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# RONCO CONSULTING CORPORATION

## COMMODITY EXPORT PROGRAM

AID/REP CONTRACT # 306-0205-C-00-9384-00

### PROCUREMENT POLICY

ISLAMABAD  
APRIL 30, 1989

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TABLE OF CONTENTS

I.	PREFACE
II.	DEFINITION
III.	RELATIONSHIP
IV.	PROCUREMENT ETHICS
V.	PROCUREMENT REQUESTS
VI.	SOLICITATIONS
VII.	RECEIPT & EVALUATION OF PRICES
VIII.	AVAILABILITY OF FUNDS
IX.	ISSUANCE OF PURCHASE CONTRACT
X.	SUPPLIER'S CONFORMANCE WITH CONTRACT TERMS.
XI.	DELIVERY SCHEDULE
XII.	DELIVERY ACCEPTANCE
XIII.	PAYMENTS TO SUPPLIERS
XIV.	INSURANCE COVERAGE
XV.	WAREHOUSE, STORAGE & ISSUANCES
XVI.	REPORTS
XVII.	ANNEXURES.

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## I. PREFACE.

- A. This document - RONCO Procurement Policy - has been prepared to guide all the procurement activities under AID/REP's Contract No. 306-0205-C-00-9384-00. It outlines RONCO's proposed activities and procedures to be followed in accomplishment of total procurement cycle of the required commodities and equipment under the Contract and within the rules and regulations of Federal Acquisition Regulations (FAR).
- B. Keeping in view the sensitive nature of the project, this document discusses the responsibilities of the RONCO's Procurement Staff; both in Islamabad & Washington; procedures to be followed in purchasing required commodities at competitively lowest responsive prices from responsible suppliers; responsibilities of other AID contractors; and responsibilities of RONCO's warehouse Managers in Islamabad, Peshawar and Quetta. It also discusses the ethical conduct of the procurement staff and the prospective suppliers.
- C. Under the CEP, several types and different nature of commodities and equipment will be procured from USA, Pakistan and if authorized from Special Free World (AID Geographic Code 935 countries).
- D. The procurement policy is an attempt to conform to AID policy and regulations concerning contracting for project goods and services as set forth in the Federal Acquisition Regulations (FAR) and/or the supplemental AID Acquisition Regulations (AIDAR) to the AID Commodity Export Program (CEP) to Afghanistan.
- E. RONCO's policy is to obtain maximum competition in procurement to the fullest practical extent. RONCO will utilize fixed-price type of contracts with the suppliers unless authorized otherwise in advance by the Project or Contracting Officer.

## II. DEFINITIONS.

O/AID/REP	:	Office of AID Representative c/o US Embassy Islamabad
CEP	:	Commodity Export Program
CBHA	:	Cross Border Humanitarian Assistance
MSH	:	Management Sciences for Health
VITA	:	Voluntary Institute for Technical Assistance
UNO	:	University of Nebraska, Oklahoma
ACLU	:	Afghan Construction Logistic Unit
CCSC	:	Construction Control Services Corporation
COP	:	Chief of Party
GDP	:	Government of Pakistan
DOD	:	Department of Defence
AHR	:	Afghan Humanitarian Relief
AHF	:	Animal Holding Facility
IG	:	Interim Government (of Afghanistan)
AG	:	Alliance Group
ACO/Quetta	:	Area Commodity Officer, Quetta
ACO/Peshawar	:	Area Commodity Officer, Peshawar
RONCO/I	:	RONCO's Office In Islamabad, Pakistan
RONCO/W	:	RONCO's Office in Washington, D.C.
FOB	:	Free on Board
FAS	:	Free Alongside
FOR	:	Free On Rail
CIF	:	Cost, Insurance & Freight.

### III. RELATIONSHIP.

- A. Under the Contract, RONCO Consulting Corporation, is directly responsible to provide procurement; logistic support; and monitoring services to the AID/REP's Afghanistan Cross Border Humanitarian Assistant. In addition RONCO is responsible to provide procurement services to other AID contractors, such as, MSH; VITA; UNO; CCSC; and others.
- B. RONCO Islamabad Office will keep regular contacts with O/AID/REP's Special Project Officer. Besides day to day contacts and activities, the Project Officer will discuss with RONCO's Chief of Party about the on-going and projected needs of the required commodities and material for the project. Based on these discussions, RONCO will develop and submit necessary Procurement Requests for review and approval of the Project Officer.
- C. All such procurement requests whether under the CEP or from other AID contractors will be sent to RONCO's Islamabad office after duly authorized by the AID/REP's concerned Project Officer. RONCO's Office in Islamabad will send to its Washington back-stop officer those PR's that authorize procurement from USA or Code 935 countries. RONCO's Islamabad office will coordinate with Washington Office for all such procurement. The authorized commodities and equipment available locally in Pakistan will be procured by RONCO's Islamabad office.
- D. Storage at warehouses and distribution of all such commodities under the CEP will be handled by RONCO's warehouse manager, and as advised by the Project Officer and/or his counterpart official from GOP. Wherever possible, RONCO will not directly communicate with the GOP Officials and when necessary, any such contact will only be under the direction of the AID/REP's Project Officer.
- E. In case of any clarification required under the PR's received from other AID contractors, RONCO will directly communicate with the Chief of Party of the contractor.
- F. For a smooth implementation of the AID/REP's CBHA Project, RONCO will maintain cordial and healthy relations with all the concerned parties. Any difference of opinion will be referred to the Project Officer or the Contracting Officer for final decision.
- G. RONCO's Islamabad and Washington's back-stop offices will coordinate procurement action in the following manner:

