

## GENERAL PROCEDURE FOR THE APPROVAL OF PROVIDERS OF GOODS AND SERVICES

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Fábrica Nacional de Moneda y Timbre – Real Casa de Moneda (hereinafter FNMT-RCM) is a State-owned corporate entity attached to the Ministry of Finance and Public Administration. For centuries, its activity has been devoted to public service through the products and services it provides. The Vision approved in its Corporate Plan is: ***To be a benchmark in the field of security in terms of both hardware and digital supports, compounding its role as a leading supplier of innovative, high-quality products and services to Public Administrations, private entities and the general public.*** All its activities are based on principles of quality, efficiency and security, applied to the production processes, the products, data processing and the installations.

In the procedures and the awarding of contracts **not subject to harmonised regulation (NON-SHR)** relating to works, supplies and services, the institution must abide by the principles of advertising, open bidding, transparency, confidentiality, equality and non-discrimination pursuant to the provisions of the Public Sector Contract Act (Spanish initials LCSP). Generally speaking, contracts are awarded by means of an open procedure or, as applicable, a restricted one, using the negotiated procedure, with or without advertising, if the circumstances set down in its regulatory framework concur.

Given the industrial and commercial nature of FNMT-RCM, the security features of the products made and the services provided by the institution, along with the characteristics of the markets by which it is supplied, the institution is forced to impose restrictions on open bidding by selecting contractors whose commitment to confidentiality, quality and solvency have been proven to its satisfaction.

The specific procedures or performance protocols prepared by the departments for the processing by the Procurement Department of the approval of contractors for the purpose of acquiring goods or services, depending on their characteristics, shall be subject to the legal and organisational framework of this general procedure, which is made up of the following

## PROVISIONS

### 1. APPROVAL OF THE PROCEDURE

The present procedure was addressed at the Procurement Meeting held on July 4 2017. In view of the need for the procedure in the normal running of the institution, it was decided to give it a trial run and, once its suitability had been verified, to submit it to the State Legal Service and subsequently, with the appropriate unqualified report, to the Board of Directors for its final approval. This procedure shall be applicable to new approval processes as from the day following the coming into force of its approval by the Board of Directors. The transitory provision of this procedure shall be applicable to approval processes and to suppliers already approved at the time of its coming into force.

This procedure shall supersede whatsoever other procedure currently in use and shall be announced on FNMT-RCM's Contractor Profile.

### 2. SCOPE OF APPLICATION

The scope of application of this approval procedure is the contracting of goods and services of the following nature by FNMT-RCM:

**THE CONTRACTING OF GOODS, RAW MATERIALS AND SERVICES NOT SUBJECT TO HARMONISED REGULATION. Procedures which, for the reasons given below, are not advertised and, as applicable, procedures which are restricted:**

- **The ACQUISITION of GOODS for the purpose of returning them, transformed or otherwise, to the legal estate.**
- **SECURITY, when thus agreed by the CEO on the basis of the relevant reports.**
- **TECHNICAL, when the contract may be entrusted solely to a certain company.**

These cases concern contracts which any of the reasons indicated below is applicable in the processing of the contract:

## • CONTRACTING OF GOODS and SECURITY REASONS

When the contract has been declared secret or reserved, or **when its execution is to be accompanied by special security measures in adherence to legislation in force**, or when required for reasons of protecting the essential interests of State Security. Likewise, in cases in which the disclosure of standards, installations or product specifications may be detrimental to the confidential treatment of high-security processes in the production of coins, banknotes and other official documents, products or services entailing security measures and a statement has been made to such effect by the CEO in compliance with applicable standards. This includes the following, amongst others:

- SECURITY PRODUCT MANUFACTURING PROCESSES.
- THE PROVISION OF SERVICES IN SECURITY PROCESSES.
- RAW MATERIALS AND AUXILIARY MATERIALS INVOLVED IN THE MANUFACTURE OF THESE PRODUCTS AND SUBJECT TO AN APPROVAL PROCESS.
- INSTALLATIONS AND EQUIPMENT CONNECTED WITH THE MANUFACTURE, PROVISION AND ISSUANCE OF SECURITY DOCUMENTS.
- IT DEVELOPMENTS CONCERNED WITH THE ABOVE AND WHICH MAY JEOPARDISE THEIR SECURITY.
- LOGISTICS AND DISTRIBUTION OF SECURED PRODUCTS.
- A CUSTOMER'S REGULATORY FRAMEWORK REQUIRING DATA OR PROCESS PROTECTION.

