, where necessary, more precisely formulated terms,
 - (ii) where appropriate, on the basis of other terms referred to in the procurement documents relating to the framework contract.
- (c) partly without reopening of competition in accordance with point (a) and partly with reopening of competition amongst the contractors in accordance with point (b), where this possibility has been stipulated by the contracting authority in the procurement documents relating to the framework contract.

The procurement documents referred to in point (c) of the second subparagraph shall also specify which terms may be subject to reopening of competition.

4. A multiple framework contract with reopening of competition shall be concluded with at least three economic operators, provided that there is a sufficient number of admissible tenders as referred to in Article 158(4).

When awarding a specific contract through reopening of competition among the contractors, the contracting authority shall consult them in writing and fix a time limit which is sufficiently long to allow specific tenders to be submitted. Specific tenders shall be submitted in writing. The contracting authority shall award each specific contract to the tenderer who has submitted the most economically advantageous specific tender on the basis of the award criteria set out in the procurement documents relating to the framework contract.

5. In sectors subject to a rapid price and technological evolution, framework contracts without reopening of competition shall contain a clause either on a mid-term review or on a benchmarking system. After the mid-term review, if the conditions initially laid down are no longer adapted to the price or technological evolution, the contracting authority shall not use the framework contract concerned and shall take appropriate measures to terminate it.

6. Specific contracts based on framework contracts shall be preceded by a budgetary commitment.

Section 2

Publicity

Article 123

Advertising of procedures equal to or greater than the thresholds under Article 118(1) of the Financial Regulation or for contracts falling within the scope of Directive 2014/24/EU

(Article 103(1) of the Financial Regulation)

1. The notices for publication in the *Official Journal of the European Union* shall include all the information set out in the relevant standard forms referred to in Directive 2014/24/EU to ensure transparency of the procedure.

2. The contracting authority may make known its intentions of planned procurement for the financial year through the publication of a prior information notice. It shall cover a period equal to or less than 12 months from the date on which the notice is sent to the Publications Office.

The contracting authority may publish the prior information notice either in the *Official Journal of the European Union* or on its buyer profile. In the latter case, a notice of publication on the buyer profile shall be published in the *Official Journal of the European Union*.

3. The contract notice shall be used as a means of launching a procedure with an estimated value equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation, except for the procedure set out in Article 134 of this Regulation.

4. The contracting authority shall send to the Publications Office an award notice on the results of the procedure no later than 30 days after the signature of a contract or framework contract with a value equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation.

However, notices relating to contracts based on a dynamic purchasing system may be grouped together on a quarterly basis. In such cases, the contracting authority shall send the notice no later than 30 days after the end of each quarter.

Award notices shall not be published for specific contracts based on a framework contract.

5. The contracting authority shall publish an award notice:

- (a) before signing a contract or a framework contract with a value equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation and awarded pursuant to the procedure under Article 134(1)(b) of this Regulation;
- (b) after signing a contract or a framework contract with a value equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation including awarded pursuant to the procedures under points (a) and (c) to (f) of Article 134(1) of this Regulation.

6. The contracting authority shall publish in the *Official Journal of the European Union* a notice of modification of contract during its duration in the cases set out in points (a) and (b) of Article 114a(3) of the Financial Regulation where the value of the modification is equal or greater than the thresholds defined in Article 118(1) of the Financial Regulation.

7. In case of interinstitutional procedure, the contracting authority responsible for the procedure shall be in charge of the applicable publicity measures.

Article 124

Advertising of procedures falling below the thresholds under Article 118(1) of the Financial Regulation or falling outside the scope of Directive 2014/24/EU

(Article 103(2) of the Financial Regulation)

1. Procedures with an estimated contract value below the thresholds laid down in Article 118(1) of the Financial Regulation shall be advertised by appropriate means. Such advertising shall involve appropriate *ex ante* publicity on the internet or a contract notice or, for contracts awarded in accordance with the procedure set out in Article 136 of this Regulation, the publication of a notice for a call for expressions of interest in the *Official Journal of the European Union*. This obligation shall not apply to the procedure set out in Article 134 of this Regulation and the negotiated procedure for very low value contracts under Article 137(2) of this Regulation.

2. For contracts awarded in accordance with points (g) and (i) of Article 134 of this Regulation, the contracting authority shall send a list of contracts no later than 30 June of the following financial year, to the European Parliament and Council. In the case of the Commission, it shall be annexed to the summary of the annual activity reports referred to in Article 66(9) of the Financial Regulation.

3. Contract award information shall contain the name of the contractor, the amount awarded and the subject matter of the contract and, in the case of direct and specific contracts, it shall comply with Article 21(3).

The contracting authority shall publish a list of contracts on its internet site no later than 30 June of the following financial year for:

- (a) contracts below the thresholds laid down in Article 118(1) of the Financial Regulation;
- (b) contracts awarded in accordance with points (h) and (j) to (m) of Article 134 of this Regulation;

- (c) modifications of contracts as set out in point (c) of Article 114a(3) of the Financial Regulation;
- (d) modifications of contracts as set out in points (a) and (b) of Article 114a(3) of the Financial Regulation where the value of the modification is below the thresholds laid down in Article 118(1) of the Financial Regulation;
- (e) specific contracts under a framework contract.

For the purposes of point (e) of the second subparagraph the published information may be aggregated per contractor for the same subject matter.

4. In case of interinstitutional framework contracts, each contracting authority shall be responsible for advertising its specific contracts and their modifications under the conditions set in paragraph 3.

Article 125

Publication of notices

(Article 103(1) of the Financial Regulation)

1. The contracting authority shall draw up and transmit the notices referred to in Articles 123 and 124 by electronic means to the Publications Office.
2. The Publications Office shall publish the notices referred to in Articles 123 and 124 in the *Official Journal of the European Union* no later than:
 - (a) seven days after their dispatch if the contracting authority uses the electronic system for filling the standard forms referred to in Article 123(1) and limits free text to 500 words;
 - (b) 12 days after their dispatch in all other cases.
3. The contracting authority must be able to provide evidence of the date of dispatch.

Article 126

Other forms of advertising

(Article 103(2) of the Financial Regulation)

In addition to the advertising provided for in Articles 123 and 124 procurement procedures may be advertised in any other way, notably in electronic form. Any such advertising shall refer to the notice published in the *Official Journal of the European Union* if the notice has been published, and may not precede the publication of that notice, which alone is authentic.

Such advertising may not introduce any discrimination between candidates or tenderers nor contain details other than those contained in the contract notice, if the notice has been published.

Section 3

Procurement procedures

Article 128

Minimum number of candidates and arrangements for negotiation

(Article 104(4) of the Financial Regulation)

1. In a restricted procedure and in the procedures referred to in points (a) and (b) of Article 136(1) and in Article 136a, the minimum number of candidates shall be five.

2. In the competitive procedure with negotiation, the competitive dialogue, the innovation partnership, the prospection of the local market under Article 134(1)(g) and the negotiated procedure for low value contracts under Article 137(1) the minimum number of candidates shall be three.

3. Paragraphs 1 and 2 of this Article shall not apply in the following cases:

(a) negotiated procedures for very low value contracts under Article 137(2);

(b) negotiated procedures without prior publication under Article 134 except for design contests under Article 134(1)(d) and prospection of the local market under Article 134(1)(g).

4. Where the number of candidates meeting the selection criteria is below the minimum number specified in paragraphs 1 and 2, the contracting authority may continue the procedure by inviting the candidates with the required capacities. The contracting authority may not include other economic operators that did not initially request to participate or that it did not initially invite.

5. During a negotiation, the contracting authority shall ensure equal treatment for all tenderers.

A negotiation may take place in successive stages in order to reduce the number of tenders to be negotiated by applying the award criteria specified in the procurement documents. The contracting authority shall indicate whether it will use that option in the procurement documents.

6. For the procedures laid down in points (d) and (g) of Article 134(1) and Articles 136a and 137, the contracting authority shall invite at least all economic operators who have expressed interest following *ex ante* publicity as set out in Article 124(1) or prospection of the local market or a design contest.

Article 129

Innovation partnership

(Article 104(1) of the Financial Regulation)

1. The innovation partnership shall aim at the development of an innovative product, service or innovative works and the subsequent purchase of the resulting works, supplies or services, provided that they correspond to the performance levels and maximum costs agreed between the contracting authorities and the partners.

The innovation partnership shall be structured in successive phases following the sequence of steps in the research and innovation process, which may include the completion of the works, the manufacturing of the products or the provision of the services. The innovation partnership shall set intermediate targets to be attained by the partners.

Based on those intermediate targets, the contracting authority may decide after each phase to terminate the innovation partnership or, in the case of an innovation partnership with several partners, to reduce the number of partners by terminating individual contracts, provided that the contracting authority has indicated in the procurement documents those possibilities and the conditions for their use.

2. Before launching an innovation partnership, the contracting authority shall consult the market as provided for in Article 137a in order to ascertain that the work, supply or service does not exist on the market or as near-to-market development activity.

The arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation shall be followed.

In the procurement documents, the contracting authority shall identify the need for innovative works, supplies or services that cannot be met by purchasing works, supplies or services already available on the market. It shall indicate which elements of this description define the minimum requirements. The information provided shall be sufficiently precise to enable economic operators to identify the nature and scope of the required solution and decide whether to request to participate in the procedure.

The contracting authority may decide to set up the innovation partnership with one partner or with several partners conducting separate research and development activities.

The contracts shall be awarded on the sole basis of the best price-quality ratio as set out in Article 110(4) of the Financial Regulation.

3. In the procurement documents, the contracting authority shall specify the arrangements applicable to intellectual property rights.

In the framework of the innovation partnership, the contracting authority shall not reveal to the other partners solutions proposed or other confidential information communicated by a partner without its agreement.

The contracting authority shall ensure that the structure of the partnership and, in particular, the duration and value of the different phases reflect the degree of innovation of the proposed solution and the sequence of the research and innovation activities required for the development of an innovative solution not yet available on the market. The estimated value of works, supplies or services shall not be disproportionate in relation to the investment required for their development.

Article 130

Design contests

(Article 104(1) of the Financial Regulation)

1. Design contests shall be subject to the rules on advertising set out in Article 123 and may include the award of prizes.

Where design contests are restricted to a limited number of candidates, the contracting authority shall lay down clear and non-discriminatory selection criteria.

The number of candidates invited to participate must be sufficient to ensure genuine competition.

2. The jury shall be appointed by the authorising officer responsible. It shall be composed exclusively of natural persons who are independent of candidates in the contest. Where a particular professional qualification is required from candidates in a contest, at least one third of the members of the jury must have the same or an equivalent qualification.

The jury shall be autonomous in its opinions. Its opinions shall be adopted on the basis of projects submitted to it anonymously by the candidates and solely in the light of the criteria set out in the contest notice.

3. The proposals of the jury, based on the merits of each project, and its ranking and remarks, shall be recorded in a report signed by its members.

Candidates shall remain anonymous until the jury has given its opinion.

Candidates may be asked by the jury to answer the questions recorded in the report in order to clarify a project. A full report of the resulting dialogue shall be drawn up.

4. The contracting authority shall then take an award decision giving the name and address of the candidate selected and the reasons for the choice by reference to the criteria announced in the contest notice, especially if it departs from the proposals made in the jury's opinion.

Article 131

Dynamic purchasing system

(Article 104(6) of the Financial Regulation)

1. The dynamic purchasing system is a completely electronic process for making commonly used purchases, which is open throughout its duration to any economic operator who satisfies the selection criteria. It may be divided into categories of works, supplies or services that are objectively defined on the basis of characteristics of the procurement to be undertaken under the category concerned. In this case, selection criteria must be defined for each category.

2. The contracting authority shall indicate in the procurement documents the nature and estimated quantity of the purchases envisaged and all the necessary information concerning the purchasing system, the electronic equipment used and the technical connection arrangements and specifications.

3. The contracting authority shall give any economic operator, throughout the period of validity of the dynamic purchasing system, the possibility of requesting to participate in the system. It shall complete its evaluation of such requests within 10 working days of receipt of that request. This deadline may be prolonged to 15 working days where justified. However, the contracting authority may extend the evaluation period provided that no invitation to tender is issued in the meantime.

The contracting authority shall inform the candidate at the earliest possible opportunity of whether or not it has been admitted to the dynamic purchasing system.

4. The contracting authority shall invite all candidates admitted to the system under the relevant category to submit a tender within a reasonable time. The contracting authority shall award the contract to the tenderer who has submitted the most economically advantageous tender on the basis of the award criteria set out in the contract notice. Those criteria may, if appropriate, be formulated more precisely in the invitation to tender.

5. The contracting authority shall indicate the period of validity of the dynamic purchasing system in the contract notice.

A dynamic purchasing system may not last for more than four years, except in duly justified exceptional cases.

The contracting authority may not resort to this system to prevent, restrict or distort competition.

Article 132

Competitive dialogue

(Article 104(1) of the Financial Regulation)

1. The contracting authority shall specify its needs and requirements, the award criteria and an indicative timeframe in the contract notice or in a descriptive document.

It shall award the contract to the tender offering the best price-quality ratio.

2. The contracting authority shall open a dialogue with the candidates satisfying the selection criteria in order to identify and define the means best suited to satisfying its needs. It may discuss all aspects of the procurement with the selected candidates during this dialogue but it cannot alter its needs and requirements and award criteria as provided for in paragraph 1.

