

- (b) shall obtain from CIDA for each purchasing services contract a list of four (4) Canadian companies;
- (c) may request a quotation from one or more of the companies recommended by CIDA or enter into direct negotiations with any one of them when the foreseeable cost of the contract does not exceed two hundred thousand Canadian dollars (Can \$200,000);
- (d) shall request a quotation from each of the companies recommended by CIDA when the foreseeable cost of the contract exceeds two hundred thousand Canadian dollars (Can \$200,000);
- (e) shall instruct the selected companies to send copies of their quotations simultaneously to CIDA and to COHDEFOR; and
- (f) shall sign no contract for purchasing services without the prior authorization of CIDA.

III. *Payment procedures*

Payments to Canadian suppliers shall be made by withdrawals from the loan account established pursuant to Article I of this agreement, in accordance with the following procedures:

- (a) upon request by COHDEFOR, CIDA shall make direct payments to Canadian suppliers to cover the costs of the goods or services provided by these suppliers;
- (b) CIDA shall send a confirmation of purchase order to each Canadian supplier for each transaction conducted by COHDEFOR or its designated agent, provided that the transaction has received prior approval from CIDA;
- (c) Each confirmation of a purchase order sent by CIDA to a Canadian supplier shall specify that CIF payment is to be made directly by CIDA upon receipt of copies in triplicate of the invoices from the suppliers, copies of non-negotiable shipping documents and any other documents, which may be considered necessary to ensure that the goods and services supplied meet specifications and other conditions set down in the purchase order issued by COHDEFOR or its designated agent.

IV. *Freight and insurance*

- (a) COHDEFOR or its designated agent agrees to specify when calling for tenders or in price confirmations, that prices shall be indicated CIF Honduran port(s) of entry and that Canadian suppliers shall be responsible for paying for freight and insurance prior to shipping;
- (b) COHDEFOR or its designated agent shall be responsible for preparing and submitting claims to the carrier, the insurance company or the Canadian suppliers for incomplete deliveries, and for any losses or damages;
- (c) COHDEFOR shall ensure:
 - (i) that all ships carrying goods procured under the terms of this loan are allowed to berth without delay, and are unloaded as quickly as possible, within the normal number of lay-days for the type of freight in question;