



PURCHASING REGULATIONS

FCC-DC-NC-02.5_Reporting and approving the purchasing need

Purchasing Department

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Content

1. Introduction.....	4
2. Purchasing Need Processing (PNP).....	4
3. Content of the purchasing need documents.....	5
4. Purchasing Need Approval.....	6
5. Hiring advisers, consultants or professional services.....	7
ANNEX: Tables of Authorisation Levels (Extracted from FCC-NI-01)	8

Version	Date	Supervisor	Description of the change
1	February 2014	Purchasing Department	Creation of the document.
2	April 2014	Purchasing Department	References to Annex 3 are eliminated, due to unification of the approval templates.
3	March 2015	Purchasing Department	Changes in procedure codes Elimination of attachments including forms Different additional conditions
4	May 2017	Purchasing Department	Adaptation of the procedure to the different operations of the business areas
5	September 2020	Purchasing Department	Adaptation of the procedure to the operation in the Group's purchasing activity

1. Introduction

The Purchasing Manual establishes that:

- The User/Managing Unit will be responsible for preparing the technical specifications.
- The User/Managing Unit will be responsible for processing and reporting the purchasing need to the Purchasing Department (hereinafter, "PD")
- The PD will be responsible for requesting and negotiating offers, whereby "offer" is understood as any document that prior to a purchasing process or during the same may be requested from suppliers.

During the negotiation processes, the Purchasing Department will be responsible for all interaction with the supplier, unless other spokespersons need to be assigned for strategic reasons, with the previous agreement of the PD. This approach strengthens the Group position in the market and must be followed in all purchasing processes.

NOTE: In the event that a supplier presents offers to Departments other than the PD, the receiving department must immediately report this to the Purchasing Department.

In any case, full collaboration and teamwork between the User/Managing Areas and the PD will be necessary to ensure that the purchase is processed correctly and that it is completed successfully.

2. Purchasing Need Processing (PNP)

The purchasing need must be processed well in advance, so as to allow the purchase to be negotiated under the terms and conditions required and to ensure that the agreement is reached with the best possible terms and conditions. In any case, the purchasing need must be reported to the Purchasing Department from the user or managing area since this area has established the possible need for a good or service, or alternatively, at least 30 business days in advance of the supplier selection deadline. Requests for information prior to the negotiation process will also be made in coordination with the Purchasing Department.

In the cases in which the user or managing area do not comply with the aforementioned deadlines, the PD will not be able to guarantee the authorisation of the purchase on the requested deadline.

Only those purchases that are processed correctly and which contain the minimum information indicated in section 3 of this document will be approved.

No urgent purchases will be processed without the prior authorisation of the Purchasing Department, urgency being understood as any situation that involves risk to the total integrity of any person and/or the total development of the work, according to the execution program established, but in no case resulting from the lack of planning of the user or managing area.

Purchases will be processed according to the order in which they are received by the Purchasing Department. The Purchasing Need will be marked as approved once it has been assigned to a buyer.

The purchasing need will be reported to the PD through the corresponding mailbox, using one of the following:

Central Services purchases of all areas of FCC: compras@fcc.es

Aqualia area purchases, not part of the Central Services: comprasaq@fcc.es

Infrastructures area purchases, not part of the Central Services: comprasco@fcc.es

Environment area purchases, not part of the Central Services: comprasma@fcc.es

3. Content of the purchasing need documents

The User or Managing Area will be responsible for providing the detailed definition of the good or service that needs to be purchased. The Purchasing Need processing document must at least contain the following information:

- **Description of the Purchasing Need:** brief description of what needs to be purchased.
- **Requesting Company/Division.**
- **% stake of the FCC Group in the requesting company or joint venture**
- **Invoicing Cost Centre or Division:** cost centre to which the cost will be allocated.
- **Scope:** National/International
- **Approved budget/Current planning or Estimated amount:** amount approved in the budget or last financial plan, for the good or service to be purchased, in case the purchase was planned. If not, an estimated purchasing amount will be reported; in this case, the PD may make a first request for an offer at the request of the user area, in order to provide the user with this amount.

When the referred purchase affects more than one Cost Centre, the budgeted/planned or estimated amount for each one of them must be reported.

The need to negotiate a framework agreement will not require the approved budget or estimated amount to be reported, as long as it is part of an agreement for one or more business areas applicable to several Cost Centres.

- **Date of reception of the good or start of the service**
- **Contract validity period** (if applicable).
- **Technical specifications** (if applicable), including the documents of the need, which may be useful for the buyer to prepare the request for proposals document, depending on the type of good or service to be contracted:
 - o Detailed description.
 - o Technical description sheets.
 - o Required service/support levels.
 - o Plans, drawings, measurements or number of units, frequency tables (for cleaning services, etc.).
 - o Job schedules.
 - o Terms of delivery and delivery centre address
 - o Regulations or certifications to be fulfilled.
 - o Any other document of interest.
- **E-mail address of the person(s) who shall assess the selected supplier after the purchase.**
- **Purchasing restrictions:** if any purchasing/contracting restrictions have been established for a specific supplier, the proposing party must provide an explanation with the justification to purchase/contract, which must be approved by the corresponding supervisor/manager. The PD shall not approve or process the purchasing need if this information is not provided.