During the course of dialogue, the contracting authority shall ensure equality of treatment among all tenderers and shall not reveal the solutions proposed or other confidential information communicated by a tenderer without its agreement to waive that confidentiality.

The competitive dialogue may take place in successive stages in order to reduce the number of solutions to be discussed by applying the announced award criteria if provision is made for this possibility in the contract notice or the descriptive document.

3. The contracting authority shall continue the dialogue until it can identify the solution or solutions which are capable of meeting its needs.

After informing the remaining tenderers that the dialogue is concluded, the contracting authority shall ask each of them to submit their final tenders on the basis of the solution or solutions presented and specified during the dialogue. These tenders shall contain all the elements required and necessary for the performance of the project.

At the request of the contracting authority, these final tenders may be clarified, specified and optimised provided this does not involve substantial changes to the tender or to the procurement documents.

The contracting authority may negotiate with the tenderer having submitted the tender offering the best price-quality ratio to confirm commitments contained in the tender provided this does not have the effect of modifying substantial aspects of the tender and does not risk distorting competition or causing discrimination.

4. The contracting authority may specify payments to the selected candidates taking part in the dialogue.

Article 133

Interinstitutional procedures

(Article 104a(1) of the Financial Regulation)

In the case of an interinstitutional procedure, one contracting authority shall manage the procedure and the subsequent direct or framework contract acting on its own behalf and on behalf of the other contracting authorities concerned.

The contract notice shall indicate the contracting authorities referred to in Article 104a(1) of the Financial Regulation which are involved in the procurement procedure, the institution responsible for the procedure and the global volume of the contracts for all those contracting authorities.

Article 134

Use of a negotiated procedure without prior publication of a contract notice

(Article 104(5) of the Financial Regulation)

1. When the contracting authority uses the negotiated procedure without prior publication of a contract notice, it shall follow the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation.

The contracting authority may use the negotiated procedure regardless of the estimated value of the contract, in the following cases:

- (a) where no tenders, or no suitable tender, or no request to participate or no suitable request to participate as provided for in paragraph 2 have been submitted in response to an open procedure or restricted procedure after this procedure has been completed, provided that the original procurement documents are not substantially altered;

- (b) where the works, supplies or services can only be provided by a single economic operator under the conditions set out in paragraph 3 and for any of the following reasons:
 - (i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;
 - (ii) competition is absent for technical reasons;
 - (iii) the protection of exclusive rights including intellectual property rights must be ensured;
- (c) in so far as is strictly necessary where, for reasons of extreme urgency brought about by unforeseeable events, it is impossible to comply with the time limits laid down in Articles 152, 154 and 275 and where the justification of such extreme urgency is not attributable to the contracting authority;
- (d) where a service contract follows a design contest and is to be awarded to the winner or to one of the winners; in the latter case, all winners must be invited to participate in the negotiations;
- (e) for new services or works consisting in the repetition of similar services or works entrusted to the economic operator to which the same contracting authority awarded an original contract, provided that these services or works are in conformity with a basic project for which the original contract was awarded after publication of a contract notice, subject to the conditions set out in paragraph 4;
- (f) for supply contracts:
 - (i) for additional deliveries which are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance; when the institutions award contracts on their own account, the duration of such contracts may not exceed three years;
 - (ii) where the products are manufactured purely for the purpose of research, experimentation, study or development; however such contracts shall not include quantity production to establish commercial viability or to recover research and development costs;
 - (iii) for supplies quoted and purchased on a commodity market;
 - (iv) for purchases of supplies on particularly advantageous terms, from either an economic operator which is definitively winding up its business activities, or the liquidators in an insolvency procedure, an arrangement with creditors, or a similar procedure under national law;
- (g) for building contracts, after prospecting the local market;
- (h) for contracts for any of the following:
 - (i) legal representation by a lawyer within the meaning of Article 1 of Council Directive 77/249/EEC ⁽³⁾* in arbitration or conciliation or judicial proceedings;
 - (ii) legal advice given in the preparation of the proceedings referred to above or where there is tangible indication and high probability that the matter to which the advice relates will become the subject of such proceedings, provided that the advice is given by a lawyer within the meaning of Article 1 of Directive 77/249/EEC;
 - (iii) for arbitration and conciliation services;
 - (iv) document certification and authentication services which must be provided by notaries;

- (i) for contracts declared to be secret or for contracts whose performance must be accompanied by special security measures, in accordance with the administrative provisions in force or when the protection of the essential interests of the Union so requires, provided the essential interests concerned cannot be guaranteed by other measures; these measures may consist of requirements to protect the confidential nature of information which the contracting authority makes available in the procurement procedure;
- (j) for financial services in connection with the issue, sale, purchase or transfer of securities or other financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council ⁽⁴⁾*, central bank services and operations conducted with the European Financial Stability Facility and the European Stability Mechanism;
- (k) loans, whether or not in connection with the issue, sale, purchase or transfer of securities or other financial instruments;
- (l) for the purchase of public communication networks and electronic communications services within the meaning of Directive 2002/21/EC of the European Parliament and of the Council ⁽⁵⁾*;
- (m) services provided by an international organisation where it cannot participate in competitive procedures according to its statute or act of establishment.

2. A tender shall be considered unsuitable where it does not relate to the subject matter of the contract and a request to participate shall be considered unsuitable where the economic operator is in an exclusion situation under Article 106(1) of the Financial Regulation or does not meet the selection criteria.

3. The exceptions set out in points (ii) and (iii) of point (b) of paragraph 1 shall only apply when no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters when defining the procurement.

4. In the cases referred to in point (e) of paragraph 1, the basic project shall indicate the extent of possible new services or works and the conditions under which they will be awarded. As soon as the basic project is put up for tender, the possible use of the negotiated procedure shall be disclosed, and the total estimated amount for the subsequent services or works shall be taken into consideration in applying the thresholds referred to in Article 118(1) of the Financial Regulation or in Articles 265(1)(a), 267(1)(a) or 269(1)(a) of this Regulation in the field of external actions. When the institutions award contracts on their own account, that procedure may only be used during the performance of the original contract and at the latest during the three years following its signature.

Article 135

Use of a competitive procedure with negotiation or competitive dialogue

(Article 104(5) of the Financial Regulation)

1. When the contracting authority uses the competitive procedure with negotiation or the competitive dialogue, it shall follow the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation. The contracting authority may use these procedures regardless of the estimated value of the contract, in the following cases:

- (a) where only irregular or unacceptable tenders as defined in paragraphs 2 and 3 have been submitted in response to an open or restricted procedure after this procedure has been completed provided that the original procurement documents are not substantially altered; the publication of a contract notice may be waived under the conditions set out in paragraph 4;
- (b) with regard to works, supplies or services fulfilling one or more of the following criteria:
 - (i) where the needs of the contracting authority cannot be met without the adaptation of a readily available solution;
 - (ii) the works, supplies or services include design or innovative solutions;

- (iii) the contract cannot be awarded without prior negotiations because of specific circumstances related to the nature, complexity or the legal and financial make-up of the contract or the risks attached to the subject matter of the contract;
 - (iv) the technical specifications cannot be established with sufficient precision by the contracting authority with reference to a standard, as set out in Article 139(3);
- (c) for concession contracts;
- (d) for the service contracts referred to in Annex XIV to Directive 2014/24/EU;
- (e) for research and development services other than those covered by CPV codes 73000000-2 to 73120000-9, 73300000-5, 73420000-2 and 73430000-5 unless the benefits accrue exclusively to the contracting authority for its use in the conduct of its own affairs, or unless the service provided is wholly remunerated by the contracting authority;
- (f) for service contracts for the acquisition, development, production or co-production of programme material intended for audiovisual or radio media services as defined in Directive 2010/13/EU of the European Parliament and of the Council ⁽⁶⁾* or contracts for broadcasting time or programme provision.
2. A tender shall be considered irregular in any of the following cases:
- (a) when it does not comply with the minimum requirements specified in the procurement documents;
- (b) when it does not comply with the requirements for submission set out in Article 111(4) of the Financial Regulation;
- (c) when the tenderer is rejected under points (b) or (c) of Article 107(1) of the Financial Regulation;
- (d) when the contracting authority has declared the tender to be abnormally low.
3. A tender shall be considered unacceptable in any of the following cases:
- (a) when the price of the tender exceeds the contracting authority's maximum budget as determined and documented prior to the launching of the procurement procedure;
- (b) when the tender fails to meet the minimum quality levels for award criteria.
4. In the cases referred to in point (a) of paragraph 1, the contracting authority shall not be required to publish a contract notice if it includes in the competitive procedure with negotiation all those tenderers who satisfied exclusion and selection criteria except those who submitted a tender declared to be abnormally low.

Article 136

Procedure involving a call for expressions of interest

(Article 104(5) of the Financial Regulation)

1. For contracts with a value below the thresholds referred to in Article 118(1) of the Financial Regulation or in Article 265(1)(b) of this Regulation and without prejudice to Articles 134 and 135 of this Regulation, the contracting authority may use a call for expressions of interest to do either of the following:
- (a) to pre-select candidates to be invited to submit tenders in response to future restricted invitations to tender;
- (b) to collect a list of vendors to be invited to submit requests to participate or tenders.
2. The list drawn up following a call for expressions of interest shall be valid for not more than four years from the date on which the notice referred to in Article 124(1) is published.

The list referred to in the first subparagraph may include sub-lists.

Any interested economic operator may express interest at any time during the period of validity of the list, with the exception of the last three months of that period.

3. Where a contract is to be awarded, the contracting authority shall invite all candidates or vendors entered on the relevant list or sub-list to do either of the following:

- (a) to submit a tender in the case referred to in point (a) of paragraph 1;
- (b) to submit, in case of the list referred to in point (b) of paragraph 1, either of the following:
 - (i) tenders including documents relating to exclusion and selection criteria;
 - (ii) documents relating to exclusion and selection criteria and, in a second step, tenders, for those fulfilling these criteria.

Article 136a

Middle-value contracts

(Article 104(1) of the Financial Regulation)

A middle value contract of a value below the thresholds referred to in Article 118(1) of the Financial Regulation may be awarded by negotiated procedure following the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation. Article 124(1) and paragraphs 1 and 4 of Article 128 of this Regulation shall apply to such procedures. Only candidates invited simultaneously and in writing by the contracting authority may submit an initial tender.

Article 137

Low-value contracts

(Article 104(1) of the Financial Regulation)

1. A low value contract of a value not exceeding EUR 60 000 may be awarded by negotiated procedure following the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation. Articles 124(1) and paragraphs 2 and 4 of Article 128 of this Regulation shall apply to such procedures. Only candidates invited simultaneously and in writing by the contracting authority may submit an initial tender.

2. A very low value contract of a value not exceeding EUR 15 000 may be awarded by negotiated procedure following the arrangements on negotiation set out in Article 104(4) of the Financial Regulation and in Article 128(5) of this Regulation. Article 128(3) of this Regulation shall apply to such procedures. Only candidates invited simultaneously and in writing by the contracting authority may submit an initial tender.

3. Payments of amounts not exceeding EUR 1 000 in respect of items of expenditure may consist simply in payment against invoices, without prior acceptance of a tender.

Article 137a

Preliminary market consultation

(Article 105(1) of the Financial Regulation)

1. For preliminary market consultation, the contracting authority may seek or accept advice from independent experts or authorities or from economic operators. That advice may be used in the planning and conduct of the procurement procedure, provided that such advice does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency.

2. Where an economic operator has advised the contracting authority or has otherwise been involved in the preparation of the procurement procedure, the contracting authority shall take appropriate measures as set out in Article 142 to ensure that competition is not distorted by the participation of that economic operator.

*Article 138***Procurement documents**

(Article 105(2) of the Financial Regulation)

1. The procurement documents shall include the following:

- (a) if applicable, the contract notice or other advertising measure as provided for in Articles 123 to 126;
- (b) the invitation to tender;
- (c) the tender specifications or the descriptive documents in the case of a competitive dialogue; they shall include the technical specifications and the relevant criteria;
- (d) the draft contract based on the model contract.

Point (d) of the first subparagraph shall not apply to cases where, due to exceptional and duly justified circumstances, the model contract cannot be used.

2. The invitation to tender shall contain the following:

- (a) specify the rules governing the submission of tenders, including in particular the conditions to maintain them confidential until opening, the closing date and time for receipt and the address to which they must be sent or delivered or the internet address in case of electronic submission;
- (b) state that submission of a tender implies acceptance of the terms and conditions set out in the procurement documents and that this submission binds the contractor to whom the contract is awarded during performance of the contract;
- (c) specify the period during which a tender will remain valid and may not be modified in any respect;
- (d) forbid any contact between the contracting authority and the tenderer during the procedure, save, exceptionally, under the conditions laid down in Article 160, and, where provision is made for an on-the-spot visit, specify the arrangements for such a visit;
- (e) specify the means of proof for compliance with the time-limit for receipt of tenders;
- (f) state that submission of a tender implies acceptance of receiving notification of the outcome of the procedure by electronic means.

3. The tender specifications shall contain the following:

- (a) the exclusion and selection criteria;
- (b) the award criteria and their relative weighting or, where weighting is not possible for objective reasons, their decreasing order of importance, which shall also apply to variants if they are authorised in the contract notice;
- (c) the technical specifications referred to in Article 139;
- (d) if variants are authorised, the minimum requirements which they must meet;
- (e) information whether the Protocol on the Privileges and Immunities of the European Union or, where appropriate, the Vienna Convention on Diplomatic Relations or Vienna Convention on Consular Relations applies;
- (f) the evidence of access to procurement, as set out in Articles 172 and 263;
- (g) in the case of a dynamic purchasing system or electronic catalogues, the electronic equipment used and the technical connection arrangements and specifications needed.