## Solvency criteria

The possible solvency criteria which may be required in the prior process for approval as a qualified company for this type of supply or service are listed below. Others may be included in accordance with the type of contracting involved. In the case of service contracts, it may also be mandatory to be classified on the ROLECE (Official List of State-classified Bidders and Companies) depending on the service and amount involved in the contracting, notwithstanding the requirement of the following additional solvency criteria, amongst others, were this to prove necessary.

### Economic and financial solvency requirements

- Average annual turnover for the last two financial years, of an amount proportional to the object of the supply or service in which they intend to participate.
- A civil liability insurance policy covering whatsoever liability deriving from the provision of the service. Said policy shall guarantee a minimum amount of €300,000.



### Technical solvency requirements

- A list of the main supplies or services of similar characteristics executed in the last three financial years, including the amount, dates and recipient, public or private, thereof. Moreover, as and when fitting, product samples complying with the criteria established shall be submitted.
- Previous experience in contracting with FNMT-RCM or other public administrations in respect of similar supplies or services awarded in tenders.
- Samples, descriptions and photographs of the products to be supplied, whose authenticity or quality requirements may be certified by FNMT-RCM.
- Certificates issued by recognised official institutes or services engaged in quality control; or the requirements of the administrations and bodies receiving the products or services proving compliance therewith by means of references to certain specifications or standards.
- Compliance with the standards established in the performance of points-based aptitude tests.
- **Certifications:**
  - ISO 09.001 (quality management in the performance of the activity).
  - ISO 14.001 (environmental management).
  - ISO 45.001 (health and safety management in the workplace).
  - ISO 50.001 (energy efficiency).

In addition to the above certifications, bidders shall provide whatsoever others which, as applicable, may be required by the Technical Department of FNMT-RCM for the performance of the specific activity in which they intend to participate. Said certifications shall be specified in the Participation Documents.

Upon the delivery by FNMT-RCM of whatsoever information or documentation relating to the submission of an application for approval or participation, an **agreement of confidentiality** with FNMT-RCM shall be signed by the contractor and those members of his organisation who may be involved in the execution of the future contract and who, therefore, may have access to sensitive information.

*FNMT-RCM reserves the right to audit the installations, means and facilities of the candidate company.*

## • REASONS OF A TECHNICAL NATURE

Those contracts in which, on account of technical or artistic reasons relating to the security features and measures to be applied in administrative or industrial processes or exclusivity rights deriving from industrial or intellectual property, it is not possible or advisable to proceed with open bidding for the goods and services to be acquired; amongst others:

- RAW MATERIALS AND AUXILIARY MATERIALS SUBMITTED TO APPROVAL PROCESSES.
- EQUIPMENT MAINTENANCE TO BE PROVIDED BY THE MANUFACTURER.
- INDUSTRIAL PROPERTY RIGHTS ON A CERTAIN PRODUCT.
- MAINTENANCE TASKS REQUIRING PREVIOUS EXPERIENCE IN THE USE OF THE APPLICATION OR TOOL.
- SERVICES IN WHICH PREVIOUS EXPERIENCE OR PROVEN IN-DEPTH KNOWLEDGE IS INDISPENSABLE.
  
- MAINTENANCE TASKS INVOLVING PARTNERS AUTHORISED BY THE MANUFACTURER.
- SPECIFIC SOFTWARE LICENCES.
- COMPLEMENTARY EQUIPMENT OR MODIFICATIONS COMPATIBLE WITH THE CURRENT INSTALLATION.
- MARKETS WHERE THERE IS A LIMITED PROVIDER POOL.

## **Solvency criteria**

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The possible solvency criteria which may be required in the prior process for approval as a qualified company for this type of supply or service are listed below. Others may be included in accordance with the type of contracting involved. In the case of service contracts, it may also be mandatory to be classified on the ROLECE depending on the service and amount involved in the contracting, notwithstanding the requirement of the following additional solvency criteria, amongst others, were this to prove necessary

### **Economic and financial solvency requirements**

- Average annual turnover for the last two financial years, of an amount proportional to the object of the supply or service in which they intend to participate.
  
- A civil liability insurance policy covering whatsoever liability deriving from the provision of the service. Said policy shall guarantee a minimum amount of €300,000.

