

exporters should ensure that all government-sector buyers have their literature on file.

Standards. German (DIN) standards and, to a lesser extent, British Standards (BSS) are commonly used. If any variation exists between the Canadian product and these specifications, the standard for the product should be mentioned by the tenderer. It is usually advisable (and sometimes mandatory) to offer the maximum possible content of Turkish supplied materials and local labour. Great importance is placed on foreign exchange savings. In practice, tenders for all engineering and similar consulting contracts must be made jointly or in association with a local firm or firms. In government tenders, bidders are routinely requested to offer an offset program up to the cost of goods covered by the specific tender.

Contracts. Contracts are usually prepared and signed within 15 days of the adjudication, although no period is fixed by law. If, before the contract is actually signed, a competitor submits an offer that is a fixed minimum percentage below the originally accepted price (this varies from 5 to 15 per cent according to the category of the purchase), the newcomer is awarded the contract, unless another bid is received that undercuts the new price (the usual minimum is 5 per cent). Before the contract is signed, the successful bidder must convert the bid bond into a performance bond. The rates for the latter are double those for bid bonds, and most buyers request that the period of validity be unlimited. Japanese and German contractors usually observe this requirement but most Canadian exporters provide, instead, a bond for the contract term plus a reasonable additional period. This arrangement is normally acceptable, although sales are known to have been lost because an open-period bond was offered.

In cases where the Canadian Commercial Corporation is the prime contractor, the Turkish buyer may be willing to waive a performance bond.

Letters of Credit. For administrative or financial reasons, letters of credit (L/C) are usually opened after the signing of a contract. Most contracts go into effect with the opening of the L/C or upon receipt of the first payment; in practice, Turkish government sector buyers consider the contract to be in force from date of signing, although legally this is not the case. It is best to "play safe" and not process the contract unless the local agent/distributor gives assurances that there will be no unreasonable delay in the opening of the L/C.