

ANNEX B

ADMINISTRATION PURCHASING AND PAYMENT PROCEDURES

I. *Administration procedures*

Honduras shall

- (a) delegate the responsibility for the administration, control and allocation of loan proceeds to COHDEFOR in accordance with the conditions of this Agreement;
- (b) notify CIDA in writing of the names and titles of those persons authorized to sign on behalf of COHDEFOR; and
- (c) promote use of the goods and services procured from the proceeds of the loan by Honduran companies owned by Honduran interests.

II. *Purchasing procedures*

1. Goods and services other than purchasing services

COHDEFOR shall

- (a) obtain authorization and instructions from CIDA before opening negotiations for acquisition of the goods and services described in Article II of this Loan Agreement and in Annex A thereto;
- (b) call tenders in Canada for any transaction exceeding two hundred thousand Canadian dollars (Can \$200,000) in value. COHDEFOR shall inform CIDA of the outcome of the tender call;
- (c) ensure that all invitations to tender and requests for price confirmation contain all necessary information on the goods and services sought, including description, technical specifications, terms of delivery and any other details which may affect the price. This information shall be given in accordance with Canadian standards;
- (d) ensure that each call for tender or request for price confirmation is sent to CIDA at the same time as it is sent to the respective Canadian suppliers;
- (e) ensure that the lowest tender is accepted, provided specifications and other conditions are met;
- (f) ensure that a copy of each purchase order is sent to CIDA at the same time as it is sent to the supplier or to the supplier's agent; and
- (g) provide CIDA with a certificate attesting that the goods and services can be financed from the proceeds of the loan.

2. Purchasing services

COHDEFOR

- (a) shall present a written request to CIDA for each purchasing agent service contract it seeks to enter into with Canadian persons. The request must specify the reasons for such a contract, the terms of reference of the purchasing agent, expected costs and any other information CIDA might request;