4. The draft contract shall contain the following:

- (a) specify the liquidated damages for failure to comply with its clauses;
- (b) specify the details which must be contained in invoices and in the relevant supporting documents in accordance with Article 102;
- (c) state that, when the institutions award contracts on their own account, the law which applies to the contract is Union law complemented, where necessary, by a national law or, if necessary for contracts referred to in Article 121(1), exclusively national law;
- (d) specify the competent court for hearing disputes;
- (e) specify that the contractor shall comply with applicable obligations in the fields of environmental, social and labour law established by Union law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X of Directive 2014/24/EU;
- (f) specify whether the transfer of intellectual property rights will be required;
- (g) state that the price quoted in the tender is firm and non-revisable or lay down the conditions or formulas for revision of prices during the lifetime of the contract.

For the purposes of point (g) of the first subparagraph, if a revision of prices is set out in the contract, the contracting authority shall take particular account of:

- (i) the subject matter of the procurement and the economic situation in which it is taking place;
- (ii) the type of contract and tasks and its duration;
- (iii) its financial interests.

Points (c) and (d) of the first subparagraph may be waived for contracts signed in accordance with point (m) of Article 134(1).

Article 139

Technical specifications

(Article 105(2) of the Financial Regulation)

1. Technical specifications shall allow equal access of economic operators to the procurement procedures and not have the effect of creating unjustified obstacles to the opening up of procurement to competition.

Technical specifications shall include the characteristics required for works, supplies or services, including minimum requirements, so that they fulfil the use for which they are intended by the contracting authority.

2. The characteristics referred to in paragraph 1 may include as appropriate:

- (a) the quality levels;
- (b) environmental performance and climate performance;
- (c) for purchases intended for use by natural persons, the accessibility criteria for people with disabilities or the design for all users, except in duly justified cases;
- (d) the levels and procedures of conformity assessment;
- (e) performance or use of the supply;

- (f) safety or dimensions, including, for supplies, the sales name and user instructions, and, for all contracts, terminology, symbols, testing and test methods, packaging, marking and labelling, production processes and methods;
- (g) for works contracts, the procedures relating to quality assurance and the rules relating to design and costing, the test, inspection and acceptance conditions for works and methods or techniques of construction and all the other technical conditions which the contracting authority is in a position to prescribe under general or specific regulations in relation to the finished works and to the materials or parts which they involve.

3. The technical specifications shall be formulated in any of the following ways:

- (a) in order of preference, by reference to European standards, European technical assessments, common technical specifications, international standards, other technical reference systems established by European standardisation bodies or, failing this, their national equivalents; every reference shall be accompanied by the words “or equivalent”;
- (b) in terms of performance or of functional requirements, including environmental characteristics, provided that the parameters are sufficiently precise to allow tenderers to determine the subject matter of the contract and to allow the contracting authority to award the contract;
- (c) by a combination of the two methods set out in points (a) and (b).

4. Where the contracting authority uses the option of referring to the specifications provided for in point (a) of paragraph 3, it shall not reject a tender on the grounds that it does not comply with those specifications once the tenderer proves, by any appropriate means, that the solution proposed satisfies in equivalent manner the requirements defined in the technical specifications.

5. Where the contracting authority uses the option provided for in point (b) of paragraph 3, to formulate technical specifications in terms of performance or functional requirements, it shall not reject a tender which complies with a national standard transposing a European standard, a European technical approval, a common technical specifications, an international standard or technical reference systems established by a European standardisation body, if those specifications address the performance or functional requirements which it has laid down.

The tenderer shall prove by any appropriate means that the work, supply or service in compliance with the standard meets the performance or functional requirements set by the contracting authority.

6. Where a contracting authority intends to purchase works, supplies or services with specific environmental, social or other characteristics, it may require a specific label or specific requirements from a label, provided that all of the following conditions are satisfied:

- (a) the label requirements only concern criteria which are linked to the subject matter of the contract and are appropriate to define the characteristics of the purchase;
- (b) the label requirements are based on objectively verifiable and non-discriminatory criteria;
- (c) the labels are established in an open and transparent procedure in which all the relevant stakeholders may participate;
- (d) the labels are accessible to all interested parties;
- (e) the label requirements are set by a third party over which the economic operator applying for the label cannot exercise a decisive influence.

The contracting authority may require that economic operators provide a test report or a certificate as means of proof of conformity with the procurement documents from a conformity assessment body accredited in accordance with Regulation (EC) No 765/2008 of the European Parliament and of the Council (*) or an equivalent conformity assessment body.

7. The contracting authority shall accept any other appropriate means of proof than those referred to in paragraph 6, such as a technical dossier from the manufacturer, where the economic operator had no access to the certificates or test reports, or no possibility of obtaining them or obtaining a specific label within the relevant time limits, for reasons that are not attributable to that economic operator and provided that the economic operator concerned proves that the works, supplies or services to be provided fulfil the requirements of the specific label or specific requirements indicated by the contracting authority.

8. Unless justified by the subject matter of the contract, technical specifications shall not refer to a specific make or source, or a particular process which characterises the products or services provided by a specific economic operator, or to trade marks, patents, types or a specific origin or production with the effect of favouring or eliminating certain products or economic operators.

Such reference shall be permitted on an exceptional basis where a sufficiently detailed and intelligible description of the subject matter of the contract is not possible. Such reference shall be accompanied by the words “or equivalent”.

Article 141

Declaration and evidence of absence of situation of exclusion

(Articles 106 and 107 of the Financial Regulation)

1. For the purpose of Article 106(10) of the Financial Regulation, the contracting authority shall accept the European Single Procurement Document (ESPD) referred to in Directive 2014/24/EU or, failing that, a declaration on honour, signed and dated, stating that the economic operator is not in one of the situations referred to in paragraphs 1 and 4 of Article 106 and in Article 107 of the Financial Regulation or that it is in one of the cases referred to in point (a) of Article 106(7) of the Financial Regulation.

An economic operator may reuse an ESPD which has already been used in a previous procedure, provided that the economic operator confirms that the information contained therein continues to be correct.

Where the contracting authority limits the number of candidates under Article 104(3) of the Financial Regulation, all the candidates shall provide the evidence referred to in paragraph 3 of this Article.

Depending on its risk assessment, the contracting authority may decide not to request the ESPD or declaration on honour for any of the following:

- (a) procedures for very low value contracts under Article 137(2);
- (b) procedures for contracts in the field of external actions with a value not exceeding EUR 20 000 under Articles 265(1), 267(1) or 269(1).

2. The successful tenderer shall provide, within a time limit set by the contracting authority and preceding the signature of the contract, the evidence referred to in paragraph 3, confirming the ESPD or the declaration on honour in the following cases:

- (a) for contracts awarded by the institutions on their own account, with a value equal to or greater than the thresholds referred to in Article 118(1) of the Financial Regulation;
- (b) for contracts in the field of external actions with a value equal to or greater than the thresholds laid down in Articles 265(1)(a), 267(1)(a) or 269(1)(a).

3. The contracting authority shall accept as satisfactory evidence that an economic operator is not in one of the situations described in points (a), (c), (d) or (f) of Article 106(1) of the Financial Regulation, a recent extract from the judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in its country of establishment showing that those requirements are satisfied.

The contracting authority shall accept, as satisfactory evidence that an economic operator is not in the situation described in point (a) or (b) of Article 106(1) of the Financial Regulation, a recent certificate issued by the competent authority of the State concerned.

Where the certificate is not issued in the country concerned the economic operator may provide a sworn statement made before a judicial authority or notary or, failing that, a solemn statement made before an administrative authority or a qualified professional body in its country of establishment.

4. The contracting authority shall waive the obligation of an economic operator to submit the documentary evidence referred to in paragraph 3 in the case of international organisations, if it can access it on a national database free of charge or if such evidence has already been submitted to it for the purposes of another procedure and provided that the issuing date of the documents does not exceed one year and that they are still valid.

In such a case, the economic operator shall declare on its honour that the documentary evidence has already been provided in a previous procedure and confirm that no changes in its situation have occurred.

Article 142

Measures to avoid distortion of competition

(Article 107(1) of the Financial Regulation)

The measures referred to in point (c) of Article 107(1) of the Financial Regulation shall include the communication to the other candidates and tenderers of relevant information exchanged in the context of or resulting from the involvement of the candidate or tenderer in the preparation of the procurement procedure and the fixing of adequate time limits for the receipt of tenders.

The candidate or tenderer concerned shall only be rejected from the procedure where there are no other means to ensure compliance with the principle of equal treatment.

Prior to any such exclusion, candidates or tenderers shall be given the opportunity to prove that their involvement in preparing the procurement procedure is not capable of distorting competition.

Article 143

Functioning of the database for the early detection and exclusion system

(Articles 108(1), (2), (3), (4) and (12) of the Financial Regulation)

In order to ensure the functioning of the database referred in Article 108(1) of the Financial Regulation, the institutions, offices, bodies, agencies and entities referred to in points (c), (d) and (e) of Article 108(2) of the Financial Regulation shall designate authorised persons.

Where applicable, these authorised persons shall provide the information referred to in Article 108(3) of the Financial Regulation. They shall be granted access in accordance with paragraphs 4 and 12 of Article 108 of the Financial Regulation.

Authorised persons already designated by the entities referred to in point (d) of Article 108(2) of the Financial Regulation in accordance with the sector-specific rules may be used for the purposes of Article 108(12) of the Financial Regulation.

Information requested from the entities referred to in point (d) of Article 108(2) of the Financial Regulation shall be transmitted only through the Irregularity Management System which is the automated information system established by the Commission currently in use for reporting of fraud and irregularities, in accordance with the sector-specific rules..

For the purpose of Article 108(4) of the Financial Regulation, the information transmitted through this automated information system shall be made available by the Commission in the database referred to in Article 108(1) of the Financial Regulation.

Article 144

Panel

(Article 108(6) of the Financial Regulation)

1. The Chair of the panel shall be appointed by the Commission. He or she shall be chosen from among former members of the Court of Auditors, the Court of Justice or former officials who have had at least the rank of Director-General in an institution of the Union other than the Commission. He or she shall be selected on the basis of his/her personal and professional qualities, extensive experience in legal and financial matters and proven competence, independence and integrity. The term of office shall be five years and shall not be renewable. The Chair shall be appointed as special adviser within the meaning of Article 5 of the Conditions of Employment of Other Servants of the European Union.

The Chair of the panel shall preside at all sessions of the panel. He/she shall be independent in the performance of his or her duties. He/she shall not have a conflict of interests between his or her duties as Chair of the panel and any other official duties.

2. Two permanent members shall be designated by the Commission. One additional member shall represent the requesting contracting authority and shall be designated in accordance with its own internal organisation.

3. The permanent secretariat of the panel shall ensure the following:

- (a) prepare the analysis of the information submitted to the panel pursuant to Article 108(8)(a) of the Financial Regulation;
- (b) liaise with the economic operators and the other authorising officers for the purposes of points (b), (c), and (f) of Article 108(8) of the Financial Regulation;
- (c) keep the repository of the recommendations adopted by the panel in accordance with Article 108(5) of the Financial Regulation and the decisions taken by the contracting authority in accordance with Article 106(3) of the Financial Regulation;
- (d) ensure the centralised publication in accordance with Article 106(16) of the Financial Regulation.

4. Each member of the panel shall consider each submitted case in accordance with the rules and procedures laid down in this Regulation, the Financial Regulation and any other applicable rules established by the Commission. Prior to his or her designation, and throughout his or her service, each member of the panel shall have the obligation to promptly disclose any acts likely to constitute a conflict of interests within the meaning of Article 57 of the Financial Regulation and Article 32 of this Regulation. Members of the panel shall recuse themselves from any case in which they have an actual conflict of interests.

5. The rules of procedure of the panel shall be adopted by the Commission.

Article 146

Selection criteria

(Article 110(2) of the Financial Regulation)

1. The contracting authority shall indicate in the procurement documents the selection criteria, the minimum levels of capacity and the evidence required to prove this capacity. All requirements shall be related and proportionate to the subject matter of the contract.

The contracting authority shall specify in the procurement documents how groups of economic operators are to meet the selection criteria taking into account paragraph 6.

Where a contract is divided into lots, the contracting authority may set minimum levels of capacity for each lot. It may set additional minimum levels of capacity in case several lots are awarded to the same contractor.

2. With regard to capacity to pursue the professional activity, the contracting authority may require an economic operator to fulfil at least one of the following conditions:

- (a) be enrolled in a relevant professional or trade register, except for international organisations;
- (b) for service contracts, hold a particular authorisation proving that it is authorised to perform the contract in its country of establishment or be a member of a specific professional organisation.

3. When receiving requests to participate or tenders, the contracting authority shall accept the ESPD or, failing that, a declaration on honour stating that the candidate or tenderer fulfils the selection criteria.

The contracting authority may ask tenderers and candidates at any moment during the procedure to submit an updated declaration or all or part of the supporting documents where this is necessary to ensure the proper conduct of the procedure.

The contracting authority shall require the candidates or successful tenderer to submit up-to-date supporting documents except where it has already received them for the purpose of another procedure and provided that the documents are still up-to-date or it can access them on a national database free of charge.