### Technical solvency requirements

- A list of the main supplies or services of similar characteristics executed in the last three financial years, including the amount, dates and recipient, public or private, thereof.
- Previous experience in contracting with FNMT-RCM or other public administrations in respect of similar supplies or services awarded in tenders.
- A reference to the technical personnel, employed by the company or otherwise, who will participate in the execution of possible contracts with FNMT-RCM, especially those responsible for quality control.
- A description of the company's installations, the measures used to ensure quality and its Research & Development facilities.
- As applicable, the academic and professional qualifications of personnel responsible for the contract's execution, providing documentary proof (a certified copy of the diplomas or certificates issued by the educational institution) to show that at least fifty percent of the personnel responsible for the contract's execution is sufficiently qualified to do so.
- Compliance with the standards established in the performance of points-based aptitude tests.
- **Certifications:**
  - ISO 09.001 (quality management in the performance of the activity).
  - ISO 14.001 (environmental management).
  - ISO 45.001 (health and safety management in the workplace).
  - ISO 50.001 (energy efficiency).

In addition to the above certifications, bidders shall provide whatsoever others which, as applicable, may be required for the performance of the specific activity in which they intend to participate. Said certifications shall be specified in the Participation Documents by the Technical Department of FNMT-RCM responsible for the appraisal of the candidate company.

*FNMT-RCM reserves the right to audit the installations, means and facilities of the candidate company.*

### Scope of basic requirements

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Through the Procurement Department, depending on the needs of the applicant departments, an invitation, with the Participation Documents, may be issued to the companies with the greatest aptitude in terms of bidding for these supplies and services; or the company itself may apply to participate in an approval process. Once the specific performance protocol to be followed has been defined with the relevant department (in accordance with the nature of the information

provided) on the basis of this procedure and the quality processes, the applicant company shall be notified of the prior requirements for it to gain approval, the provision of proof of compliance with said requirements being mandatory.

FNMT-RCM shall keep a register of said companies approved as being apt for participation in tender processes requiring prior approval.

Those approved companies which have fulfilled to satisfaction the contracts of reference or those companies which have successfully completed the prior approval process are considered apt for the execution of the supplies and services to be contracted and therefore, qualified to participate in future tenders, their status as an approved company being effective at the time of submitting their bid.

**In the pages following, the specific requirements are established separately for the approval, on the one hand, of contractors concerned with supplies of raw materials or others considered to be of strategic interest and, on the other, of contractors concerned with the provision of strategic services.**



### 3. APPROVAL OF PROVIDERS FOR THE CONTRACTING OF MOVABLE ITEMS AND OTHER RAW MATERIALS AND AUXILIARY MATERIALS SUBMITTED TO AGREED QUALITY LEVELS

Fábrica Nacional de Moneda y Timbre-Real Casa de Moneda is known for its activity as a maker of security products and provider of public services.

For those goods and services which have a direct impact on the product's quality or which, on account of their technical, economic or strategic importance are particularly relevant, FNMT-RCM establishes supplier and contractor selection and evaluation procedures for the purpose of ensuring the quality levels required by our customers, by legal and technical standards and by the general public. In this regard, it is necessary to undergo an approval process established for every material and product deemed to be of special significance. These quality levels shall be laid down in the Participation Documents and shall be considered as "agreed quality levels" between the supplier and FNMT-RCM so as to meet the requirements referred to above. These procedures affect all the following aspects:

#### **Contractor selection criteria**

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So as to comply with the quality and efficiency standards set down in its strategic goals or as required by standards, regulations and its customers, FNMT-RCM needs to count on the most suitable service providers in their field of activity. Accordingly, the selection of providers through an approval process is one of the key aspects of our acquisition process.

This selection is based on various criteria which form the substructure of the approval procedure. Said criteria include:

- Compliance with the delivery dates established in the Participation Documents.
- The ability to comply with the requirements stated in the Material Requirements Document (MRD) included in the Participation Documents.
- Technical and human means available.
- The quality and other requirements of the item or product to be delivered.
- Experience and evaluation of compliance with the aforesaid parameters.



## **Prior requirements**

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Once a provider has been selected to supply a given material (raw material, semi-processed and auxiliary materials etc.), FNMT-RCM constantly updates the necessary information in which there is a clear and unequivocal description not only of the characteristics of the products requested but also of the specific nature of the service and the legal and technical requirements and standards which are to be met.