1. RONCO/I will receive all the P.R's duly approved by the Project Officers. Based on the authorized source or determination made by RONCO/I, copies of P.R's that require goods from U.S or Code 935 countries will be sent by Airborne to RONCO/W for necessary procurement actions. At the same time RONCO/W will be informed by telex or telefax messages of the particular P.R. and the required items.
2. RFQ's will be issued by RONCO/I for items to be procured from Pakistan and by RONCO/W for items with source of U.S and Code 935. Quotations received by the respective offices will be evaluated and where required, necessary approval will be obtained from the Project Officer or COP of the AID Contractor.
3. Purchase Orders will be issued to the selected suppliers by the respective offices, and necessary follow-up actions will be taken for timely delivery by the suppliers.
4. RONCO/W will provide to RONCO/I, thru telex or telefax weekly status of all such procurement activities. RONCO/I will incorporate this information in its computer database for consolidated reports to the Project and Contract Officers.
5. RONCO/W will arrange delivery of U.S sourced items through a freight forwarder to DOD for AHR flights. Where ocean shipment is required, RONCO/W will arrange it through a freight forwarder in USA and provide copies of shipping documents to RONCO/I. Clearance of all such shipments at the port of entry will be handled by the Transportation Officer of RONCO/I. This Officer will also arrange Inland Transportation and delivery to the RONCO's warehouse or other designated places. RONCO/W will arrange procurement of items from Code 935 countries on CIF Karachi or Islamabad basis.
6. RONCO/W will maintain and provide to RONCO/I financial statement covering utilization of funds for all such U.S and 935 country purchases. Such report will include use of funds under the CEP Letter of Commitment or funds received from other AID Contractors and show:
  - Total funds received
  - Name of supplier
  - P.O number
  - Funds committed for payment to supplier (this may be a Bank L/Credit or other financial arrangement)
  - Actual payment made with date
  - Unpaid balance.

7. For any study or information concerning U.S availability of commodities or pricing thereof, RONCO/W will be requested to investigate and advise RONCO/I of the results.

#### IV. PROCUREMENT ETHICS

- A. RONCO Consulting Corporation, in its capacity as Procurement Contractor for the U.S Government funded projects assumes greater responsibility in handling public funds. As required under Section 3.101-1 chapter 1 of FAR, RONCO's employees both in Pakistan and U.S shall conduct business under the Contract, in a manner above reproach and with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds shall have highest degree of public trust and impeccable standards of conduct. As a rule, RONCO shall avoid any conflict of interest or appearance of a conflict of interest in Government-contractor relationships.
- B. As a General Policy, no employee of RONCO will solicit or accept directly or indirectly any gratuity, gift, favor, entertainment, loan or anything of monetary value from anyone who;
- a. Has or seeking to obtain business from RONCO under the Contract;
  - b. Conducts activities that are regulated by RONCO; or
  - c. Has interests that may be substantially affected by the performance or non-performance of the RONCO's employees official duties.

All of the RONCO's employees are made aware of the business ethics as described herein and understand that any infringement thereof will be dealt with most severely, which can include termination of employment.

- C. To further stress and comply with the FAR's standards of conduct, RONCO will include a paragraph in its RFQ that will alert prospective offerors of the requirement. While advising the prospective offerors that they must avoid offering directly or indirectly any gratuity, gifts, loan, favor, entertainment, or anything of monetary value to RONCO's employees, RONCO will ask the offerors to report any violation of our guidelines to RONCO's Senior Procurement Officer. In addition, RONCO will adopt other measures to safeguard the public trust.
- D. RONCO's personnel shall report any suspected improper business practices, personnel conflicts, and/or solicitation and/or acceptance of gratuities by RONCO personnel to their immediate U.S supervisor. The supervisor shall report suspected violations to the RONCO Team Leader.