4. The contracting authority may, depending on its assessment of risks, decide not to require evidence of the legal, regulatory, financial, economic, technical and professional capacity of economic operators in the following cases:

- (a) procedures for middle or low value contracts awarded by the institutions on their own account, with a value not exceeding the value referred to in Article 118(1) of the Financial Regulation;
- (b) procedures for contracts awarded in the field of external actions, with a value not exceeding the thresholds referred to in Articles 265(1)(a), 267(1)(a) or 269(1)(a).

Where the contracting authority decides not to require evidence of the legal, regulatory, financial, economic, technical and professional capacity of economic operators, no pre-financing shall be made.

5. An economic operator may, where appropriate and for a particular contract, rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. It must in that case prove to the contracting authority that it will have at its disposal the resources necessary for the performance of the contract by producing a commitment by those entities to that effect.

With regard to technical and professional criteria, an economic operator may only rely on the capacities of other entities where the latter will perform the works or services for which these capacities are required.

Where an economic operator relies on the capacities of other entities with regard to criteria relating to economic and financial capacity, the contracting authority may require that the economic operator and those entities be jointly liable for the performance of the contract.

The contracting authority may request information from the tenderer on any part of the contract that the tenderer intends to subcontract and on the identity of any subcontractors.

For works or services provided at a facility directly under the oversight of the contracting authority, the contracting authority shall require the contractor to indicate the names, contacts and authorised representatives of subcontractors involved in the performance of the contract, including any changes of subcontractors.

6. The contracting authority shall verify whether the entities on whose capacity the economic operator intends to rely and the envisaged subcontractors, when subcontracting represents a significant part of the contract, fulfil the relevant selection criteria.

The contracting authority shall require that the economic operator replaces an entity or subcontractor which does not meet a relevant selection criterion.

7. In the case of works contracts, service contracts and siting or installation operations in the context of a supply contract, the contracting authority may require that certain critical tasks be performed directly by the tenderer itself or, where the tender is submitted by a group of economic operators, a participant in the group.

Article 147

Economic and financial capacity

(Article 110(2) of the Financial Regulation)

1. To ensure that economic operators possess the necessary economic and financial capacity to perform the contract, the contracting authority may require in particular that:

- (a) economic operators have a certain minimum yearly turnover, including a certain minimum turnover in the area covered by the contract;
- (b) economic operators provide information on their annual accounts showing ratios between assets and liability;
- (c) economic operators provide an appropriate level of professional risk indemnity insurance.

For the purposes of point (a) of the first subparagraph, the minimum yearly turnover shall not exceed two times the estimated annual contract value, except in duly justified cases linked to the nature of the purchase, which the contracting authority shall explain in the procurement documents.

For the purposes of point (b) of the first subparagraph, the contracting authority shall explain the methods and criteria for such ratios in the procurement documents.

2. In the case of dynamic purchasing systems, the maximum yearly turnover shall be calculated on the basis of the expected maximum size of specific contracts to be awarded under that system.

3. The contracting authority shall define in the procurement documents the evidence to be provided by an economic operator to demonstrate its economic and financial capacity. It may request in particular one or more of the following documents:

- (a) appropriate statements from banks or, where appropriate, evidence of relevant professional risk indemnity insurance;
- (b) financial statements or their extracts for a period equal to or less than the last three years for which accounts have been closed;
- (c) a statement of the economic operator's overall turnover and, where appropriate, turnover in the area covered by the contract for a maximum of the last three financial years available.

If, for any valid reason, the economic operator is unable to provide the references requested by the contracting authority, it may prove its economic and financial capacity by any other document which the contracting authority considers appropriate.

*Article 148***Technical and professional capacity**

(Article 110(2) of the Financial Regulation)

1. The contracting authority shall verify that candidates or tenderers fulfil the minimum selection criteria concerning technical and professional capacity in accordance with paragraphs 2 to 5.

2. The contracting authority shall define in the procurement documents the evidence to be provided by an economic operator to demonstrate its technical and professional capacity. It may request one or more of the following documents:

- (a) for works, supplies requiring siting or installation operations or services, the educational and professional qualifications, skills, experience and expertise of the persons responsible for performance;
- (b) a list of the following:
 - (i) of the principal services provided and supplies delivered in the past three years, with the sums, dates and clients, public or private accompanied upon request by statements issued by the clients;
 - (ii) of the works carried out in the last five years, accompanied by certificates of satisfactory execution for the most important works;
- (c) a statement of the technical equipment, tools or plant available to the economic operator for performing a service or works contract;
- (d) a description of the technical facilities and means available to the economic operator to for ensuring quality, and a description of available study and research facilities;
- (e) a reference to the technicians or technical bodies available to the economic operator, whether or not belonging directly to it, especially those responsible for quality control;
- (f) in respect of supplies: samples, descriptions or authentic photographs or certificates drawn up by official quality control institutes or agencies of recognised competence attesting the conformity of the products clearly identified by references to technical specifications or standards;
- (g) for works or services, a statement of the average annual manpower and the number of managerial staff of the economic operator for the last three years;
- (h) an indication of the supply chain management and tracking systems that the economic operator will be able to apply when performing the contract;
- (i) an indication of the environmental management measures that the economic operator will be able to apply when performing the contract.

For the purposes of point (i) of point (b) of the first subparagraph, where necessary in order to ensure an adequate level of competition, the contracting authority may indicate that evidence of relevant supplies or services delivered or performed more than three years before will be taken into account.

For the purposes of point (ii) of point (b) of the first subparagraph, where necessary in order to ensure an adequate level of competition, the contracting authority may indicate that evidence of relevant works delivered or performed more than five years before will be taken into account.

3. Where the supplies or services are complex or, exceptionally, are required for a special purpose, evidence of technical and professional capacity may be secured by means of a check carried out by the contracting authority or on its behalf by a competent official body of the country in which the economic operator is established, subject to that body's agreement. Such checks shall concern the supplier's technical capacity and production capacity and, if necessary, its study and research facilities and quality control measures.

4. Where the contracting authority requires the provision of certificates drawn up by independent bodies attesting the compliance of the economic operator with certain quality assurance standards, including on accessibility for disabled persons, it shall refer to quality assurance systems based on the relevant European standards series certified by accredited bodies. The contracting authority shall also accept other evidence of equivalent quality assurance measures from an economic operator that has demonstrably no access to such certificates or has no possibility of obtaining such certificates within the relevant time limits, for reasons that are not attributable to that economic operator and provided that the economic operator proves that the proposed quality assurance measures comply with the required quality assurance standards.

5. Where the contracting authority requires the provision of certificates drawn up by independent bodies attesting that the economic operator complies with certain environmental management systems or standards, it shall refer to the European Union Eco-Management and Audit Scheme or to other environmental management systems as recognised in accordance with Article 45 of Regulation (EC) No 1221/2009 of the European Parliament and of the Council (*) or other environmental management standards based on the relevant European or international standards by accredited bodies. Where an economic operator had demonstrably no access to such certificates, or no possibility of obtaining them within the relevant time limits for reasons that are not attributable to that economic operator, the contracting authority shall also accept other evidence of environmental management measures, provided that the economic operator proves that these measures are equivalent to those required under the applicable environmental management system or standard.

6. A contracting authority may conclude that an economic operator does not possess the required professional capacity to perform the contract to an appropriate quality standard where the contracting authority has established that the economic operator has conflicting interests which may negatively affect its performance.

Article 149

Award criteria

(Article 110(3) of the Financial Regulation)

1. Quality criteria may include elements such as technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics, production, provision and trading process and any other specific process at any stage of their life cycle, organisation of the staff assigned to performing the contract, after-sales service, technical assistance or delivery conditions such as delivery date, delivery process and delivery period or period of completion.

2. The contracting authority shall specify, in the procurement documents the relative weighting which it gives to each of the criteria chosen to determine the most economically advantageous tender except when using the lowest price method. Those weightings may be expressed as a range with an appropriate maximum spread.

The weighting applied to price or cost in relation to the other criteria must not result in the neutralisation of price or cost.

If weighting is not possible for objective reasons, the contracting authority shall indicate the criteria in decreasing order of importance.

3. The contracting authority may lay down minimum levels of quality. Tenders below those levels of quality shall be rejected.

4. Life-cycle costing shall cover parts or all of the following costs, to the extent relevant, over the life cycle of works, supplies or services:

(a) costs, borne by the contracting authority or other users, such as:

- (i) costs relating to acquisition;
- (ii) costs of use, such as consumption of energy and other resources;
- (iii) maintenance costs;
- (iv) end of life costs, such as collection and recycling costs;

- (b) costs attributed to environmental externalities linked to the works, supplies or services during their life cycle, provided their monetary value can be determined and verified.

5. Where the contracting authority assesses the costs using a life-cycle costing approach, it shall indicate in the procurement documents the data to be provided by the tenderers and the method which it will use to determine the life-cycle costs on the basis of those data.

The method used for the assessment of costs attributed to environmental externalities shall fulfil the following conditions:

- (a) it is based on objectively verifiable and non-discriminatory criteria;
- (b) it is accessible to all interested parties;
- (c) economic operators can provide the required data with reasonable effort.

Where applicable, the contracting authority shall use the mandatory common methods for the calculation of life-cycle costs provided for in Annex XIII of Directive 2014/24/EU.

Article 150

Use of electronic auctions

(Article 110(5) of the Financial Regulation)

1. The contracting authority may use electronic auctions, in which new prices, revised downwards or new values concerning certain elements of tenders are presented.

The contracting authority shall structure the electronic auction as a repetitive electronic process, which occurs after an initial full evaluation of the tenders, enabling them to be ranked using automatic evaluation methods.

2. In open, restricted or competitive procedures with negotiation, the contracting authority may decide that the award of a public contract is preceded by an electronic auction when the procurement documents can be established with precision.

An electronic auction may be held on the reopening of competition among the parties to a framework contract as referred to in Article 122(3)(b) and on the opening for competition of contracts to be awarded under the dynamic purchasing system referred to in Article 131.

The electronic auction shall be based on one of the award methods set out in Article 110(4) of the Financial Regulation.

3. The contracting authority which decides to hold an electronic auction shall state that fact in the contract notice.

The procurement documents shall include the following details:

- (a) the values of the features which will be the subject of electronic auction, provided that those features are quantifiable and can be expressed in figures or percentages;
- (b) any limits on the values which may be submitted, as they result from the specifications relating to the subject matter of the contract;
- (c) the information which will be made available to tenderers in the course of the electronic auction and, where appropriate, when it will be made available to them;

- (d) the relevant information concerning the electronic auction process including whether it includes phases and how it will be closed, as set out in paragraph 7;
- (e) the conditions under which the tenderers will be able to tender and, in particular, the minimum differences which will, where appropriate, be required when submitting the tender;
- (f) the relevant information concerning the electronic equipment used and the arrangements and technical specifications for connection.

4. All tenderers who have submitted admissible tenders shall be invited simultaneously by electronic means to participate in the electronic auction using the connections in accordance with the instructions. The invitation shall specify the date and time of the start of the electronic auction.

The electronic auction may take place in a number of successive phases. The electronic auction may not start sooner than two working days after the date on which invitations are sent out.

5. The invitation shall be accompanied by the outcome of a full evaluation of the relevant tender.

The invitation shall also state the mathematical formula to be used in the electronic auction to determine automatic re-rankings on the basis of the new prices and/or new values submitted. That formula shall incorporate the weighting of all the criteria fixed to determine the most economically advantageous tender, as indicated in the procurement documents. For that purpose, any ranges shall, however, be reduced beforehand to a specified value.

Where variants are authorised, a separate formula shall be provided for each variant.

6. Throughout each phase of an electronic auction the contracting authority shall instantaneously communicate to all tenderers at least sufficient information to enable them to ascertain their relative rankings at any moment. It may also, where this has been previously indicated, communicate other information concerning other prices or values submitted as well as announce the number of participants in any specific phase of the auction. It may not however disclose the identities of the tenderers during any phase of an electronic auction.

7. The contracting authority shall close an electronic auction in one or more of the following ways:

- (a) at the previously indicated date and time;
- (b) when it receives no more new prices or new values which meet the requirements concerning minimum differences, provided that it has previously stated the time which it will allow to elapse after receiving the last submission before it closes the electronic auction;
- (c) when the previously indicated number of phases in the auction has been completed.

8. After closing an electronic auction, the contracting authority shall award the contract on the basis of the results of the electronic auction.

Article 151

Abnormally low tenders

(Article 110(5) of the Financial Regulation)

1. If, for a given contract, the price or cost proposed in a tender appears to be abnormally low, the contracting authority shall request in writing details of the constituent elements of the price or cost which it considers relevant and shall give the tenderer the opportunity to present its observations.

The contracting authority may, in particular, take into consideration observations relating to:

- (a) the economics of the manufacturing process, of the provision of services or of the construction method;
- (b) the technical solutions chosen or the exceptionally favourable conditions available to the tenderer;

- (c) the originality of the tender;
- (d) compliance of the tenderer with applicable obligations in the fields of environmental, social and labour law;
- (e) compliance of subcontractors with applicable obligations in the fields of environmental, social and labour law;
- (f) the possibility of the tenderer obtaining state aid in compliance with applicable rules.

2. The contracting authority may only reject the tender where the evidence supplied does not satisfactorily account for the low level of price or costs proposed.

The contracting authority shall reject the tender, where it has established that the tender is abnormally low because it does not comply with applicable obligations in the fields of environmental, social and labour law.

