

Principle of procurement

Appropriate and efficient expenditure of monetary assets

Procurement transparency

Equality

Fairness

Absence of discrimination and unreasonable competition restrictions against the procurement participants

Respecting the corporate unity concerning the procurement rules

Control over the scope of powers and responsibility of the purchasing agents

The Company places the information on all planned and current procurement procedures at the official website of the Unified Information System, the website of IDGC of the South and the Company's digital trading platforms.

Procurements of IDGC of the South in 2018:

788 procurement procedures;

RUB 15,414 mn

IDGC of the South focuses its efforts on the improvement of information transparency and access of participants to procurements, including mainly electronic procurement procedures. A share of competitive procurement via the digital trading platforms amounted to 100%. All suppliers and contractors are registered in the Russian Federation.

The economic effect on the outcome of the procurement procedures in the reporting period amounted to RUB 467 mn (incl. VAT) or 3.02% of the declared value of the competitive purchases.

Procurements, pcs

Purchasing structure by way of conducting, %

Measures to ease SMEs access to procurements of IDGC of the South:

holding the Open Days events;
establishing the minimum document package to be submitted to the digital trading platforms in electronic form;
monitoring the payment due dates;
adopting the unified partnership programme for small and medium enterprises (since March 2018).

In 2018, the Company signed contracts with SMEs through tendering procedure for a total of RUB 2,379,818.69 thous. (incl. VAT), i.e. 86.57% of the total volume of the procurement procedures in value terms. The volume of only-SMEs purchases amounted to RUB 1,007,031.73 thous. (incl. VAT), i.e. 36.63% of the total volume of the procurement procedures in value terms (the data are prepared as stipulated by Decree No. 1352 of the Government of the Russian Federation dated December 11, 2014).

Purchasing structure by activities, %

Share of SME procurements, %

Share of procurements for SMEs only, %

Share of procurements from SMEs, RUB mn

Share of procurements for SMEs only, RUB mn

Improving Procurement Activities

IDGC of the South has in place the Operating Efficiency Improvement and Cost Reduction Programme for 2018-2022 to improve procurement efficiency. The Programme includes the measures on increasing the share of open competitive procurements and decreasing the share of single-source procurements.

In order to implement the Government Policy on SME Business Development, the Company approved the programme of the partnership between IDGC of the South and SMEs by Order No. 172 dated March 14, 2018. This Programme sets forth the measures aimed at searching and supporting reliable, qualified and responsible suppliers (contractors, executors) from among SMEs. The partnership programme specifies the requirements to SMEs, rules and conditions of joining the programme. By the end of 2018, 38 small enterprises joined the partnership programme.