

## SELECTION CRITERIA

### 1. General information

By way of the selection criteria set out below the Contracting entity has set the minimum admissibility requirements regarding the Candidates in the procedure in view of establishing their capacity for implementation of the procurement.

The Candidates declare their compatibility with the selection criteria through submission of information in the European Single Procurement Document (ESPD) in the manner set out below. Upon submission of a Request for participation the Candidates do not present other documents proving compatibility with the selection criteria.

In the course of the procedure the Contracting entity may require from the Candidates at any time to present all or part of the documents proving the information set out in the ESPD, when it is necessary for the lawful carrying out of the procedure, except for documents of which it is aware ex officio. In these cases the Candidates are obliged to submit the documents and the information set out in column 6 of the table below.

No	Criteria	Minimum requirements	Clarification	Declaration in ESPD	Documents to serve for evidence
1	2	3	4	5	6
1.	<b>Financial and economic standing</b>	1.1. Minimum total turnover <sup>1</sup> for the last three completed financial years (2014, 2015 and 2016) depending on the date on which the Candidate was	The Candidate shall have minimum total turnover, equal to the double amount of the estimated value of the public procurement.	The Candidate shall provide the information in Part IV, Section B, pt. 1a) and pt. 2a) of the ESPD for	One or some of the following documents:  a) certificates issued by

<sup>1</sup> "Annual total turnover" is the sum of the net revenues from sales (§2, pt. 66 of the Additional Provisions of the PPA).

		incorporated or commenced its activity <sup>2</sup> EUR 120 million		its annual turnover for the last three completed financial years (2014, 2015 and 2016) depending on the date on which the Candidate was incorporated or commenced its activity.	banks; b) the annual financial statements or their constituent parts when their publication is required; c) a check for the total turnover and turnover in the field falling within the scope of the procurement.
		1.2. Minimum total turnover in the field falling within the scope of the procurement, calculated on the basis of the annual turnovers in the amount of EUR 30 million	Turnover in the field falling within the scope of the procurement” is a sum equal to the part of the net revenues from sales and generated from activity falling within the scope of the public procurement (§2, pt. 67 of the Additional Provisions of the PPA). Activities which fall into the scope of the public procurement are production and supply of pipes with diameter minimum DN 650 and production of coating and lining for pipes with diameter minimum DN 650.		When, due to a legitimate ground, the Candidate is not able to provide the stated documents, it may prove its economic and financial standing with the help of any other document which the Contracting entity deems appropriate.
<b>2.</b>	<b>Technical and professional</b>	2.1. Implemented activities with	<i>“Activities with a subject</i>	The Candidate shall	A list of the supplies

<sup>2</sup> Candidates which have commenced their activity later than (after 1 January 2014) should meet the requirement for total and specific turnover as of commencing of the activity.

	<p><b>capabilities</b></p>	<p>a subject matter and volume identical or similar to those of the procurement for the last 5 (five) years as of the date of submission of the Request for participation</p>	<p><i>matter and volume identical or similar to those of the procurement</i> are:</p> <p>a) production and delivery of minimum 10 000 tons or 45 000 m pipes class of the material L450ME or equivalent or higher for application for pipelines for transmission of oil and/or natural gas by land and/or sea with sizes DN 650 or larger, and</p> <p>b) production and applying of external protective coating with three layers of polyethylene and of internal coating (priming) using epoxide for minimum 10 000 tons or 45 000 m pipes with sizes DN 650 or larger.</p> <p>In view of the specific subject matter and the large volume of the public procurement the Contracting entity envisages</p>	<p>provide information in Part IV, Section B, pt. 1b) of the ESPD for supplies with subject matter and volume identical or similar to those of the procurement, with stating the supplies carried out for the last five years as of the date of submission of the Request, the sums, dates and recipients.</p>	<p>which are identical or similar to the subject matter of the public procurement with stating the values, dates and recipients, together with evidence for the supplies rendered (contracts, handover protocols, references, etc.)</p>
--	----------------------------	---	--	--	---

			a period of 5 years (which exceeds the statutory 3-year period) within which the Candidate should implement activities of subject matter and volume, identical or similar to the ones of the public procurement.		
		2.2. Technical persons, including those who are responsible for the quality control	Personnel qualified to operate and service the technical equipment and facilities required under pt. 2.3. and 2.5. below, ensuring quality of the production, as well as any additional personnel engaged with the quality management system of the Candidate.	The Candidate shall provide information in Part IV, Section C, pt. 2) of the ESPD.	A list of the technical persons, included or not in the structure of the Candidate who are responsible for the quality control.
		2.3. Technical tools and facilities for ensuring quality, including for study and research, as well as application of specific measures for ensuring quality	The Candidate shall have at its disposal the necessary equipment for conducting the following analyses and tests: - Chemical analysis of the material for pipe production; - Mechanical properties, including firmness, bending, ductility;	The Candidate shall provide information in Part IV, Section C, pt. 3) of the ESPD.	A list of the technical tools and facilities for ensuring quality, including for study and research, as well as description of the measures used by the Candidate for ensuring quality.

