

ANNEX "B"

of the Loan Agreement concluded the 15th day of February 1978 between the Government of the Republic of El Salvador and the Government of Canada.

ADMINISTRATION PURCHASING AND PAYMENT PROCEDURES

I. *Administration Procedures*

El Salvador shall:

- (a) delegate to the Ministerio de Salud Pública y Asistencia Social the responsibility for the administration, control and allocation of loan proceeds to El Salvador 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 the Ministerio de Salud Pública y Asistencia Social;
- (c) promote use of the goods and services procured from the proceeds of the loan to Salvadorean companies.

II. *Purchasing Procedures*

1. In relation to the purchasing procedures, El Salvador shall ensure procurement is done in a prompt and diligent manner, either utilizing the services of their Executing Agency or the services of purchasing agents. In both cases El Salvador shall inform CIDA of its decision and the following established procedures will apply.
2. In the above mentioned cases of purchases, the following procedures will be applied:
  - (a) obtain authorization and instruction 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 (Cdn \$200,000) in value. The Ministerio de Salud Pública y Asistencia Social shall inform CIDA of the outcome of the tender call;
  - (c) ensure that all invitations to tender and requests for price confirmations contain all necessary information on the goods and services sought, including description, technical specification, 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 agent is sent to CIDA at the same time as it is sent to the supplier or the supplier's agent; and