

Article 1 These Rules are promulgated in accordance with Article 30 of the Act for the Establishment of the Taiwan Space Agency (“TASA”).

Article 2 Where TASA handles the procurement of scientific and technological research and development of which the value reaches the Threshold for Publication (“**Scientific Research Procurement**”), unless otherwise provided by the treaties or agreements concluded by this nation, these Rules shall be applicable.

Where the purchase is not Scientific Research Procurement, or where the Government Procurement Act is not applicable, these Rules shall apply mutatis mutandis.

Article 3 The terms used in these Rules are defined as follows:

1. Scientific Research Procurement: The procurement of property, service or construction works for a scientific and technological research and development project funded or commissioned by a government agency (or institution) under Article 6, Paragraph 4 of the Fundamental Science and Technology Act.
2. Supplier: Any natural person, juridical person, institution, organization, company or the industrial or commercial firm under partnership or sole proprietorship supplying for Scientific Research Procurement.
3. Threshold for Publication: The same amount as provided in the Government Procurement Act.
4. Threshold for Supervision: The same amount as provided in the Government Procurement Act.
5. Requesting Unit: The unit responsible for filing applications for procurement and handling the management of contract performance and dispute resolution.
6. Procuring Unit: The unit responsible for handling invitation to tender, tender opening, price competition, price negotiation, contract awarding, contracting, and inspection and acceptance in procurement cases, and assisting in contract dispute resolution.
7. Monitoring Unit: The unit responsible for the on-site monitoring of, or reviewing the documents of, the procedures of tender opening, price competition, price negotiation, contract awarding and inspection and acceptance.
8. Negotiation: The discussions or agreements made between TASA and the Supplier regarding the tender specifications, contents of tender, terms of contract and price.

Article 4 Scientific Research Procurement shall be requested by the Requesting Unit, and after the approval of the Director General or the authorized person thereof, the procurement shall be carried out by the Requesting Unit together with the Procuring Unit in accordance with the following procedures:

1. Tender documents shall be prepared, and may be submitted for approval in the application for the procurement request.
2. Tender procedures shall be conducted in accordance with the approved tender documents.
3. Tender documents shall be made available to the Suppliers during the time period for tender.

4. Base price shall be submitted for approval; before contract awarding, base price is set by referring to the Supplier's quotation; however, for Open Tender conducted by evaluations, base prices need not to be set.
5. Tender opening shall be conducted after the deadline for tendering.
6. Negotiations with, examination of, or evaluation of the Suppliers shall be conducted in accordance with the tender documents.
7. Contract awarding and contracting.
8. Management of contract performance.
9. Inspection and acceptance.
10. Warranty.

Article 12 of these Rules shall be applicable to the Negotiations set out in Subparagraph 6 of the preceding Paragraph.

With respect to the procedures and details and functions of relevant units, TASA shall separately furnish the Scientific Research Procurement Handbook.

Article 5 The tender of Scientific Research Procurement may be conducted by means of Open Tender or Limited Tender.

"Open Tender" means the procedures under which a public notice is given to invite all interested Suppliers to submit their tenders.

"Limited Tender" means the procedures under which TASA may, without giving a public notice, invite two or more Suppliers to submit tenders or only invite one Supplier to conduct price negotiations, where any of the following circumstances occurs:

1. where there is no tender in response to an Open Tender, or where the tenders submitted do not meet the requirements in the Open Tender, provided, however, that the contents and requirements of the initial tender are not substantially modified;
2. where the subject of procurement is exclusively manufactured, distributed or supplied, or is consultation in confidence, for which there is not any appropriate substitute;
3. in so far as is strictly necessary when, for reasons of extreme urgency brought about by unforeseeable events, the subject of the procurement cannot be obtained in time by means of Open Tender procedures;
4. where it is necessary to procure from the original Supplier for subsequent maintenance of the original procurement or the spare parts' supply, replacement or expansion of the original procurement due to the need for compatibility or interoperability;
5. when additional construction work which was not included in the initial contract or needs contract amendments but which was within the objectives of the original tender documentation has, through unforeseeable circumstances, become necessary, and it is necessary to award contracts for such additional construction work to the original Supplier to achieve the objectives of the initial contract since a new tender for the additional construction work would lead to significant inconvenience and technical or economic difficulties;

6. where the expanded periods, prices and quantities have been specified in the original tender notices and documents of the original procurement, and the prices for expansion is included original procurement price;
7. the procurement for the purpose of resale, products manufacture, services provision, and distributors solicitation;
8. successive procedures of a commissioned research and development project, such as detailed follow-up projects and matters; and
9. other special circumstances approved by the Director General or the authorized personnel thereof.

For the procurement whose value reaching NT\$ 300,000 but below the Threshold for Publication, TASA may, by itself, consult with the Suppliers for their written quotations or proposals, and conduct price competition among or price negotiations with the Suppliers on the subject fit for the needs.

For the procurement valued no more than NT\$ 300,000, TASA may, by itself, consult with the Suppliers for their written quotations and procure the subject fit for the needs.