- E. The Team Leader will immediately provide a written report to the Contracting Officer. A copy will be sent to the Special Project Officer of the O/AID/REP.
- F. Before taking any action against suspected violator, the RONCO Team Leader will initiate an investigation to determine wheather;
  - (a) RONCO employee has solicited or has taken a gratuity.
  - (b) A contractor has offered or given a gratuity to a RONCO employee.
  - (c) The gift or entertainment was such as to indicate an intent to obtain a contractor favorable treatment in relation to official RONCO business.

V. PROCUREMENT REQUESTS.

- A. Prior to initiation of any procurement activity, RONCO/Islamabad will receive a Procurement Request (P.R) duly signed by the Chief of Party or authorized representative of the respective AID Contractor. Such P.R must be approved by the AID/REP's concerned Project Officer. In case of procurement under CEP, the P.R. will normally be prepared by RONCO and then approved by the Special Project Officer. A sample copy of the P.R. is enclosed as Annex "A".
- B. To avoid any corresponding delay each P.R. must have the following information:
1. Identification number, preferably in sequential order with date of preparation.
  2. Complete description/Specification of each line item.
  3. Unit of issue and quantity required.
  4. Estimated or exact unit and total value of each line item.
  5. Realistic delivery period.
  6. Source & origin, if known.
  7. Delivery address.
- C. Upon receipt, RONCO will review and insure that the specifications and other information is clearly defined where necessary. Clarification of any doubtful item will be requested from the COP. RONCO will enter each such P.R. in a log book and then include all the relevant information as in paragraph B above, in its computer database. In case the COP of AID Contractor so desires, RONCO's Procurement Officer will be willing to discuss procurement requirement prior to the issuance of a particular P.R.
- D. To avoid omission or loss of any P.R, RONCO will ensure that all received P.R's, are in sequential order. Any missing number will be pointed out to the COP for trace or search of such P.R. RONCO's weekly report will list all such P.R's. received.
- E. With exception of small value procurements (petty cash) under \$50.00, all purchases made for the following programs will initiate upon receipt of approved P.R.
- RONCO Commodity Export Program
  - VITA Agriculture Program
  - MSH Health Program
  - UNO Education Program
  - ACLU Construction Program

RONCO's procurement for Project Support Commodities (expandable and non-expandable) for more than \$ 1,000.00 will require approval on the P.R. of the Project Officer. Procurement approval for less than \$ 1,000.00 can be given by the Senior Procurement Officer. Where procurement is to be made for RONCO's field offices, approval of procurement for less than \$ 1,000.00 will be given by the Area Logistic Officers in Quetta, Peshawar and the AHF Manager in Pabbi.

F. As per AID handbook 14 - 752.7004 paragraph (d) "ineligible goods and services" as listed below will not be procured by RONCO:

- Military Equipment
- Surveillance Equipment
- Commodities & Services for Support of Police or other Law Enforcement Activities
- Abortion Equipment & Services
- Luxury Goods & Gambling Equipment
- Weather Modification Equipment

Since the following are restricted goods, RONCO shall procure any of these items with the prior written approval of the Contracting Officer:

- Agricultural Commodities
- Motor vehicles
- Pharmaceuticals
- Pesticides
- Plasticizers
- Used equipment
- U.S government-owned Excess Property, or
- Fertilizer

## VI. SOLICITATIONS.

A. Subchapter C, parts 13,14 and 15 of the FAR discusses contracting methods and contract types for :

- Small Purchases and other simplified purchase procedures
- Sealed bidding
- Contracting by negotiation

Because of security reasons; sensitive nature of the project; and urgent requirements of several requirements, advertisement of CEP procurement is not considered practicable at the present situation. Thus as per Sections 5.202 and 6.302-2, parts 5 and 6 of chapter 1 of FAR, open publication of synopsis in the CBD for procurements under the Contract will not be made unless the Contracting Officer and/or AID/REP advises RONCO that the project's sensitive situation is declassified.

B. To obtain competitively lowest responsive prices, RONCO will prepare and issue RFQ's to as many prospective offerors as possible.(See Annex "B" - copy of RFQ). A list of such offerors will be developed from the previous procurements; known offerors; periodic local market surveys; and commercial publications, e.g; yellow pages of telephone directories, industry handbooks, and others.

RONCO's Washington Office will use similar directories and journals, its own record of previous suppliers of related commodities, Dunn & Bradstreet, Thomas Register, to source U.S manufacturers and suppliers. For items to be sourced from AID Geographic Code 935 countries, price quotation will be obtained from the manufacturer's representatives of such countries. Also the Commercial Attaches to the embassies of these countries will be contacted to find potential suppliers of the required commodities.

C. The RFQ will include all the required instructions to prospective suppliers; the terms and conditions of the contract; special provisions; and specifications for the required commodities and items.