3. Where the contracting authority establishes that a tender is abnormally low because the tenderer has obtained state aid, it may reject the tender on that sole ground only if the tenderer is unable to prove, within a sufficient time limit fixed by the contracting authority, that the aid in question was compatible with the internal market within the meaning of Article 107 TFEU.

Article 152

Time limits for receipt of tenders and requests to participate

(Article 111(1) of the Financial Regulation)

1. The contracting authority shall lay down time limits for the receipt of tenders and requests to participate.

When fixing time limits, the contracting authority shall take account of the complexity of the contract and the time required for drawing up tenders. The time limits shall be longer than the minimum time limits set out in this Article where tenders can only be drawn after a visit to the site or after an on-the-spot consultation of the documents supporting the procurement documents.

The time limits shall be prolonged by five days in any of the following cases:

- (a) the contracting authority does not offer direct access free of charge by electronic means to the procurement documents;
- (b) the contract notice is published in accordance with point (b) of Article 125(2).

2. In open procedures, the time limit for receipt of tenders shall be no less than 37 days from the date on which the contract notice is dispatched.

3. In restricted procedures, in competitive dialogues, in competitive procedures with negotiation, in dynamic purchasing systems and in innovation partnerships, the time limit for receipt of requests to participate shall be no less than 32 days from the date on which the contract notice is dispatched.

4. In restricted procedures and in competitive procedures with negotiation, the time limit for receipt of tenders shall be no less than 30 days from the date on which the invitation to tender is dispatched.

5. In a dynamic purchasing system, the time limit for receipt of tenders shall be no less than 10 days from the date on which the invitation to tender is dispatched.

6. In the procedures after a call for expressions of interest referred to in Article 136(1), the time limit shall be:

- (a) no less than 10 days from the date on which the invitation to tender is dispatched for receipt of tenders in the case of the procedure referred to in Article 136(1)(a) and Article 136(3)(b)(i);
- (b) no less than 10 days for receipt of requests to participate and no less than 10 days for receipt of tenders in the case of the two-step procedure referred to in Article 136(3)(b)(ii).

7. The contracting authority may reduce the time limits for receipt of tenders by five days for the open or restricted procedures if it accepts that tenders may be submitted by electronic means.

*Article 153***Access to procurement documents and time limit to provide additional information**

(Article 111(1) of the Financial Regulation)

1. The contracting authority shall offer direct access free of charge by electronic means to the procurement documents from the date of publication of the contract notice or, for the procedures without contract notice or under Article 136, from the date of dispatch of the invitation to tender.

In justified cases, the contracting authority may transmit the procurement documents by other means it specifies if direct access by electronic means is not possible for technical reasons or if the procurement documents contain information of a confidential nature. In these cases, the third subparagraph of Article 152(1) shall apply except in urgent cases as provided for in Article 154(1).

The contracting authority may impose on economic operators requirements aimed at protecting the confidential nature of information contained in the procurement documents. It shall announce these requirements as well as how access to the procurement documents concerned can be obtained.

2. The contracting authority shall provide additional information linked to the procurement documents simultaneously and in writing to all interested economic operators as soon as possible.

The contracting authority shall not be bound to reply to requests for additional information made less than six working days before the deadline for receipt of tenders.

3. The contracting authority shall extend the time limit for receipt of tenders where:

- (a) it did not provide additional information at the latest six days before the deadline for the receipt of tenders although the economic operator requested it in good time;
- (b) it makes significant changes to the procurement documents.

*Article 154***Time limits in urgent cases**

(Article 111(1) of the Financial Regulation)

1. Where duly substantiated urgency renders impracticable the minimum time limits laid down in Articles 152(2) and 152(3) for open or restricted procedures, the contracting authority may set:

- (a) a time limit for the receipt of requests to participate or tenders in open procedures which shall not be less than 15 days from the date on which the contract notice was dispatched;
- (b) a time limit for the receipt of tenders for restricted procedures which shall not be less than 10 days from the date of dispatch of the invitation to tender.

2. In urgent cases, the time limit set out in the first subparagraph of Article 153(2) and in Article 153(3)(a) shall be four days.

*Article 155***Arrangements for submission of tenders**

(Article 111(1) and (2) of the Financial Regulation)

1. The arrangements for the submission of tenders and requests to participate shall be determined by the contracting authority, which may choose an exclusive method of submission.

The means of communication chosen shall be such as to ensure that the following conditions are satisfied:

- (a) each submission contains all the information required for its evaluation;
- (b) the integrity of data is preserved;
- (c) the confidentiality of tenders and requests to participate is preserved and the contracting authority examines the content of tenders and requests to participate only after the time limit set for submitting them has expired;
- (d) the protection of personal data in accordance with the requirements of Regulation (EC) No 45/2001 is ensured.

2. Except for contracts below the thresholds laid down in Article 118(1) of the Financial Regulation, devices for the electronic receipt of tenders and requests to participate shall guarantee, through technical means and appropriate procedures, that:

- (a) the economic operator can be authenticated with certainty;
- (b) the exact time and date of the receipt of tenders and requests to participate can be determined precisely;
- (c) it may be reasonably ensured that, before the time limits laid down, no-one can have access to data transmitted under these requirements;
- (d) only authorised persons may set or change the dates for opening data received;
- (e) during the different stages of the procurement procedure only authorised persons may have access to all data submitted and may give access to these data as needed for the procedure;
- (f) it may be reasonably ensured that any attempt to infringe any of the conditions set out in points (a) to (e) can be detected.

3. Where the contracting authority authorises submission of tenders and requests to participate by electronic means, the electronic documents submitted by means of such systems shall be deemed to be the originals.

4. Where submission is by letter, candidates or tenderers may choose to submit requests to participate or tenders:

- (a) either by post or by courier service, in which case the evidence shall be constituted by the postmark or the date of the deposit slip;
- (b) by hand-delivery to the premises of the contracting authority by the tenderer or candidate in person or by an agent, in which case the evidence shall be constituted by the acknowledgement of receipt.

5. By submitting a request to participate or a tender, candidates or tenderers accept to receive notification of the outcome of the procedure by electronic means.

Article 155a

Electronic catalogues

(Article 111(7) of the Financial Regulation)

1. Where the use of electronic means of communication is required, the contracting authority may require tenders to be presented in the format of an electronic catalogue or to include an electronic catalogue.

2. Where the presentation of tenders in the form of electronic catalogues is accepted or required, the contracting authority shall:

- (a) state so in the contract notice;
- (b) indicate in the procurement documents all the necessary information concerning the format, the electronic equipment used and the technical connection arrangements and specifications for the catalogue.

3. Where a multiple framework contract has been concluded following the submission of tenders in the form of electronic catalogues, the contracting authority may provide that the reopening of competition for specific contracts takes place on the basis of updated catalogues by using one of the following methods:

- (a) the contracting authority invites contractors to resubmit their electronic catalogues, adapted to the requirements of the specific contract in question;
- (b) the contracting authority notifies contractors that it intends to collect from the electronic catalogues which have already been submitted the information needed to constitute tenders adapted to the requirements of the specific contract in question, provided that the use of that method has been announced in the procurement documents for the framework contract.

4. When using the method under point (b) of paragraph 3, the contracting authority shall notify contractors of the date and time at which they intend to collect the information needed to constitute tenders adapted to the requirements of the specific contract in question and shall give contractors the possibility to refuse such collection of information.

The contracting authority shall allow for an adequate period between the notification and the actual collection of information.

Before awarding the specific contract, the contracting authority shall present the collected information to the contractor concerned so as to give it the opportunity to contest or confirm that the tender thus constituted does not contain any material errors.

Article 156

Tender guarantees

(Article 111(3) of the Financial Regulation)

1. The contracting authority may require a tender guarantee, submitted in accordance with Article 163, representing 1 % to 2 % of the total value of the contract.
2. The contracting authority shall call in the tender guarantee if the tender is withdrawn before contract signature.

The contracting authority shall release the tender guarantee:

- (a) for tenderers rejected as referred to in point (b) of Article 159(2) and tenders rejected as referred to in point (c) of Article 159(2), after information on the outcome of the procedure;
- (b) for tenders ranked as referred to in point (e) of Article 159(2), when the contract is signed.

Article 157

Opening of tenders and requests to participate

(Article 111(4) of the Financial Regulation)

1. In open procedures, authorised representatives from tenderers may attend the opening session.
2. Where the value of a contract is equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation, the authorising officer responsible shall appoint a committee to open the tenders. The authorising officer may waive this obligation on the basis of a risk analysis when reopening competition within a framework contract and for the cases set out in Article 134(1) of this Regulation except points (d) and (g) of that Article.

The opening committee shall be made up of at least two persons representing at least two organisational entities of the institution concerned with no hierarchical link between them. To avoid any conflict of interests, those persons shall be subject to the obligations laid down in Article 57 of the Financial Regulation.

In the representations or local units referred to in Article 72 of this Regulation or isolated in a Member State, if there are no separate entities, the requirement of organisational entities with no hierarchical link between them shall not apply.

3. In the case of a procurement procedure launched on an interinstitutional basis, the opening committee shall be appointed by the responsible authorising officer from the institution responsible for the procurement procedure.
4. The contracting authority shall verify and ensure the integrity of the original tender including the financial offer and of the evidence of date and time of its receipt as provided for in points 2 and 4 of Article 155 by any appropriate method.
5. In open procedures, where the contract is awarded under the lowest price or lowest cost methods in accordance with Article 110(4) of the Financial Regulation, the prices quoted in tenders satisfying the requirements shall be read out loud.
6. The written record of the opening of the tenders received shall be signed by the person or persons in charge of opening or by members of the opening committee. It shall identify those tenders which comply with the requirements of Article 155 and those which do not, and shall give the grounds on which tenders were rejected as set out in Article 111(4) of the Financial Regulation. That record may be signed in an electronic system providing sufficient identification of the signatory.

Article 158

Evaluation of tenders and requests to participate

(Article 111(5) of the Financial Regulation)

1. The authorising officer responsible shall appoint an evaluation committee to give an advisory opinion on contracts with a value equal to or greater than the thresholds referred to in Article 118(1) of the Financial Regulation. The authorising officer may waive this obligation on the basis of a risk analysis when reopening competition within a framework contract and for the cases set out in points (c), (e), (f) (i), (f) (iii) and (h) of Article 134(1).

However, the authorising officer responsible may decide that the evaluation committee is to evaluate and rank the tenders on the basis of the award criteria only and that the exclusion and selection criteria are to be evaluated by other appropriate means guaranteeing the absence of conflicts of interests.

2. The evaluation committee shall be made up of at least three persons representing at least two organisational entities of the institutions or bodies referred to in Article 208 of the Financial Regulation with no hierarchical link between them, at least one of which does not come under the authorising officer responsible.

In the representations and local units referred to in Article 72 or isolated in a Member State, if there are no separate entities, the requirement of organisational entities with no hierarchical link between them shall not apply.

Outside experts may assist the committee by decision of the authorising officer responsible.

The authorising officer responsible shall ensure that the persons involved in the evaluation including outside experts satisfy the obligations laid down in Article 57 of the Financial Regulation.

3. In the case of a procurement procedure launched on an interinstitutional basis, the evaluation committee shall be appointed by the responsible authorising officer from the institution responsible for the procurement procedure. The composition of the evaluation committee shall reflect, in so far as possible, the interinstitutional character of the procurement procedure.
4. Requests to participate and tenders which are suitable under paragraph (2) of Article 134, not irregular or unacceptable under paragraphs (2) and (3) of Article 135 shall be considered admissible.

*Article 159***Results of the evaluation and award decision**

(Article 113(1) of the Financial Regulation)

1. The outcome of the evaluation shall be an evaluation report containing the proposal to award the contract. The evaluation report shall be dated and signed by the person or persons who carried out the evaluation or by the members of the evaluation committee. That report may be signed in an electronic system providing sufficient identification of the signatory.

If the evaluation committee was not given responsibility to verify the tenders against the exclusion and selection criteria, the evaluation report shall also be signed by the persons who were given that responsibility by the authorising officer responsible.

2. The evaluation report shall contain the following:

- (a) the name and address of the contracting authority, and the subject matter and value of the contract, or the subject matter and maximum value of the framework contract;
- (b) the names of the candidates or tenderers rejected and the reasons for their rejection by reference to a situation set out in Article 107 of the Financial Regulation or to selection criteria;
- (c) the references to the tenders rejected and the reasons for their rejection by reference to any of the following:
 - (i) non-compliance with minimum requirements as set out in point (a) of Article 110(1) of the Financial Regulation;
 - (ii) not meeting the minimum quality levels laid down in Article 149(3) of this Regulation;
 - (iii) tenders found to be abnormally low as referred to in Article 151 of this Regulation;
- (d) the names of the candidates or tenderers selected and the reasons for their selection;
- (e) the names of the tenderers to be ranked with the scores obtained and their justifications;
- (f) the names of the proposed candidates or successful tenderer and the reasons for that choice;
- (g) if known, the proportion of the contract or the framework contract which the proposed contractor intends to subcontract to third parties.

3. The contracting authority shall then take its decision providing any of the following:

- (a) an approval of the evaluation report containing all the information listed in paragraph 2 complemented by the following:
 - (i) the name of the successful tenderer and the reasons for that choice by reference to the pre-announced selection and award criteria, including where appropriate the reasons for not following the recommendation provided in the evaluation report;
 - (ii) in the case of negotiated procedure without prior publication, competitive procedure with negotiation or competitive dialogue, the circumstances referred to in Articles 134, 135 and 266 which justify their use;
- (b) where appropriate, the reasons why the contracting authority has decided not to award a contract.