Furthermore, when so required by the product, special requirements for its approval are included, along with the procedures, processes, equipment, qualifications of personnel and the mandatory characteristics of the provider's management system.

## **Approval process**

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The approval process for raw and auxiliary materials, prior to a provider's being considered as qualified to make deliveries to FNMT-RCM, consists in compliance with the solvency criteria established as verified in the completion of aptitude tests which vary in intensity in accordance with the product in question; and in maintaining the approval by means of the evaluation and follow-up of the contractors carrying out the supply and of the performance of the products supplied.

There are five stages in the approval process:

1. ACCESS OF COMPANIES TO THE APPROVAL SYSTEM.
2. SELECTION OF CANDIDATES: SOLVENCY AND ADMISSION TESTS.
3. MAINTENANCE AND MANAGEMENT OF APPROVED COMPANIES: ONGOING EVALUATION.
4. TEMPORARY SUSPENSION OF APPROVAL: VIGILANCE PERIOD.
5. LOSS OF APPROVED COMPANY STATUS. RECOVERY OF APPROVAL.

### **STAGE 1. ACCESS OF COMPANIES TO THE APPROVAL SYSTEM**

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As the scope of application for access to the system occurs in contracting not subject to harmonised regulation and generally, by the negotiated procedure (movable items, raw materials or those in which reasons of security or technical reasons concur), company access to the approval system shall be obtained through a request for participation submitted by the company or by the Procurement Department from among companies known to be apt and included in the appropriate company register. Should there exist a technical speciality or difficulty and in cases in which it is expressly indicated, the Procurement Department may avail itself of the experience of the departments involved, which shall examine, if possible, a minimum of five companies to commence access to the approval system.

The invitation or request for participation shall be issued by electronic means prior the signing of a Confidentiality Agreement should the object of the approval so require it; and a Document of Participation in the Approval Process shall be completed. Said document shall contain: the object of the approval; the technical requirements of the supplies and products to be delivered; administrative information about the company or statement of responsibility (or any substitutive articles); and acceptance of approval terms and conditions.

Upon receipt of the Participation Document and the documentation requested in each case from the candidate companies, the Procurement Department and the appropriate technical department shall analyse the documentation submitted in respect of the companies' solvency and the administrative information and admitted candidates shall move to Stage 2.

## **STAGE 2. SELECTION OF CANDIDATES: SOLVENCY AND ADMISSION TESTS**

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With the companies meeting the solvency criteria, the technical criteria verification process will commence.

The first test consists in the delivery, free of charge, of a sample of the marketed product for the purpose of verifying technical capacity for the supply in accordance with the specifications and selection criteria set out by FNMT-RCM. Subsequently, the supply of an order of an industrial nature shall be carried out so as to ascertain the provider's capacity to make the product on a regular, stable basis. These industrial orders shall be made by direct award to the interested party and in accordance with the negotiated procedure, with no advertising. In all the tests, irrespectively of mandatory compliance with the specifications provided by FNMT-RCM, the performance of the various materials in our production processes is checked and the relevant reports are issued. Industrial orders may not exceed 25% of FNMT-RCM's needs in the contracting in question unless an increase in said percentage is justified by industrial or production needs.

If the company fulfils the technical requirements laid down in the MRD/Participation Documents, with regard both to the delivery of samples and to the industrial order, that company shall be approved and proceed to the completion of Stage 3. Depending on the results obtained in Stage 3, Stages 4 and 5 may be applicable. The acquisition of approved contractor status shall be notified to the company within a period of 10 (ten) working days from the adoption of the resolution by the CEO, who may delegate upon an appropriate director. Within a period of 15 (fifteen) days from said notification, the interested party may be received by either of the above so as to express any discrepancies arising.

FNMT-RCM shall undertake any contracting subject to this procedure, along with invitations to place bids, from among the approved companies.

## **STAGE 3. MAINTENANCE AND MANAGEMENT OF APPROVED COMPANIES: ONGOING EVALUATION**

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For the time being in force of the approval, FNMT-RCM shall monitor and follow up the maintenance of approved companies' characteristics by means of product quality evaluation procedures, checking compliance with service levels, user surveys etc., in accordance with the protocols specific to each contractual arrangement.