Article 6 In the event that the procurement is conducted by giving a public notice, the tender information shall be published on TASA's official global website, and the same applies to any amendment to the public notice.

The period of the public notice in the preceding Paragraph shall be determined according to the actual procurement needs; for the procurement reaching the Threshold for Publication, the period may not be less than 7 calendar days; for the procurement not reaching the Threshold for Publication, the period may not be less than 3 calendar days.

The result of the foregoing tender shall be published on TASA's official global website within 30 days.

Article 7 Where a tender is conducted by means of Open Tender, there is no limitation on the number of Suppliers, and the tender may still be opened even if only one Supplier submits its tender.

Where a tender is conducted by means of Open Tender, the tender opening shall be conducted at the time and place specified in the tender notice and the tender documents, the bidding documents submitted by the Suppliers shall be examined, and the relevant records shall be kept.

Article 8 The evaluation process of the Open Tender by means of evaluation should be handled as follows:

1. with respect to Supplier's technologies, management, commercial terms, previous contract performance records, and the specifications, qualities, functions and prices of the procurement subject, the relevant items and criteria for evaluation and the manner of selecting the winner of evaluation shall be specified in the tender documents.

2. the tender opening shall be conducted at the time and place specified in the tender notice and the tender documents, and the eligibility and qualifications of the Suppliers shall be examined first.
3. An evaluation committee with no less than 5 members shall be organized before the tender opening, and the members shall be assigned or retained by the Director General or the authorized personnel thereof from the personnel with the expertise of procurement.
4. The evaluation committee is responsible for evaluating the Suppliers who have passed the qualification examination in accordance with the tender documents, and it can select more than one winner.
5. The price negotiations shall be conducted in order of ranking.

Written records for the evaluations and price negotiations in the preceding Paragraph shall be kept.

Article 9 Except for the special or complex cases where there are actual difficulties in setting a base price for the Scientific Research Procurement, a base price shall be set according to the drawings, specifications and contracts and based on the costs and market standards, and it shall be approved by the Director General or the authorized personnel thereof.

The time of setting the base price shall be handled in accordance with the following rules and shall be specified in the tender documents:

1. Price bid: the base price may be set before tender opening; or, before the tender competition (or price negotiations), a new base price may also be reset based on the quotation of the Supplier offering the lowest price.
2. Evaluation bid: after the evaluation, the base price may be set based on the winning Supplier's quotation.

Article 10 Where TASA handles Scientific Research Procurement and requires the Suppliers to pay the bid bonds or contract bonds, the amount of payment, methods of payment, deadlines of payment and the circumstances of returning the bid bonds or contract bonds or not returning the same shall be specified in the tender documents.

Article 11 The contract awarding of Scientific Research Procurement shall be handled according to one of the following principles, and the principle adopted shall be specified in the tender documents:

1. Price bid: price competition is the principle.
2. Evaluation bid: the evaluation shall be conducted according to the items and standards for evaluation specified in the tender documents to select the winner.

Where the lowest tender which meets the requirements set forth in the tender documents exceeds the base price, TASA may request the Supplier of the lowest tender to reduce the price once. If the reduced price still exceeds the base price, TASA may request all Suppliers whose tenders meet the requirements set forth in the tender documents to reduce their prices and then make a comparison. Such price reduction and comparison may not be more than three times.

If, after following the procedure set forth in the preceding Paragraph, the lowest tender still exceeds the base price but not over the budget amount, and it is necessary to award the contract due to emergent circumstance, then the contract awarding shall be approved by the person who has approved the base price or the authorized personnel of such person, and the value of the said lowest tender shall not exceed the base price by more than 8 percent. However, the procurement above the Threshold for Supervision which exceeds the base price by more than 4 percent shall first be approved by the Director General or the authorized personnel thereof before awarding the contract.

Article 12 Negotiations between TASA and Suppliers may be conducted in the following manner:

1. Before invitation to tender: Negotiations with Suppliers on the specifications or requirements for procurement may be conducted first.
2. Evaluation process: Negotiations with Suppliers on the contents of the proposals submitted by the Suppliers may be conducted; however, the overall benefits may not be lower than the provisions of the original tender documents or the contents of the proposals submitted by the Suppliers.
3. Before contracting: other than price, the contents and requirements of contract performance may be negotiated after the contract awarding and before the contracting; however, the overall benefits may not be lower than the provisions of the original tender documents.

The Negotiations in the preceding Paragraph shall be carried out in the manner of treating all negotiable Suppliers equally.

Where the Negotiation is not in writing, a written record shall be made, stating the related persons, time, place and contents.

Article 13 The personnel handling Scientific Research Procurement shall recuse themselves from the procurement and all related matters if they themselves, their spouses, or relatives within the second degree of kinship have interests involved therein.

The personnel handling Scientific Research Procurement referred to in the preceding Paragraph shall include procurement applicants, project principal investigators, chiefs of the Requesting Unit, work group members of committee of evaluation, procurement personnel and their supervisors, and monitoring personnel and their supervisors.