4. The authorising officer may merge the content of the evaluation report and award decision into a single document and sign it in any of the following cases:

- (a) for procedures below the thresholds set out in Article 118(1) of the Financial Regulation where only one tender was received;

- (b) when reopening competition within a framework contract where no evaluation committee was nominated;
- (c) for cases under points (c), (e), (f)(i), (f)(iii) and (h) of Article 134(1) where no evaluation committee was nominated.

5. In the case of a procurement procedure launched on an interinstitutional basis, the decision referred to in paragraph 3 shall be taken by the contracting authority responsible for the procurement procedure.

Article 160

Contacts between contracting authorities and candidates or tenderers

(Article 112 of the Financial Regulation)

1. Contact between the contracting authority and candidates or tenderers during the procurement procedure may take place, exceptionally, under the conditions set out in paragraphs 2 and 3.
2. Before the closing date for receipt of requests to participate or tenders, the contracting authority may communicate the additional information in accordance with Article 153(2):
 - (a) at the instance of candidates or tenderers, solely for the purpose of clarifying procurement documents;
 - (b) at its own instance, if it discovers an error, a lack of precision, an omission or any other type of clerical defect in the text of the procurement documents.
3. In every case where contact has been made, and in the duly justified cases where contact has not been made as referred to in Article 96 of the Financial Regulation, a record shall be kept in the procurement file.

Article 161

Information for candidates and tenderers

(Article 113(2) and (3) of the Financial Regulation)

1. The contracting authority shall inform all candidates or tenderers, simultaneously and individually, by electronic means of decisions reached concerning the outcome of the procedure as soon as possible after any of the following stages:
 - (a) the opening phase for the cases referred to in Article 111(4) of the Financial Regulation;
 - (b) a decision has been taken on the basis of exclusion and selection criteria in procurement procedures organised in two separate stages;
 - (c) the award decision.

In each case, the contracting authority shall indicate the reasons why the request to participate or tender has not been accepted and the available legal remedies.

When informing the successful tenderer, the contracting authority shall specify that the decision notified does not constitute a commitment on its part.

2. The contracting authority shall communicate the information provided for in Article 113(3) of the Financial Regulation as soon as possible and in any case within 15 days of receipt of a request in writing. When the contracting authority awards contracts for its own account, it shall use electronic means. The tenderer may also send the request by electronic means.

3. When the contracting authority communicates through electronic means, information shall be deemed to have been received by candidates or tenderers if the contracting authority can prove to have sent it to the electronic address referred to in the tender or in the request to participate.

In such case, information shall be deemed to have been received by the candidate or tenderer on the date of dispatch by the contracting authority.

^{(1)*} Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

^{(2)*} Regulation (EC) No 2195/2002 of the European Parliament and of the Council of 5 November 2002 on the Common Procurement Vocabulary (CPV) (OJ L 340, 16.12.2002, p. 1).

^{(3)*} Council Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services (OJ L 78, 26.3.1977, p. 17).

^{(4)*} Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

^{(5)*} Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive) (OJ L 108, 24.4.2002, p. 33).

^{(6)*} Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) (OJ L 95, 15.4.2010, p. 1).

^{(7)*} Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ L 218, 13.8.2008, p. 30).

^{(8)*} Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).'

(10) in Chapter 1 of Title V of Part One, Section 4 is replaced by the following:

'Section 4

Performance of the contract, guarantees and corrective actions

Article 163

Guarantees

(Article 115 of the Financial Regulation)

1. If the contracting authority decides to request a guarantee, it shall announce this in the procurement documents.

2. Where contractors are required to submit a guarantee, it must be for an amount and a period that are sufficient for it to be called.

3. The guarantee shall be supplied by a bank or an authorised financial institution accepted by the contracting authority. It may be replaced by a joint and several guarantee by a third party, after acceptance by the contracting authority.

The guarantee shall be denominated in euro.

It shall have the effect of making the bank or financial institution or the third party stand as irrevocable collateral security, or first-call guarantor of the contractor's obligations.

*Article 164***Guarantee for pre-financing**

(Article 115 of the Financial Regulation)

1. Once the contracting authority has established the need for a pre-financing, it shall assess the risks associated with pre-financing payments, before launching the procurement procedure, taking into account in particular the following criteria:

- (a) the estimated value of the contract;
- (b) its subject matter;
- (c) its duration and pace;
- (d) the structure of the market.

2. No guarantee shall be required for low value contracts referred to in Article 137(1).

The guarantee shall be released as and when the pre-financing is deducted from interim payments or payments of the balance to the contractor in accordance with the terms of the contract.

*Article 165***Performance guarantee**

(Article 115 of the Financial Regulation)

1. On a case-by-case basis and subject to a preliminary risk analysis, the contracting authority may request a performance guarantee to ensure that the contractor complies with its substantial contractual obligations.

2. The performance guarantee shall amount to a maximum of 10 % of the total value of the contract.

3. It shall be fully released after final acceptance of the works, supplies or complex services, within a period subject to Article 92(1) of the Financial Regulation to be specified in the contract. It may be released partially or fully upon provisional acceptance of the works, supplies or complex services.

*Article 165a***Retention money guarantee**

(Article 115 of the Financial Regulation)

1. On a case-by-case basis and subject to a preliminary risk analysis, the contracting authority may request a retention money guarantee to ensure that the contractor remedies defects during the contract liability period.

The retention money guarantee shall not be used in a contract where a performance guarantee has been requested and not released.

2. A retention money guarantee amounting to a maximum of 10 % of the total value of the contract may be constituted by deductions from interim payments as and when they are made or by deduction from the final payment.

The contracting authority shall determine the amount which shall be proportionate to the risks identified in relation to the performance of the contract, taking into account its subject matter and the usual commercial terms applicable to the sector.

3. Subject to approval by the contracting authority, the contractor may request to replace the retention money guarantee by a guarantee referred to in Article 163.

4. The contracting authority shall release the retention money guarantee after the expiry of the contractual liability period, within a period subject to Article 92(1) of the Financial Regulation to be specified in the contract.

Article 166

Suspension in the event of substantial errors or irregularities

(Article 116(3) of the Financial Regulation)

If, after suspending performance of the contract in accordance with Article 116(3) of the Financial Regulation, presumed substantial errors or irregularities or fraud are not confirmed, performance of the contract shall resume as soon as possible.'

(11) in Title V of Part One, Chapter 2 is replaced by the following:

'CHAPTER 2

Provisions applicable to contracts awarded by the Union institutions on their own account

Article 166a

Central purchasing body

(Article 117 of the Financial Regulation)

1. A central purchasing body may act as any of the following:

- (a) as wholesaler by buying, stocking and reselling supplies and services to other contracting authorities;
- (b) as intermediary by awarding framework contracts or operating dynamic purchasing systems that may be used by other contracting authorities as announced in the initial notice.

2. The central purchasing body shall carry out all procurement procedures using electronic means of communication.

Article 167

Identification of the appropriate level for the calculation of contract value

(Article 117 of the Financial Regulation)

Each authorising officer by delegation or subdelegation within each institution shall assess whether the thresholds laid down in Article 118(1) of the Financial Regulation have been reached.

Article 168

Lots

(Article 118(4) of the Financial Regulation)

1. Whenever appropriate, technically feasible, and cost efficient, contracts shall be awarded in the form of separate lots within the same procedure.

2. Where the subject matter of a contract is subdivided into several lots, each one being the subject of an individual contract, the total value of all the lots shall be taken into account for the overall evaluation of the applicable threshold.

Where the total value of all the lots is equal to or greater than the thresholds laid down in Article 118(1) of the Financial Regulation, Articles 103(1), 104 and 104a of the Financial Regulation shall apply to each of the lots.

3. Where a contract is to be awarded in the form of separate lots, tenders shall be evaluated separately for each lot. If several lots are awarded to the same tenderer, a single contract covering those lots may be signed.

Article 169

Arrangements for estimating the value of a contract

(Article 118(4) of the Financial Regulation)

1. The contracting authority shall estimate the value of a contract based on the total amount payable including any form of options and any renewal.

This estimate shall be made at the latest when the contracting authority launches the procurement procedure.

2. For framework contracts and dynamic purchasing systems the value to be taken into account shall be the maximum value of all the contracts envisaged during the total duration of the framework contract or dynamic purchasing system.

For innovation partnerships, the value to be taken into account shall be the maximum estimated value of the research and development activities to take place during all stages of the envisaged partnership as well as of the works, supplies or services to be purchased at the end of the envisaged partnership.

Where the contracting authority provides for payments to candidates or tenderers it shall take them into account when calculating the estimated value of the contract.

3. For service contracts, account shall be taken of the following:

- (a) in the case of insurance services, the premium payable and other forms of remuneration;
- (b) in the case of banking or financial services, the fees, commissions, interest and other types of remuneration;
- (c) in the case of design contracts, the fees, commissions payable and other forms of remuneration.

4. In the case of service contracts which do not specify a total price or of supply contracts for leasing, hire, rental or hire purchase of products, the basis for calculating the estimated contract value shall be:

- (a) in the case of fixed-term contracts:
 - (i) where their duration is 48 months or less in the case of services or 12 months or less in the case of supplies, the total contract value for their duration;
 - (ii) where their duration is more than 12 months in the case of supplies, the total value including the estimated residual value;
- (b) in the case of contracts without a fixed term or, in the case of services, for a duration exceeding 48 months, the monthly value multiplied by 48.

5. In the case of service or supply contracts which are awarded regularly or are to be renewed within a given period, the basis for calculating the estimated contract value shall be any of the following:

- (a) the total actual value of successive contracts of the same type awarded during the preceding 12 months or financial year, adjusted, where possible, to take account of the changes in quantity or value which would occur in the course of the 12 months following the initial contract;
- (b) the total estimated value of successive contracts of the same type to be awarded during the financial year.

6. In the case of works contracts, account shall be taken not only of the value of the works but also of the estimated total value of the supplies and services needed to carry out the works and made available to the contractor by the contracting authority.

7. In the case of concession contracts, the value shall be the estimated total turnover of the concessionaire generated over the duration of the contract.

The value shall be calculated using an objective method specified in the procurement documents, taking into account in particular:

- (a) the revenue from the payment of fees and fines by the users of the works or services other than those collected on behalf of the contracting authority;
- (b) the value of grants or any other financial advantages from third parties for the performance of the concession;
- (c) the revenue from sales of any assets which are part of the concession;
- (d) the value of all the supplies and services that are made available to the concessionaire by the contracting authority provided that they are necessary for executing the works or services;
- (e) the payments to candidates or tenderers.

Article 171

Standstill period before signature of the contract

(Articles 118(2) and (3) of the Financial Regulation)

1. The standstill period shall run from either of the following dates:

- (a) the day after the simultaneous dispatch of the notifications to successful and unsuccessful tenderers by electronic means;
- (b) where the contract or framework contract is awarded pursuant to Article 134(1)(b), the day after the contract award notice referred to in Article 123(5) has been published in the *Official Journal of the European Union*.

If necessary, the contracting authority may suspend the signature of the contract for additional examination if this is justified by the requests or comments made by unsuccessful or aggrieved candidates or tenderers or by any other relevant information received during the period set in Article 118(3) of the Financial Regulation. In the case of suspension all the candidates or tenderers shall be informed within three working days following the suspension decision.

Where the contract or framework contract cannot be signed with the successful envisaged tenderer, the contracting authority may award it to the following best tenderer.

2. The period set in paragraph 1 shall not apply in the following cases:

- (a) any procedure where only one tender has been submitted;
- (b) specific contracts based on a framework contract;
- (c) dynamic purchasing systems;
- (d) negotiated procedure without prior publications referred to in Article 134 except the procedure under Article 134(1)(b).

Article 172

Evidence of access to procurement

(Article 119 of the Financial Regulation)

The procurement documents shall require candidates or tenderers to indicate in which State they are established and to present the supporting evidence normally acceptable under the law of that State.'

(12) in Article 182, paragraph 4 is replaced by the following:

‘4. Where an *ex post* control reveals that the generating event has not occurred and an undue payment has been made to the beneficiary on a grant based on lump sums, unit costs or flat-rate financing, the Commission shall be entitled to recover up to the amount of the grant.’

(13) Article 197 is replaced by the following:

‘Article 197

Evidence of non-exclusion

(Article 131 of the Financial Regulation)

The authorising officer responsible may, depending on a risk assessment, request that successful applicants provide the evidence referred to in Article 141(3) and subject to Article 141(4).

Where requested by the authorising officer responsible, successful applicants shall supply the evidence referred to in Article 141(3), subject to Article 141(4), unless there is a material impossibility recognised by the authorising officer responsible.’

(14) Article 200 is deleted.

(15) in Article 212, paragraph 1 is replaced by the following:

‘1. Rules of contests shall lay down the following:

(a) the conditions for participation, which shall at least:

- (i) specify the eligibility criteria;
- (ii) specify the arrangements and final date for the registration of participants, if required, and for the submission of entries, under the conditions set out in paragraph 2;
- (iii) provide for exclusion of participants which are in one of the situations referred to in Article 106(1) and Article 107 of the Financial Regulation;
- (iv) provide for the sole liability of participants in case of claim relating to the activities carried out in the framework of the contest;
- (v) provide for acceptance by the winners of checks and audits by the Commission, OLAF and the Court of Auditors and of the publicity obligations as specified in the rules of the contest;
- (vi) state that Union law is the law which applies to the contest, complemented, where necessary, by national law as specified in the rules of contest;
- (vii) specify the competent court or arbitration tribunal to hear disputes;
- (viii) state that financial penalties and exclusion decisions may be imposed on participants under Article 106 of the Financial Regulation;

(b) the award criteria, which shall be such as to make possible to assess the quality of the entries with regard to the objectives pursued and the expected results and to determine objectively whether entries qualify as the winners;

- (c) the amount of the prize or prizes;
- (d) the arrangements for the payment of prizes to the winners after their award.