Ongoing evaluation is applicable to all suppliers who have obtained approval and in said evaluation, the following parameters are taken into account:

**Quality of the product supplied:** This is based on the data provided by the supplier on the Quality Certificates and on the tests performed by FNMT-RCM on the product, together with its performance in our production process.

**The evaluation shall also cover:** delivery periods, packaging, technical and commercial assistance, customer satisfaction, material identification etc.



Should the results fail to come up to expectations, then FNMT-RCM, so as to obtain the agreed quality levels, shall hold technical discussions with the supplier for the purpose of informing him of the aspects in which it is necessary to achieve a better result, providing always that the quality parameters are within the right range. Were the parameters to move outside the range, FNMT-RCM may opt for the temporary or permanent suspension of the approval (Stage 4 or Stage 5 below).

#### **STAGE 4. TEMPORARY OR PARTIAL SUSPENSION OF APPROVAL: VIGILANCE PERIOD**

Were the quality systems, the product's performance, the service level or the satisfaction surveys not to be within the minimum quality parameters and fall outside the range without being absolute, FNMT-RCM may opt for the temporary or partial suspension of the approval.

In the case of a temporary suspension, its duration shall be for a period of no more than 6 (six) months. Partial suspensions may be declared in respect of certain products, territories, areas, lots etc. In both cases, it shall be until the end of the contract if thus provided for and providing always that the volume entailed in the withdrawn approval is not substantial in respect of the totality of parameters provided for in the contractual arrangement.

During a temporary suspension, the company may not submit bids on any of the products to which said suspension has been applied, said company being placed into a period of vigilance. Once the suspension period has come to an end, the company shall be re-authorised to submit bids, although the relevant department may require it to submit samples or trial orders as described in Stage 2.

A temporary or partial suspension of approval shall be notified to the company within a period of 10 (ten) days from the date of the resolution handed down by the CEO; and, within a period of 15 (fifteen) days from said notification, the interested party may be received to express any discrepancies arising. Upon the resolution of said discrepancies, he may bring any appeals provided for by law, as indicated in the text of said resolution.

#### **STAGE 5. LOSS OF APPROVED COMPANY STATUS. RECOVERY OF APPROVAL**

Were the quality systems, the product's performance, the service level or the satisfaction surveys not to be within the minimum quality parameters and fall outside the range, FNMT-RCM may resolve loss of approval.

Loss of approval shall apply to the totality of the products supplied in the contractual arrangement in question and shall be a substantial withdrawal of approval in respect of the totality of parameters provided for in the contractual arrangement.

Once approval has been lost, the company may not submit bids on any of the products to which the withdrawal of approval has been applied. After 1 (one) year from the firm resolution on the loss of approval, the company may request to be allowed to submit a new application for approval, in which case he shall return to Stage 1.

Loss of approval shall be notified to the company within a period of 10 (ten) days from the date of the resolution handed down by the CEO, and, within a period of 15 (fifteen) days from said notification, the interested party may be received to express any discrepancies arising. Upon the



resolution of said discrepancies, he may bring any appeals provided for by law, as indicated in the text of said resolution.

#### 4. PROVISION OF SERVICES FOR THE FULFILMENT OF THE OBJECTS AND ACTIVITIES OF FNMT-RCM

### Approval of providers

Fábrica Nacional de Moneda y Timbre-Real Casa de Moneda is known for its activity as a maker of security products and provider of public services.

For those goods and services which have a direct impact on the security or quality of the product or service and which, on account of their technical, economic or strategic importance, are particularly relevant, FNMT-RCM establishes supplier and contractor selection and evaluation procedures for the purpose of ensuring the quality levels required by our customers, by legal and technical standards and by the general public. In this regard, it is necessary to undergo an approval process established for each service. These quality levels shall be laid down in the Participation Documents and shall be considered as “agreed quality levels” between the provider and FNMT-RCM so as to meet the requirements referred to above. These procedures affect all the following aspects:

#### **Provider selection criteria**

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So as to comply with the quality and efficiency standards set down in its strategic goals or as required by standards, regulations and its customers, FNMT-RCM needs to count on the most suitable service providers in their field of activity. Accordingly, the selection of providers through an approval process is one of the key aspects of our acquisition process.