All purchase procedures that do not include the minimum information will be returned to the User or Managing Area.

4. Purchasing Need Approval

All purchasing needs must be approved by the business unit's supervisor/manager (User/Managing Unit), following the flows and authorisation levels indicated in the instrumental regulations of authorisation thresholds "FCC-NI-01" (attached to this Annex).

Notification of the purchasing need to the PD, which must be duly approved and defined in accordance with section 3 of this procedure, will mark the start of the process. No goods/services will be purchased or any future purchase commitment will be made without the prior approval of the corresponding unit, in accordance with the established authorisation levels.

The approval will be materialised after signing the purchasing need processing form. The User Unit will complete the form, collecting the necessary signatures, depending on the area and the amount. The document in Excel format can be found on the Intranet.

If the purchase is included in the current plan/budget of the Division, only the signature of the requesting area will be required. The physical signature can be replaced by the authorisation via email sent by the approving party, attaching the necessary additional documentation. It is the responsibility of the persons in charge and/or users to ensure the veracity and validity of the data contained in the documents issued by them.

The User Unit will send the signed/approved purchasing need form to the PD through the corresponding mailbox, according to the business area.

In the event that the result of a purchasing process results in a final price that is greater than the amount initially approved in the PNP, it must be updated with the total amount and the following text will be included, which will replace the signatures of the corresponding approving parties: "Total amount modified after initial negotiation. Implicit approval of the Selection Board".

Details:

- Regarding extensions:
 - o In Central Services purchases:
 - If an **extension (same year)** of the initial purchase or previous extension is required and the approved budget in the previous PNP order sent cannot cover it, a new PNP order will be required.
 - Should an **extension (same year)** of the initial purchase or the previous extension be required, and the budget approved in the previous PNP can cover this new need, a new PNP would not be necessary. If there is an **extension (different year)** of the initial purchase or previous purchase with extension, a new PNP will be sent for the extension amount (which will include the new budget for that item).
 - o In business purchases, each extension will require a new PNP to be sent to the source, provided that the amount approved in the previous one was not enough to cover the new extension.
- Regarding general purchases, understood as those that result from negotiating a list of unit prices for a Cost Centre and during a determined period of time; a PNP will be required for the cost centre in question. Multiple general purchases grouped into a single purchasing process will require as many PNPs as Cost Centres are included in the process.

5. Hiring advisers, consultants or professional services

According to chapter 80 of section 50 of the IRM, the approval of the Purchasing Department Manager will be required for those transactions with a contracted amount or costs exceeding 25,000 euros during the year and that have not been subject to an individualised budget. In addition, those that exceed 50,000 euros must be approved by the CEO.

José María Torroja Ribera
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ANNEX: Tables of Authorisation Levels (Extracted from FCC-NI-01)

Table 1: Infrastructures. Authorisation levels for transaction approval.

PROFESSIONAL CATEGORY	AMOUNT (€)
CEO	NO LIMIT
MANAGING DIRECTOR	NO LIMIT
REGIONAL MANAGER / AREA MANAGER (LEVEL EQUIVALENT TO THE AREA MANAGER)	UP TO 6,000,000
LOCAL OFFICE MANAGER / EQUIVALENT AREA MANAGER / DEPARTMENT MANAGER	UP TO 1,000,000
DEPARTMENT MANAGER / HEADS OF DEPARTMENT / HEAD OF SITE DEPARTMENT	UP TO 200,000
SITE MANAGERS	UP TO 5,000

Table 2: Environmental services: Authorisation levels for transaction approval.

PROFESSIONAL CATEGORY	AMOUNT (€)
CEO	NO LIMIT
MANAGING DIRECTOR	UP TO 10,000,000
REGIONAL MANAGER / AREA MANAGER (LEVEL EQUIVALENT TO THE AREA MANAGER)	UP TO 2,500,000
LOCAL OFFICE MANAGER / EQUIVALENT AREA MANAGER	UP TO 500,000
HEADS OF DEPARTMENT/HEAD OF THE PRODUCTION DEPARTMENT	UP TO 50,000
HEADS OF SERVICE	UP TO 3,000

Table 3: Aqualia. Authorisation levels for transaction approval.

PROFESSIONAL CATEGORY	AMOUNT (€)
CEO	NO LIMIT
MANAGING DIRECTOR	UP TO 5,000,000
REGIONAL MANAGER / AREA MANAGER (LEVEL EQUIVALENT TO THE AREA MANAGER)	UP TO 1,000,000
LOCAL OFFICE MANAGER / EQUIVALENT AREA MANAGER	UP TO 250,000
HEADS OF DEPARTMENT/HEAD OF THE PRODUCTION DEPARTMENT	UP TO 25,000
HEADS OF SERVICE / PLANT MANAGER	UP TO 1,000

Table 4: Central Services. Authorisation levels for transaction approval.

PROFESSIONAL CATEGORY	AMOUNT (€)
CEO	NO LIMIT
MANAGING DIRECTOR	UP TO 5,000,000
AREA MANAGER	UP TO 50,000
DEPARTMENT/SUB-AREA MANAGER	UP TO 5,000
HEADS OF DEPARTMENT/HEAD OF THE PRODUCTION DEPARTMENT	N/A
HEADS OF SERVICE	N/A