For the purposes of point (i) of point (a) of the first subparagraph, beneficiaries of Union grants shall be eligible, unless stated otherwise in the rules of contest.

For the purposes of point (vi) of point (a) of the first subparagraph, derogation may be made in the case of participation of international organisations.'

- (16) in Article 221, paragraph 3 is deleted.
- (17) in Title IV of Part Two, Chapter 3 is replaced by the following:

'CHAPTER 3

Procurement

Article 260

Renting of buildings

(Article 190 of the Financial Regulation)

The only buildings contracts which may be financed from operational appropriations for external action shall be those relating to the renting of buildings already constructed at the time the lease is signed. These contracts shall be published as laid down in Article 124.

Article 261

Service contracts

(Article 190 of the Financial Regulation)

1. Service contracts shall comprise the following:
 - (a) a study contract that is concluded between a contractor and the contracting authority which includes studies for the identification and preparation of projects, feasibility studies, economic and market studies, technical studies and audits;
 - (b) a technical assistance contract, where the contractor is called on to play an advisory role, to manage or supervise a project or to provide the consultants specified in the contract.
2. Where a third country has qualified management staff in its departments or entities with public-sector participation, the contracts may be performed directly by these departments or entities by direct labour.

Article 262

Special provisions relating to thresholds and the arrangements for awarding external contracts

(Article 190 of the Financial Regulation)

Articles 123 to 126, with the exception of the definitions, Article 128, point (a) of Article 134(1), points (a) and (c) to (f) of Article 135(1), Article 135(4), Articles 137 and 137a, paragraphs 3 to 7 of Article 139, Articles 148(4), 151(3), Article 152, paragraphs 2 and 3 of Article 153, Articles 154, 155, 157, 158 with the exception of Article 158(4), and Article 160 of this Regulation shall not apply to procurement contracts concluded by the contracting authorities referred to in Article 190(2) of the Financial Regulation or on their behalf.

Implementation of the procurement provisions under this Chapter shall be decided by the Commission, including the appropriate controls to be applied by the responsible authorising officer where the Commission is not the contracting authority.

Article 263

Evidence of access to procurement

(Article 191 of the Financial Regulation)

The procurement documents shall require candidates or tenderers to indicate in which State they are effectively established and to present the supporting evidence normally acceptable under the law of that State.

Article 264

Advertising

(Article 190 of the Financial Regulation)

1. If applicable, the prior information notice for international calls for tender shall be sent to the Publications Office by electronic means as early as possible.
2. For the purposes of this Chapter, the contract notice shall be published:
 - (a) at least in the *Official Journal of the European Union* for international calls for tender;
 - (b) at least in the official gazette of the recipient State or in any equivalent publication for local invitations to tender.

Where the contract notice is also published locally, it must be identical to the one published in the *Official Journal of the European Union* and it must be published simultaneously. The Commission shall be responsible for publication in the *Official Journal of the European Union*. If the notice is published locally, this may be done by the entities referred to in Article 190(2)(b) of the Financial Regulation.

3. The contract award notice shall be sent when the contract is signed except where, if still necessary, the contract was declared secret or where the performance of the contract must be accompanied by special security measures, or when the protection of the essential interests of the Union, or the third country so requires, and where the publication of the award notice is deemed not to be appropriate.
4. A notice for modification of contract shall be published in the *Official Journal of the European Union* in the cases set out in points (a) and (b) of Article 114a(3) of the Financial Regulation, where the value of the modification is equal to or greater than the thresholds laid down in Articles 265(1)(a), 267(1)(a) or 269(1)(a) of this Regulation.

Article 265

Thresholds and procedures for awarding service contracts and service concession contracts

(Article 190 of the Financial Regulation)

1. The thresholds and procedures referred to in Article 190 of the Financial Regulation shall be as follows for service contracts and service concession contracts:
 - (a) for contracts with a value of EUR 300 000 or more:
 - (i) an international restricted invitation to tender within the meaning of Article 104(1)(b) of the Financial Regulation and Article 264(2)(a) of this Regulation;
 - (ii) an international open invitation to tender within the meaning of Article 104(1)(a) of the Financial Regulation and Article 264(2)(a) of this Regulation.

- (b) for contracts with a value of less than EUR 300 000: competitive negotiated procedure within the meaning of paragraph 3 of this Article.
- (c) Contracts with a value of less than or equal to EUR 20 000 may be awarded on the basis of a single tender.
- (d) Payments for amounts less than or equal to EUR 2 500 in respect of item of expenditure may consist simply in payment against invoices without prior acceptance of a tender.

2. In the international restricted procedure referred to in point (a) of paragraph 1, the contract notice shall state the number of candidates who will be invited to submit tenders. For service contracts at least four candidates shall be invited. The number of candidates allowed to submit tenders must be sufficient to ensure genuine competition.

The list of selected candidates shall be published on the Commission's internet site.

If the number of candidates satisfying the selection criteria or the minimum capacity levels is less than the minimum number, the contracting authority may invite to submit a tender only those candidates who satisfy the criteria to submit a tender.

3. Under the competitive negotiated procedure referred to in point (b) of paragraph 1, the contracting authority shall draw up a list of at least three tenderers of its choice, without publication of a notice.

Tenderers for the competitive negotiated procedure may be chosen from a list of vendors as referred to in Article 136(1)(b) advertised by a call for expressions of interest.

If following consultation of the tenderers, the contracting authority receives only one tender that is administrative and technically valid, the contract may be awarded provided that the award criteria are met.

4. For legal services not covered under point (h) of Article 134(1), the contracting authorities may use the competitive negotiated procedure, regardless of the estimated value of the contract.

Article 266

Use of the negotiated procedure for service, supply and works contracts

(Article 190 of the Financial Regulation)

1. Contracting authorities may use the negotiated procedure with a single tender in the following cases:
 - (a) where the services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to peoples in the social field;
 - (b) where the tender procedure has been unsuccessful, that is to say, where no qualitatively and/or financially worthwhile tender has been received, in which case, after cancelling the tender procedure, the contracting authority may negotiate with one or more tenderers of its choice, from among those that took part in the invitation to tender, provided that the procurement documents are not substantially altered;
 - (c) where a new contract has to be concluded after early termination of an existing contract.
2. For the purposes of point (c) of Article 134(1), operations carried out in crisis situations as referred to in Article 190(2) shall be deemed to satisfy the test of extreme urgency. The authorising officer by delegation, where appropriate in concertation with the other authorising officers by delegation concerned, shall establish that a situation of extreme urgency exists and shall review his decision regularly with regard to the principle of sound financial management.
3. Activities of an institutional nature referred to in point (a) of the paragraph 1 include services directly linked to the statutory mission of the public sector bodies.

*Article 267***Thresholds and procedures for awarding supply contracts**

(Article 190 of the Financial Regulation)

1. The thresholds and procedures referred to in Article 190 of the Financial Regulation shall be as follows for supply contracts:

- (a) for contracts with a value of EUR 300 000 or more: an international open invitation to tender within the meaning of Article 104(1)(a) of the Financial Regulation and Article 264(2)(a) of this Regulation;
- (b) for contracts with a value of less than EUR 300 000:
 - (i) for contracts of a value of EUR 100 000 or more but less than EUR 300 000: local open invitation to tender within the meaning of Article 104(1)(a) of the Financial Regulation and Article 264(2)(b) of this Regulation;
 - (ii) for contracts with a value of less than EUR 100 000: competitive negotiated procedure within the meaning of paragraph 2.
- (c) payments for amounts less than or equal to EUR 2 500 in respect of item of expenditure may consist simply in payment against invoices without prior acceptance of a tender.
- (d) Contracts with a value of less than or equal to EUR 20 000 may be awarded on the basis of a single tender.

2. Under the competitive negotiated procedure referred to in point (ii) of point (b) of paragraph 1, the contracting authority shall draw up a list of at least three suppliers of its choice, without publication of a notice.

If following the consultation of the suppliers, the contracting authority receives only one tender that is administrative and technically valid, the contract may be awarded provided that the award criteria are met.

*Article 269***Thresholds and procedures for awarding works contracts and concessions**

(Article 190 of the Financial Regulation)

1. The thresholds and procedures referred to in Article 190 of the Financial Regulation shall be as follows for works contracts and works concession contracts:

- (a) for contracts with a value of EUR 5 000 000 or more any of the following:
 - (i) an international open invitation to tender within the meaning of Article 104(1)(a) of the Financial Regulation and Article 264(2)(a) of this Regulation;
 - (ii) in view of the characteristics of certain works, an international restricted invitation to tender within the meaning of Article 104(1)(b) of the Financial Regulation and Article 264(2)(a) of this Regulation;
- (b) for contracts with a value of EUR 300 000 or more but less than EUR 5 000 000: a local open invitation to tender within the meaning of Article 104(1)(a) of the Financial Regulation and Article 264(2)(b) of this Regulation;
- (c) for contracts with a value of less than EUR 300 000: a competitive negotiated procedure within the meaning of paragraph 2 of this Article;
- (d) Contracts with a value of less than or equal to EUR 20 000 may be awarded on the basis of a single tender.
- (e) Payments for amounts less than or equal to EUR 2 500 in respect of item of expenditure may consist simply in payment against invoices without prior acceptance of a tender.

2. Under the competitive negotiated procedure referred to in point (c) of paragraph 1 of this Article, the contracting authority shall draw up a list of at least three contractors of its choice, without publication of a notice.

If following the consultation of the contractors, the contracting authority receives only one tender that is administrative and technically valid, the contract may be awarded provided that the award criteria are met.

Article 273

Tender specifications

(Article 190 of the Financial Regulation)

By derogation to Article 138(3), for all procedures involving a request to participate, the tender specifications may be split according to the two stages of the procedure and the first step may contain only the information referred to in points (a) and (f) of Article 138(3).

Article 274

Guarantees

(Article 190 of the Financial Regulation)

1. By derogation from Article 163, guarantees shall be denominated in euro or in the currency of the contract they cover.

2. The contracting authority may request a tender guarantee in accordance with Article 156. By derogation from Article 156(2), the contracting authority shall release the tender guarantee when the contract is signed.

3. By derogation from Article 165(1), a performance guarantee shall be required where the following thresholds are exceeded:

(a) EUR 345 000 for works contracts,

(b) EUR 150 000 for supply contracts.

4. The contracting authority may require a retention money guarantee in accordance with Article 165a.

Article 275

Time limits for procedures

(Article 190 of the Financial Regulation)

1. Tenders must reach the contracting authority at the address and by no later than the date and time shown in the invitation to tender. The time limit for receipt of tenders and requests to participate, laid down by the contracting authorities, shall be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.

For service contracts, the minimum time between the date of dispatch of the letter of invitation to tender and the final date for receipt of tenders shall be 50 days. However, in certain exceptional cases other time limits may be authorised.

2. Tenderers may put questions in writing before the closing date for receipt of tenders. The contracting authority shall provide the answers to the questions before the closing date for receipt of tenders.

3. In international restricted procedures, the time limit for receipt of requests to participate shall be no less than 30 days from the date on which the contract notice is published. The period between the date on which the letter of invitation is sent and the final date for the receipt of tenders shall be no less than 50 days. However, in certain exceptional cases other time limits may be authorised.

4. In international open procedures, the time limits for receipt of tenders, running from the date on which the contract notice is sent, shall be at least:

(a) 90 days for works contracts;

(b) 60 days for supply contracts.

However, in certain exceptional cases other time limits may be authorised.

5. In local open procedures, the time limits for receipt of tenders, running from the date when the contract notice is published, shall be at least:

(a) 60 days for works contracts;

(b) 30 days for supply contracts.

However, in certain exceptional cases other time limits may be authorised.

6. For the competitive negotiated procedures referred to in Articles 265(1)(b), 267(1)(b)(ii) and 269(1)(c), candidates shall be allowed at least 30 days from the date of dispatch of the letter of invitation to tender in which to submit their tenders.

Article 276

Evaluation committee

(Article 190 of the Financial Regulation)

1. All requests to participate and tenders declared as satisfying the requirements shall be evaluated and ranked by an evaluation committee on the basis of the exclusion, selection and award criteria announced in advance. This committee shall have an odd number of members, at least three, with all the necessary technical and administrative expertise to assess the tenders. The members of the evaluation committee shall sign a declaration of impartiality and absence of conflict of interest.

2. If the Commission is not the contracting authority, it may request to receive a copy of procurement documents, tenders, the evaluation of the tenders and the signed contracts. It may also participate as an observer to the opening and evaluation of tenders.

3. Tenders which do not contain all the essential items demanded in the procurement documents or which do not correspond to the specific requirements laid down shall be eliminated.

However, the evaluation committee or the contracting authority may ask candidates or tenderers to supply additional material or to clarify the supporting documents submitted in connection with the exclusion, selection and award criteria, within the time limit they specify and having respect to the principle of equal treatment.

4. In the case of abnormally low tenders as referred to in Article 151, the committee shall ask for the necessary clarifications concerning the composition of the tender.