This selection is based on various criteria which form the substructure of the approval process. Said criteria include:

- Economic valuation of the bid.
- Fulfilment of commitments in respect of delivery or action terms.
- The ability to comply with the requirements stated in the Material Requirements Document (MRD) included in the Participation Documents.
- Technical and human means available.
- Efficiency of the service to be provided.
- Experience and evaluation of compliance with the aforesaid parameters.

#### **Prior requirements**

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Once a provider has been selected to perform a given service, FNMT-RCM constantly updates the necessary information in which there is a clear and unequivocal description not only of the characteristics of the services to be provided but also of the specific nature of the service and the legal and technical requirements and standards which are to be met.

Furthermore, when so required by the service, special requirements for its approval are included, along with the procedures, processes, equipment, qualifications of personnel and the mandatory characteristics of the provider's management system.

## **Approval process**

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The approval process for providers of services and technical systems, prior to a provider's being considered as qualified to render services to FNMT-RCM, consists in compliance with the solvency criteria established as verified in the completion of aptitude tests which vary in intensity in accordance with the service in question; and in maintaining the approval by means of the evaluation and follow-up of the contractors carrying out the service and the performance, quality and effectiveness of the services provided.

There are five stages in the approval process:

1. ACCESS OF COMPANIES TO THE APPROVAL SYSTEM.
2. SELECTION OF CANDIDATES: SOLVENCY AND ADMISSION TESTS.
3. MAINTENANCE AND MANAGEMENT OF APPROVED COMPANIES: ONGOING EVALUATION.
4. TEMPORARY SUSPENSION OF APPROVAL: VIGILANCE PERIOD.
5. LOSS OF APPROVED COMPANY STATUS. RECOVERY OF APPROVAL.

### **STAGE 1. ACCESS OF COMPANIES TO THE APPROVAL SYSTEM**

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As the scope of application for access to the system occurs in contracting not subject to harmonised regulation and generally, by the negotiated procedure (in which reasons of security or technical reasons concur), company access to the approval system shall be obtained through a request for participation submitted by the company or by the Procurement Department from among companies known to be apt and included in the appropriate company register. Should there exist a technical speciality or difficulty and in cases in which it is expressly indicated, the Procurement Department may avail itself of the experience of the departments involved, which shall examine, if possible, a minimum of five companies to commence access to the approval system.

The invitation or request for participation shall be issued by electronic means prior the signing of a Confidentiality Agreement should the object of the approval so require it; and a Document of Participation in the Approval Process shall be completed. Said document shall contain: the object of the approval; the technical requirements of the services to be provided; administrative information about the company or statement of responsibility; economic and financial solvency criteria; technical solvency criteria; and acceptance of approval terms and conditions.

Upon receipt of the Participation Document and the documentation requested in each case from the candidate companies, the Procurement Department and the appropriate technical department shall analyse the documentation submitted in respect of the companies' solvency and the administrative information and admitted candidates shall move to Stage 2.



## **STAGE 2. SELECTION OF CANDIDATES: SOLVENCY AND ADMISSION TESTS**

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With the companies meeting the solvency criteria, the technical criteria verification process will commence so as to continue with the approval process.

The interested department shall carry out aptitude or skill tests in a controlled environment in respect of the services to be provided, in accordance with the selection criteria. The tests may be performed on FNMT-RCM's own premises or at a different location of its own choice. In all the tests, irrespectively of mandatory compliance with the specifications provided by FNMT-RCM, the performance of the various services, which shall be carried out both for internal processes and for the institution's customers, is checked and the relevant aptitude reports are issued on the basis of objective evaluation criteria.

If the company fulfils the technical requirements laid down in the Participation Documents with regard to the required aptitude tests, that company shall be approved and proceed to the completion of Stage 3. Depending on the results obtained in Stage 3, Stages 4 and 5 may be applicable. The acquisition of approved contractor status shall be notified to the company within a period of 10 (ten) working days from the adoption of the resolution by the CEO, who may delegate upon an appropriate director. Within a period of 15 (fifteen) days from said notification, the interested party may be received by either of the above so as to express any discrepancies arising.

FNMT-RCM shall undertake the contractual arrangement subject to this procedure, along with invitations for bids, from among the approved companies.

## **STAGE 3. MAINTENANCE AND MANAGEMENT OF APPROVED COMPANIES: ONGOING EVALUATION**

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For the time being in force of the approval, FNMT-RCM shall monitor and follow up the maintenance of approved companies' characteristics by means of service level compliance evaluation procedures, comparison of action statistics, effectiveness evaluations, user satisfaction surveys etc. in accordance with the protocols specific to each contractual arrangement.

