

PROCUREMENT

FPC's procurement activities are governed by the corporate Regulations on Procurement of Goods, Works and Services for the Needs of Joint Stock Company Federal Passenger Company. The document is based on the following Russian laws and regulations:

- Federal Law No. 223-FZ On Procurement of Goods, Works, and Services by Certain Types of Legal Entities dated 18 July 2011
- Federal Law No. 135-FZ On the Protection of Competition dated 26 July 2006
- Resolutions by the Russian Government
- Other documents adopted under Federal Law No. 223-FZ.

Savings achieved by procurement in 2019 totalled RUB 1,808.57 million. This amount is more than double the figure for 2017 (RUB 1,032.82 million) and is flat vs 2018 (RUB 2,094.87 million).

In 2019, FPC's procurement process resulted in 3,607 contracts for a total of RUB 303,540.67 million including VAT, of which:

- A total of 2,101 contracts for a total of RUB 13,991.07 million (including VAT) were awarded through competitive bidding for procurement of goods, works and services. It should be noted that in 2019, FPC continued its practice of expanding the range of potential bidders for its procurement projects. As a result, the number of bids increased by 13% (4,721 bids) year-on-year (4,173 in 2018)
- 1,506 contracts worth a total of RUB 289,549.6 million including VAT signed with a single-source supplier (contractor, service provider).

Importantly, a long-term contract (seven years) for the purchase of rolling stock from TVZ for a total of RUB 284,400 million including VAT accounted for 98.2% of the total value of the contracts awarded.

Excluding the purchase of TVZ carriages, the total amount of contracts concluded with a single-source supplier (contractor, service provider) was RUB 5,149.6 million including VAT, which is almost 2.5 times less than the figure for 2018.

Seeking to comply with the regulatory requirements for procurement of goods, works, and services from small and medium-sized enterprises (SMEs), FPC signed 1,979 contracts with SMEs, thus firstly, beating the previous year's record for the number of SME contracts (1,882 contracts in 2018) and secondly, increasing the percentage of SMEs contracted by FPC to provide goods, works and services in the total number of suppliers (contractors, service providers) (now more than half of the total).

Company
Profile

Development
Strategy

Performance
Overview

Corporate
Governance

Sustainable
Development

Appendices