5. The obligation to establish an evaluation committee may be waived for procedures with a value less than or equal to EUR 20 000 and on the basis of a risk analysis when reopening competition within a framework contract and in the case of negotiated procedures referred to in points (c), (e), (f)(i), (f)(iii) and (h) of Article 134(1).'

(18) in Article 287, paragraph 3 is replaced by the following:

‘3. Any interested natural person may submit an application at any time during the period of validity of the call for expression of interest, with the exception of the last three months of that period.’

Article 2

1. This Regulation shall enter into force on the first day following that of its publication in the *Official Journal of the European Union*.

Subject to paragraphs 2 and 3, it shall apply from 1 January 2016.

2. The time limit set in point (a) of Article 125(2) of Delegated Regulation (EU) No 1268/2012 as amended by this Regulation shall apply from 1 January 2018.

Until 31 December 2017, the time limits set in paragraphs 2 and 3 of Article 152 of Delegated Regulation (EU) No 1268/2012 as amended by this Regulation shall be no less than 42 days for receipt of tenders and no less than 37 days for receipt of requests to participate.

3. The fifth subparagraph of Article 143 of Delegated Regulation (EU) No 1268/2012 as amended by this Regulation shall apply from 1 January 2017.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 October 2015.

For the Commission

The President

Jean-Claude JUNCKER

DECISIONS

COMMISSION DECISION (EU) 2015/2463

of 18 December 2015

on the rules of procedure of the panel referred to in Article 108 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾,

Having regard to Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union ⁽²⁾, and in particular Article 144 thereof,

Whereas:

- (1) Regulation (EU, Euratom) No 966/2012 establishes a panel for assessing centrally the situations referred to in its Article 106(1) and to adopt appropriate recommendations ('the Panel').
- (2) Article 108(7) of Regulation (EU, Euratom) No 966/2012 establishes the composition of the Panel and provides that the Panel is to be assisted by a permanent secretariat provided by the Commission.
- (3) Article 144 of Delegated Regulation (EU) No 1268/2012 regulates the organisation and composition of the Panel, the procedure for appointing its Chair and the management of conflicts of interests. Article 144(5) provides for the Panel's rules of procedure to be adopted by the Commission.
- (4) It is appropriate to specify the procedure for the appointment and dismissal of the Chair and to lay down provisions on deputising for him/her where he/she is absent or prevented from attending to his/her duties.
- (5) It is necessary to lay down detailed rules on the composition of the Panel in any given case, in particular on designating the two permanent members, their deputies and the additional member representing the authorising officer.
- (6) In the interests of the proper administration of the Panel, it is appropriate to specify further the support functions to be provided by the secretariat in the framework of its proceedings.
- (7) The procedure for bringing a case before the Panel should be clarified further, in particular as regards the minimum content of the authorising officer's request.
- (8) For the benefit of economic operators, it is necessary to clarify the practical arrangements for ensuring that their right to be heard is respected.

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ OJ L 362, 31.12.2012, p. 1.

- (9) It is appropriate to specify the practical arrangements for close cooperation between the Panel and the European Anti-Fraud Office (OLAF) in the light of the Administrative Arrangements on cooperation and timely exchange of information between the Commission and OLAF.
- (10) It is appropriate to clarify the rules for the adoption of Panel recommendations.
- (11) Any processing of personal data by the Panel and its secretariat is to be carried out in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council ⁽¹⁾.
- (12) Regulation (EC) No 1049/2001 of the European Parliament and of the Council ⁽²⁾ should apply to the recommendations adopted by the Panel,

HAS ADOPTED THIS DECISION:

Article 1

Subject matter

This Decision lays down the rules of procedure of the Panel referred to in Article 108 of Regulation (EU, Euratom) No 966/2012 ('the Panel').

Article 2

Appointment and dismissal of the Chair

1. The Chair of the Panel shall be appointed by the Commission in accordance with Article 144 of Delegated Regulation (EU) No 1268/2012.
2. If the Chair no longer fulfils the conditions required for the performance of his/her duties, he/she may be dismissed by the Commission.

Article 3

Deputising for the Chair

1. The Chair shall have a deputy who shall act as a replacement when he/she is absent or prevented from attending to his/her duties. The deputy shall be appointed in accordance with Article 144 of Delegated Regulation (EU) No 1268/2012.
2. Where both the Chair and his/her deputy are absent or prevented from attending to their duties, the permanent member with the higher seniority ⁽³⁾, as designated in accordance with Article 4, shall deputise. In such case, the permanent member deputising for the Chair shall be replaced by his/her deputy designated in accordance with that Article 4.

⁽¹⁾ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

⁽²⁾ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

⁽³⁾ Commission rules on seniority apply.

*Article 4***Designation of Panel members and their deputies**

1. The Director of the Central Financial Service in the Directorate-General for Budget shall be one of the two permanent members of the Panel as referred to in Article 144(2) of Delegated Regulation (EU) No 1268/2012. The Director-General for Budget shall designate an official of grade AD11 or above as his/her deputy.

The Director-General for Budget shall designate the second permanent member and his/her deputy *ad personam* among officials of at least grade AD 14 and AD 11 respectively.

2. The additional member representing the requesting authorising officer, as referred to in Article 144(2) of Delegated Regulation (EU) No 1268/2012, shall be designated in accordance with the rules of procedure and the internal administrative rules of the institution, agency, Office of body concerned, as referred to in Article 65(3) of Regulation (EU, Euratom) No 966/2012.

*Article 5***Designation of observers and cooperation with OLAF**

1. Observers shall not participate in the adoption of recommendations by the Panel pursuant to Article 13.

2. Representatives of the following entities shall have observer status:

(a) the Commission's Legal Service;

(b) the European Anti-Fraud Office (OLAF), where the authorising officer's request is based, *inter alia*, on information transmitted by OLAF;

(c) authorising officers (other than the requesting authorising officer) of the Commission, of a European office set up by the Commission, of an executive agency, another institution, or another European office, body or agency who are concerned by the case submitted to the Panel; and

(d) any other entity invited by the Chair.

3. A representative of the Legal Service shall attend all meetings of the Panel. The Legal Service shall be informed of all written procedures as referred to in Article 10 and may provide oral or written comments. It shall do so if the Chair so requests.

4. Where OLAF has observer status pursuant to point (b) of paragraph 2, OLAF shall cooperate closely with the Panel in accordance with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council⁽¹⁾, with due regard to the respect of procedural and fundamental rights and to the protection of whistle-blowers. In such cases, its representatives may attend all meetings of the Panel and participate in all oral and written procedures as referred to in Articles 9 and 10 by providing oral and/or written comments and shall do so where invited by the Chair.

In other cases, OLAF may be invited to provide relevant information or advice, where the Chair considers it appropriate for the protection of the Union's financial interests.

5. Authorising officers with observer status pursuant to point (c) of paragraph 2 shall attend all meetings of the Panel. They shall be informed of all written procedures as referred to in Article 10 and may provide oral and written comments.

6. Other observers shall attend the meetings of the Panel where invited by the Chair and may provide oral and written comments at the Chair's invitation.

⁽¹⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

*Article 6***Prevention and management of conflicts of interests**

1. Any member or observer whose participation in the Panel's deliberations would raise a conflict of interests as regards a specific agenda item shall inform the Chair and the secretariat without delay and in any case prior to the start of the deliberations.
2. In the event of an identified conflict of interest, the member or observer shall withdraw his/her participation and refrain from discussing the agenda item and from participating in the deliberations, the consensus or the vote, where applicable.
3. The members and observers shall be required to sign a declaration of absence of conflict of interests prior to the start of the Panel's deliberations on any given case.
4. Where the Chair finds himself/herself in a situation of conflict of interest with regard to a specific agenda item, he/she shall inform the secretariat and withdraw his/her participation. In such cases, the Chair shall be replaced by his/her deputy.
5. Paragraphs 1, 2 and 3 shall apply *mutatis mutandis* to the deputy Chair, the deputy members and the members of the secretariat of the Panel.

*Article 7***Permanent secretariat**

1. The Panel's secretariat shall be provided by and attached administratively to the Directorate-General for Budget.
2. The secretariat's tasks shall be as laid down in Article 144 of Delegated Regulation (EU) No 1268/2012. In particular, the secretariat shall:
 - (a) verify that requests for referral of a case to the Panel are complete before transmitting them to the Chair and the members;
 - (b) identify any other authorising officers concerned by the case who may be proposed as possible observers;
 - (c) identify cases where OLAF should be invited to provide relevant information or advice as provided for in the second subparagraph of Article 5(4).
 - (d) draw up the agenda for the Panel's meetings under the responsibility of the Chair and send it to the members and observers;
 - (e) attend the deliberations of the Panel and draw up the minutes of each meeting;
 - (f) notify the economic operators and other authorising officers concerned in accordance with Article 108(8) of Regulation (EU, Euratom) No 966/2012;
 - (g) notify the requesting authorising officer of the recommendation adopted by the Panel;
 - (h) handle requests for access to Panel documents, in particular its recommendations, in accordance with Regulation (EC) No 1049/2001.

*Article 8***Referral of cases to the Panel**

1. The Panel shall be convened at the request of any authorising officer of the Commission, of another institution, of a European office set up by the Commission, of an executive agency, or of another European office, body or agency.
2. The request shall be transmitted to the secretariat electronically by e-mail to Panel-secretariat-BUDG@ec.europa.eu and under encryption, in accordance with the encryption rules in force in the Commission.
3. Where the authorising officer becomes aware of information as referred to in Articles 106(2) and 108(3) of Regulation (EU, Euratom) No 966/2012, he/she shall refer the case to the Panel no later than two months after this information has been brought to his/her knowledge, except in duly justified cases.
4. The request of the authorising officer referring a case to the Panel shall contain the information required in Article 108(8)(a) of Regulation (EU, Euratom) No 966/2012. The authorising officer shall also transmit any relevant information, in particular OLAF reports where the information is transmitted by OLAF in accordance with Articles 7(6) and 11 of Regulation (EU, Euratom) No 883/2013.
5. Only a request accompanied by the information referred to in paragraph 4 shall trigger the start of the period referred to in Article 108(8)(f) of Regulation (EU, Euratom) No 966/2012.
6. The request shall be no more than ten pages in length excluding annexes, except in cases involving particularly complex legal or factual issues.

*Article 9***Convening a meeting**

A meeting of the Panel shall be convened by the Chair for the purpose of:

- (a) establishing the preliminary classification in law, as referred to in point (b) of Article 108(8) of Regulation (EU, Euratom) No 966/2012;
- (b) adopting a recommendation as referred to in Article 108(9) of that Regulation.

*Article 10***Written procedure**

1. On the initiative of the Chair or at the request of a member of the Panel, the preliminary classification in law may be established, and the recommendation may be adopted, by written procedure. Any member of the Panel and/or the Chair may object to the use of the written procedure. In such cases, the Chair shall convene a meeting within a reasonable time.
2. The Chair shall set the deadline for the written procedure according to the urgency of the matter, taking due account of the time limits referred to in Article 12.

*Article 11***Right to submit written observations**

1. The Panel shall uphold the right of the economic operator concerned to submit observations in accordance with Article 108(8) of Regulation (EU, Euratom) No 966/2012.

2. Disclosure of information stemming from, or relating to, investigations conducted or coordinated by OLAF shall require OLAF's agreement which shall be provided in the framework of the oral and written procedure referred to in Article 5(4).
3. Where the request of the authorising officer is based on information transmitted by OLAF and in order to ensure that the confidentiality of investigations conducted or coordinated by OLAF and of national investigations or judicial proceedings, where known to OLAF, is not impaired, the Panel shall consult OLAF prior to issuing the notification to the economic operator referred to in Article 108(8) of Regulation (EU, Euratom) No 966/2012.
4. The economic operator shall submit observations to the secretariat in writing and in electronic format by e-mail to Panel-secretariat-BUDG@ec.europa.eu as an ordinary electronic file produced using word-processing software.
5. The written observations shall in principle be no more than ten pages in length excluding annexes, except in cases involving particularly complex legal or factual issues.

Article 12

Applicable time limits

1. The applicable time limits for the Panel to adopt its recommendation shall be those laid down in point (f) of Article 108(8) of Regulation (EU, Euratom) No 966/2012.
2. In particular, the need to translate any observations submitted by the economic operator may give rise to an exceptional and duly justified case in which the deadline for the Panel to adopt its recommendation may be extended.

Article 13

Adoption of the recommendation

The Panel shall endeavour to reach a consensus.

In the absence of a consensus, the matter shall be put to a vote where:

- (a) the Chair has one vote;
- (b) the two permanent members together have one vote;
- (c) the additional member representing the requesting authorising officer has one vote.

The position of the Panel shall be approved by absolute majority.

Article 14

Notification of the recommendation

1. The Panel shall notify the requesting authorising officer of its recommendation without delay.
2. The Panel shall simultaneously notify its recommendation to the observers, if any, and to OLAF, where the case is based on information transmitted by OLAF.

Article 15

Confidentiality of the deliberations

The deliberations of the Panel shall be and shall remain secret.

*Article 16***Protection of personal data**

Any processing of personal data by the Panel and its Secretariat shall comply with Regulation (EC) No 45/2001.

*Article 17***Transitional provisions**

Pending the appointment of the Chair and his/her deputy, the permanent member with the higher seniority shall carry-out the duties of the Chair of the Panel.

Article 18

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 18 December 2015.

For the Commission
The President
Jean-Claude JUNCKER

