ELECTRONIC AUCTION TERMS

General Information on Electronic Auction

The Contracting Entity states bids will be assessed by means of an electronic auction ("Auction“). The Auction will be carried out using the PROebiz auction system. **The primary evaluation criterion used to assess bids submitted by bidders will be the total bid price.**

In accordance with Section 97, paragraph 2 of the Act, bidders who are not excluded from the contract award process as part of the preliminary bids assessment will be invited to participate in the Auction and to submit new auction values; bidders will be invited by means of an electronic Notice to Participate in Electronic Auction ("Notice").

The Notice will be distributed by electronic means. In accordance with Section 96, paragraph 4, letter c), the Notice will include information provided to bidders in the course of the Auction. In accordance with Section 96, paragraph 4, letter d) the Contracting Entity provides information pertaining to the Auction procedure. The progress of the Auction will conform to the set Timetable, where specific deadlines will be announced in the Notice. Individual Auction rounds will be as follows:

**Entry Round**: Bidders will be invited to submit bid prices (auction values) corresponding to their bids for a preliminary bids assessment. The purpose of the Entry Round is to allow bidders to become familiar with the auction system. The Contracting Entity will invite bidders to submit bids corresponding to the bidders' bids in the preliminary bids assessment. During this round, all bidders will only be able to view their own auction values.

**Verification Round**: This round will be used by the Contracting Entity's administrator to verify the completeness and correctness of submitted bids. The purpose of the Verification Round is to configure the auction system to conform to bids submitted by bidders for the preliminary bids assessment. If a bid submitted by a bidder during the Entry Round does not meet this requirement, or the bidder fails to submit a bid, the administrator will set the bid to a value corresponding to the bid submitted for the preliminary bids assessment. During this round, bidders will no longer be able to modify their bids; all bidders will only be able to view their own auction values.

**Auction Round**: Bidders will be invited to change their auction values and will be provided with information as per Section 97, paragraph 7. Only bidders will be able to modify auction values; the administrator will no longer be able to intervene in the making of such modifications. The Electronic Auction will include only one Auction Round, which will be terminated if no new auction values meeting the conditions for extending the Auction Round are submitted. The Auction Round will last a fixed period of 30 minutes, which can be extended in accordance with the following conditions. If any auction value submitted by any bidder is modified during the last two minutes of the time set in the auction system, the Auction will be extended by an additional two minutes, starting at the time the modification is made. This method will be used to extend the duration of the Auction until no modification of any auction value is made in the last two minutes of the duration of the Auction Round of the Auction. The Contracting Entity states that the system does not allow matching the best auction values (i.e. the best values of individual items) and the best bid price (i.e. the lowest total bid submitted by the bidder in the first place cannot be matched). Bidders will be informed when these values have been reached.

Furthermore, the Contracting Entity states that if a modification of an auction value results in the matching of the total bid value of a bidder in a place other than the first place, the auction value modification time will be deemed decisive. In such a case, a bid submitted at a later time, which is to be placed in the same position as an existing bid in view of the total bid price, will be placed by the system in a lower position than the formerly submitted bid.

During the Auction, the minimum and maximum differences between submitted auction price values will amount to 0.1% and 50%, respectively. The minimum difference for submitting new auction values is specified in relation to a bidder's current bid in respective item, and the maximum difference for submitting new auction values is specified in relation to the lowest bid in respective item in the auction system.

During the Auction Round, bidders will be able to view information on the best auction values as well as the current position of bidders according to the total bid price.

To participate in the Auction, bidders do not need to install an auction program/software ("SW") on their computer. Access to the Auction will be provided through an Internet browser.

In the event of objective technical problems on the part of the Contracting Entity, or the provider of the SW, the Contracting Entity may repeat the Auction.

**Technical Requirements for the Auction PROebiz Software**

The following information concerns the computer used by a bidder to log into the Auction system by remote means via the Internet data network ("Internet").

The computer used by a bidder to log into the Auction system must have a functional Internet connection, which must be active at login time. To be able to participate in the Auction, bidders must have an Internet browser installed on their computer. The a-Auction program is optimized for the following Internet browsers:

1. Microsoft Internet Explorer 9.0 and higher
2. Mozilla Firefox 13.0 and higher
3. Google Chrome

Internet Browser Settings

To ensure that the auction SW functions correctly, the Internet browser must be correctly configured for processing cookies. Instructions for making correct cookie settings in the Internet browser are available at [http://podpora.proe.biz](http://podpora.proe.biz/) in the **Settings** section under the "Cookie settings" link.

The latest version of Java Software, which is available at the time of the Auction, must be installed on the computer. Java is required for the correct functioning of the Auction software and for signing data using a valid guaranteed electronic signature based on a qualified certificate (required not only for submitting new auction values). Java Software can be downloaded at <http://www.java.com/>. Java Software is provided free of charge. Moreover, Adobe Flash Player must be installed on the computer.

A bidder must hold a guaranteed electronic signature based on a qualified electronic certificate conforming to the requirements of Act 227/2000 Coll. A bidder who does not hold a guaranteed electronic signature must procure one to be eligible to participate in the Auction. A certificate can be obtained from, for instance, První certifikační autorita, a.s., Certifikační autorita PostSignum QCA (Czech Post), Akreditovaný poskytovatel certifikačních služeb eIdentity, a.s., and others.

Information on how to obtain a qualified certificate is available at [http://www.ica.cz](http://www.ica.cz/), <http://qca.postsignum.cz/>, and [http://www.eidentity.cz](http://www.eidentity.cz/).