			<ul style="list-style-type: none"> <li>- Hydraulic testing;</li> <li>- Macrographic test of the welding;</li> <li>- Integrated automatic system for ultrasonic test of the produced pipes;</li> <li>- Radiographic test of the welding;</li> <li>- Benches for visual check;</li> <li>- Measuring devices for control of the pipes diameter, deviations from the oval shape, thickness of the wall and others which are necessary.</li> </ul> <p>The Candidate shall have at its disposal the necessary equipment premises for conducting the tests.</p> <p>Concerning the measures for ensuring quality the Candidate shall be certified for using API monogram relevant to products, material and size of the pipes subject of the public procurement.</p>		
--	--	--	--	--	--

		2.4. System/s for management of the quality certified in accordance with standard ISO EN 9001:2008 (or equivalent)	Scope of the quality control system: a) production of pipes for transmission of petrol and/or natural gas and production of external and internal coating of such pipes; b) supply of pipes with diameter DN 650 and above.	The Candidate shall provide information in Part IV, Section D of the ESPD.	Copies of valid certificates <sup>3</sup> , certifying compliance with the required standards.
		2.5. Tools, facilities and technical equipment necessary for the implementation of the procurement	a) Production line for pipes with a size DN 800 and class of the material L450ME or higher, with an annual production capacity exceeding twice the subject matter of the procurement;  b) for production of coating and lining (priming) – production lines, ensuring minimum production of the quantities under letter a);	The Candidate shall provide information in Part IV, Section C, pt. 9) of the ESPD.	Declaration of the tools, facilities and technical equipment which will be used for the implementation of the procurement.

<sup>3</sup> The certificates shall be issued by independent persons who are accredited under the respective series of European standards by the Executive agency “Bulgarian Accreditation Service” or by another national accreditation body which is a party to Multilateral agreement on mutual recognition of the European Accreditation Organization for the respective field or to meet the recognition requirements pursuant to art. 5a, para. 2 of the National accreditation act of bodies for assessment of compliance.

The Contracting entity shall accept also other pieces of evidence for equivalent measures for ensuring the quality or for environmental protection when the Candidate has not had access to such certificates or has not had the possibility to receive them within the respective time limits due to reasons out of its control. In such cases the Candidate shall be capable of proving that the proposed measures are equivalent to the required ones.

			c) warehouse area and lifting and handling equipment, enabling storage and management of stocks for minimum 20 000 m pipes under letter a).		
		<p>2.6. The goods should be certified by accredited persons for control of the quality certifying their compliance with the following specifications and standards (or equivalent):</p> <ul style="list-style-type: none"> <li>- ISO 3183;</li> <li>- EN 1594;</li> <li>- DIN 30670; и</li> <li>- EN 10208-2:2009</li> </ul> <p>The products shall be accompanied by results from the conducted tests and certificate 3.1 under standard EN 10204 or equivalent</p>		The Candidate shall provide information in Part IV, Section C, pt. 12) of the ESPD.	Copies of valid certificates <sup>4</sup> , certifying compliance of the goods with the respective specifications or standards.

## 2. Reliance on the capacity of third parties

### 2.1. Conditions for reliance on the capacity of third parties

<sup>4</sup> Remark No 4 applies here.

2.1.1. The Candidate may rely on the capacity of third parties regardless of the legal relation between them as regards the criteria set out in the table above related to the financial and economic standing, the technical and professional capabilities.

2.1.2. As regards the criteria related to the professional capabilities under pt. 2.2. of the table above the Candidate may rely on the capacity of a third party only when the parties whose education, qualification or experience are used to prove compliance with the requirements of the Contracting entity, shall participate in implementation of a part of the public procurement for which this capacity is required.

2.1.3. When the Candidate relies on the capacity of third parties it shall be able to prove that it disposes with their resources by providing documents for the obligations assumed by the third parties.

## **2.2. Lack/presence of grounds for exclusion and compliance of the third parties with the selection criteria**

**2.2.1.** The third parties shall meet these selection criteria under pt. 1 and 2 of the table for the proving of which the Candidate shall refer to their capacity, and no grounds for exclusion from the procedure shall apply to them related to their personal standing under pt. 3.1.1. of Section II. Guidelines regarding preparation and submission of Requests for participation of Part Two of the Documentation regarding the Public procurement.

**2.2.2.** The Contracting entity shall require from the Candidate to replace the third person stated by it if it does not meet some of the selection criteria under pt. 1 and 2 of the table for proving of which the Candidate refers to its capacity or there are grounds for exclusion from the procedure applicable to it and related to its personal standing under pt. 3.1.1. of Section II. Guidelines on preparation and submission of Requests for participation of Part Two of the Documentation regarding the Public procurement.

## **2.3. Joint and several liability**

In the event that the Candidate uses the capacity of a third party for proving compliance with the criteria related to the economic and financial standing under pt. 1 of the table above, the Contracting entity requires joint and several liability for implementation of the procurement by the Candidate and by the third party.

When the Candidate is a consortium of physical and/or legal entities, it may prove compliance with the selection criteria with the capacity of the third parties upon meeting the conditions under pt. 2.1. – 2.3 of this point.

## **3. Subcontractors**

### **3.1. Lack/presence of conditions for exclusion and compliance of the Subcontractors with the selection criteria**

**3.1.1.** The subcontractors shall meet the respective selection criteria under pt. 1 and 2 of the table above in accordance with the type and part of the procurement which they will implement and there should be no grounds for exclusion from the procedure applicable to them related to the personal



situation under pt. 3.1.1. of Section II. Guidelines on preparation and submission of Requests for participation of Part Two of the Documentation regarding the Public procurement.

**3.1.2.** The Contracting entity shall require replacement of a Subcontractor which does not meet the conditions under pt. 3.2.1 of the present point.