Ongoing evaluation is applicable to all providers who have obtained approval and in said evaluation, the following parameters are taken into account:

**Service quality:** Appraisal of aspects related to the service provided by the contractor (compliance with response times, effectiveness in the technical and commercial assistance provided, customer satisfaction etc.).

Should the results fail to come up to expectations, then FNMT-RCM, so as to obtain the agreed quality levels, shall hold technical discussions with the provider for the purpose of informing him of the aspects in which it is necessary to achieve a better result, providing always that the quality parameters are within the right range. Were the parameters to move outside the range, FNMT-RCM may opt for the temporary or permanent suspension of the approval (Stage 4 or Stage 5 below).

## **STAGE 4. TEMPORARY OR PARTIAL SUSPENSION OF APPROVAL: VIGILANCE PERIOD**

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Were the quality systems, the service level, effectiveness of action or satisfaction surveys not to be within the minimum quality parameters and fall outside the range without being absolute, FNMT-RCM may opt for the temporary or partial suspension of the approval.

In the case of a temporary suspension, the duration shall be for a period of no more than 6 (six) months. Partial suspensions may be declared in respect of certain services, territories, areas, lots etc. In both cases, it shall be until the end of the contract if thus provided for and providing always that the volume entailed in the withdrawn approval is not substantial in respect of the totality of parameters provided for in the contractual arrangement.

During a temporary suspension, the company may not submit bids on services or areas or territories, depending on the case, in respect of which it is temporarily suspended, said company being placed into a period of vigilance. Once the suspension period has come to an end, the company shall be re-authorized to submit bids, although the relevant department may require it to pass the aptitude tests as described in Stage 2.

A temporary or partial suspension of approval shall be notified to the company within a period of 10 (ten) days from the date of the resolution handed down by the CEO; and, within a period of 15 (fifteen) days from said notification, the interested party may be received to express any discrepancies arising. Upon the resolution of said discrepancies, he may bring any appeals provided for by law, as indicated in the text of said resolution.

#### **STAGE 5. LOSS OF APPROVED COMPANY STATUS. RECOVERY OF APPROVAL**

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Were the quality systems, the product's performance, the service level or the satisfaction surveys not to be within the minimum quality parameters and fall outside the range, FNMT-RCM may resolve loss of approval.

Loss of approval shall apply to the totality of the services provided and to all territories, areas, systems, lots etc. involved in the contractual arrangement and shall be a substantial withdrawal of approval in respect of the totality of parameters provided for in said contractual arrangement.

Once approval has been lost, the company may not submit bids on any of the services to which the withdrawal of approval has been applied. After one year from the firm resolution on the loss of approval, the company may request to be allowed to submit a new application for approval, in which case he shall return to Stage 1.

Loss of approval shall be notified to the company within a period of 10 (ten) days from the date of the resolution handed down by the CEO and, within a period of 15 (fifteen) days from said notification, the interested party may be received to express any discrepancies arising. Upon the resolution of said discrepancies, he may bring any appeals provided for by law, as indicated in the text of said resolution.

### **6. COMPETENT BODY FOR THE GRANTING AND WITHDRAWAL OF APPROVAL**

The competent contracting body for the arrangement of approvals shall be the CEO, who may delegate this power onto any director whom he may deem fitting. The competent contracting

body for the resolution as to the suspension and loss of approved product or company status shall be the CEO.

## 6. TRANSITORY PROVISION ON CURRENTLY APPROVED SUPPLIERS AND PROVIDERS

Those suppliers who are currently supplying raw materials, products and other goods submitted to approval processes and those providers of services whose characteristics are considered to be security-related or strategic, who, in both cases, have successfully completed an approval procedure or agreed quality level evaluation systems in goods or services, shall be deemed as having approved status. Such companies are at Stage 3 of the procedure.

Within 12 (twelve) months from the implementation of this procedure, FNMT-RCM shall commence adaptation to the present procedure for approval of goods and services in respect of those contractors who are currently providing approved supplies or services with agreed quality levels or involving equipment maintenance, such as the National Police Force for the issuance of National Identity Cards (DNI), passports and residence permits.

Madrid,

THE PURCHASING DIRECTOR

Fdo.- José Francisco Garrido Casas