

ANNEX B

PROCUREMENT AND PAYMENT PROCEDURES

1. *Procurement Procedures*

- (i) The "Oficina Comercial de Cuba", hereinafter referred to as "OCC" shall act as the purchasing agent for Cuba.
- (ii) Lists and specifications for those materials, equipment and services proposed for purchase in Canada shall be submitted to the Canadian International Development Agency hereinafter referred to as "CIDA" for approval.
- (iii) The OCC shall invite tenders for materials and equipment for the project from a representative list of Canadian suppliers. List of the names and addresses of potential Canadian suppliers of goods or services may be obtained from CIDA.
- (iv) A copy of the Invitation to Tender, together with a list of Canadian suppliers invited to tender, shall be forwarded by OCC to CIDA.
- (v) Each Canadian supplier invited to tender shall be instructed:
 - (a) to send a copy of his tender to CIDA at the same time as the Tender is forwarded to OCC;
 - (b) to include with the copy of the tender sent to CIDA a completed Canadian Content form;
a copy of the Declaration of Canadian Content form is NOT to accompany the tender submitted to the OCC with the exception of the information contained in Item Seven (7) of the Canadian Content form;
 - (c) to include in its tender the following notation:

"The goods listed herein are for export from Canada and are, therefore, exempt from payment of Canadian duties and excise tax and the quotations therefore do not contain any element of cost in respect of payment for Canadian duty or excise tax."
- (vi) Materials and equipment prices shall be requested "Freight at Ship-side" (FAS) at a Canadian Port.
- (vii) On items of sole source prices are to be negotiated.
- (viii) Where the lowest tender received meets all requirements of the "invitation to tender" OCC may award the contract without further reference to CIDA. In the event that an award of contract is required to other than the lowest tender based on quality considerations, compatibility with existing equipment and existing methodologies, OCC will secure the prior approval of CIDA.
- (ix) Where in the opinion of the OCC, and because of the nature of the procurement, no useful purpose would be served by the calling of tenders, OCC will secure prior approval of CIDA to enter into negotiations for such procurements.
- (x) On receipt of a Purchase Contract from OCC, CIDA will issue a Purchase Order Confirmation confirming that payment will be made directly by CIDA to the supplier.