The responsible person of TASA may not serve as a responsible person, partner, or representative of the Supplier, unless they are the representatives appointed or selected by the government entities or state-owned shareholders or retained by the government entities.

When the enforcement of the requirements in the three preceding Paragraphs impairs the development of scientific and technological research, the innovation and application of the research and development result, fair competition or public interest, such requirements may be waived after obtaining the approval of the subsidizing, commissioning or competent agency. Where the purchase is not Scientific Research Procurement or the Government Procurement Act is not applicable, the aforementioned requirements may be waived after obtaining the approval of the Director General.

When exempting the enforcement of the requirements in from first to the third Paragraphs, the relationship between the person who shall have been recused from the procurement and the Supplier, and the reasons of the exemption shall be disclosed.

Article 14 The management of contract performance and inspection and acceptance of Scientific Research Procurement shall be carried out in accordance with the provisions of contract.

The inspection and acceptance mentioned in the preceding paragraph may be conducted by on-site inspection, examining the documents or convening examination meetings.

Article 15 Regarding Scientific Research Procurement's tender opening, price competition, price negotiation, contract awarding, and inspection and acceptance proceedings, for Scientific Research Procurement of a value reaching the Threshold for Publication, such proceedings shall, except for special circumstances, be monitored by its comptroller (accounting) and other relevant units; for Scientific Research Procurement of a value not reaching the Threshold for Publication, the monitoring shall be carried out by its comptroller (accounting); for Scientific Research Procurement of a value below NT\$ 300,000, it may be exempted from the monitoring.

If there are other regulations regarding the monitoring by the scientific and technological research and development fund-subsidizing agencies, such regulations shall be followed.

The special circumstances set out in Paragraph 1 shall mean that any of the following circumstances occurs and the Director General or the authorized person thereof approves that the procurement may be exempted from monitoring:

1. there is no staff available for assignment because of other important official duties to be handled.
2. it is located in remote areas with no staff available for assignment.
3. it is repetitive procurement with previous precedents having been monitored in the same year.
4. due to unforeseeable emergencies and events, it is impossible to monitor the procurement.
5. the property or service procurement is conducted according to announced, published or regulated prices or rates without the possibility of price reductions.
6. the object procured will be put into use immediately or within a very short period of time, thus making on-site monitoring and inspection and acceptance difficult.
7. it is an inspection and acceptance by segment or part, and the value of it does not exceed Threshold for Publication.
8. the procurement has been inspected by a government agency or an impartial third party, and the relevant certificates of specification, quality or quantity have been provided for inspection and acceptance.
9. the tender opening cannot be proceeded because there is no Supplier bidding.

Article 16 Disputes between TASA and Suppliers on Scientific Research Procurement shall be resolved by mutual agreement in good faith in accordance with the provisions of the

law and the contract, taking into account the public interest and the principles of fairness and reasonableness.

The disputes referred to in the preceding Paragraph on invitation to tender, evaluation of tender and contract awarding should be handled in the following procedures:

1. If the Supplier believes that TASA has violated the laws and regulations, or has infringed upon its rights or interests in the process of Scientific Research Procurement, it shall submit a written objection to TASA within ten days from the day following the occurrence of the incident or the date of its knowledge of the incident. TASA will not accept the objection after the said deadline and will notify the Supplier in writing.
2. TASA will take appropriate measures within 15 days from the next day of receiving the objection and will notify the objecting Supplier in writing of the results.
3. In the event that TASA believes that the objection is justified, TASA shall change the original decision, stay the procurement procedures and take other appropriate measures, provided that such measures do not violate the public interest.

For the disputes referred to in Paragraph 1 on contract performance, where the parties cannot reach the agreement, the disputes may be resolved by other means agreed upon by the parties.

Article 17 The equipment procured in accordance with these Rules shall be used in the appropriate manner; where the value thereof exceeds the Threshold for Publication, written records describing the status of equipment usage shall be kept by the unit using the equipment for inspection purposes.

For as long as the subsidization or commissioning relationship continues to exist, the equipment mentioned in the preceding Paragraph may not be disposed of, nor may encumbrance be created on it, except where other laws or regulations permit such disposal or creation of encumbrance, or where the subsidizing or commissioning agency has granted consent.

Article 18 The procurement-related personnel shall be punished according to the severity of the violations where they violate the national laws or TASA's regulations; where the violation is serious, the employment contract may be terminated without prior notice.

Where any of the following circumstances applies to the personnel mentioned in the preceding Paragraph, such personnel will be punished in accordance with the criminal laws and regulations, such as the laws and regulations relating to anti-corruption and enrichment by public officials.

1. The personnel engage in public affairs in accordance with the law and are empowered with legal function and power.
2. The personnel are entrusted by a central or local government agency and engage in the public affairs within the authority of the entrusting agency.

Article 19 Former procurement personnel and procurement monitoring personnel of TASA shall be prohibited from contacting TASA either for their own sake or on a Supplier's

behalf for three years following their resignation for the matters related to their former duties within five years prior to their resignation.

Article 20 These Rules shall be passed by the board of directors and then approved by the competent supervisory authority; the same applies to any amendments.