In addition to inclusion of all the mandatory clauses, the solicitation document will provide the following information for guidance to prospective suppliers:

- \* Authorized source and origin of the commodity and related services;
- \* Basis of delivery, i.e. FOB, C & F or CIF; last date for submission of price quotations

- \* Validity period for the price quotation;
  - \* Session of manufacturer's catalog or description of equipment offered (where necessary);
  - \* Pre-delivery inspection requirements;
  - \* Terms of payment;
  - \* Packing requirement;
  - \* Bond (Performance) requirement (where necessary);
  - \* Other requirements relevant to the given situation.
- D. Any specific point that needs additional attention of the supplier will be included and/or repeated in the "Special Provisions" section of the solicitation document. These points include, but are not limited to:
- \* Delivery terms and packing
  - \* Importance of placing a copy of the packing list inside each container/box/package;
  - \* Requirement of voltage, hertz and phase of electrically operated items.

Clearly defining all required clauses and special provisions in the solicitation document is critical to successful procurement.

- E. In case where the source of commodities is Pakistan and the individual procurement is not restricted to a sole source or to a proprietary item, RONCO will provide copies of the RFQ to known suppliers/manufacturers of the required commodities. Sufficient time--the duration, depending on the urgency of requirements--will be provided for prospective suppliers to submit their prices. RONCO will maintain and update its list of Pakistani manufacturers and distributors of various commodities that would generally be required for the CEP.
- F. For any changes or modifications in the terms of the solicitation documents or the required specification, RONCO will issue an appropriate addendum to the solicitation documents. This addendum will include the new requirement and assign an identification number with date of issuance. Copies of this addendum will be made available to all the recipients of the solicitation document.
- G. Unless a sole source or proprietary procurement is authorized, RONCO will be particular in making a note that specifications of required equipment to commodities are not restricted to any particular model or brand. Where it is unavoidable and the specification refers to any catalog number for identification purposes, the words "or equal" will be suffixed.

- H. For sole source or proprietary items, RONCO will contact the manufacturers for necessary pricing and delivery period.
- I. Solicitation of as many quotations as practicable (preferably not less than three) shall be made to promote competition to the maximum extent possible and ensure that the purchase is advantageous to the project, price and other factors considered. (Section 13.106, paragraph 6.5, of FAR). RONCO will solicit quotes from the manufacturers, their distributors, wholesalers, etc.

## VII. RECEIPT AND EVALUATION OF PRICES.

- A. The solicitation document will instruct the prospective offerors that one original and a copy of price quotation be sent to the address given and that offers must be properly sealed in envelopes and marked on the outside with the appropriate identification. Such marking normally will indicate the solicitation number and the last date of receipt. If these documents are received prior to the fixed date, they will be properly logged in and kept unopened in a locked cabinet. If any such document is received and opened prior to the fixed date because of lack of identification on the outside of the envelope, the documents will be resealed with proper notation made on the outside of the envelope and kept under the lock and key until the last date fixed for receipt of price quotation.
- B. Immediately after the fixed last date for receipt of quotation, RONCO's Procurement Officer, or designated staff member, will start evaluation of the prices offered by several offerors. Initially, the lowest offeror's specifications for the individual line item will be compared with the required specifications as included in the RFQ. Where a minor deviation in the offered specification is noticed, the offeror will be contacted via telephone, if possible, for clarification. During this clarification RONCO will not discuss changes in prices offered, delivery period or specifications. Where the lowest offered specifications do not meet the RFQ requirement, the next lowest offer will be reviewed and considered for acceptance. Where necessary, RONCO's Procurement Officer will consult the Project Manager regarding specification submitted by the most responsive offeror.
- C. RONCO will prepare its evaluation report and recommendation for acceptance of the lowest responsive offer from the selected supplier. If required, RONCO will submit this evaluation and recommendation to the COP for review and approval of prices. Price quotations will be kept classified. In the interest of obtaining better prices and terms of delivery, and where considered necessary, RONCO's Procurement Official will conduct negotiation with at least three lowest offerors. All negotiations held with offerors will be made a matter of record and the lowest responsive and responsible offeror will then be selected.
- D. Once the lowest responsive and responsible supplier is selected, the RONCO's Procurement Official will prepare a "Memorandum of Negotiation". This document will discuss,

step by step, solicitation actions taken by RONCO as follows:

- Date of RFQ and number of prospective offerors received the RFQ
- Last date for Quotes and number of responses received
- Dates of negotiations, if any
- Name (s) of selected suppliers with reasons for selection.

Upon preparation of this "Memo of Negotiation" the Procurement Official will sign this document & obtain concurrence of the Procurement Officer.

E. Following are special and additional requirements that will be followed for procurement of vehicles and pharmaceutical:

1. VEHICLE PROCUREMENT:

- a. When transport assets are purchased for the AID/REP programs right-hand drive vehicles are sometimes required. Since right-hand vehicles are not manufactured in the U.S necessity requires the purchases to be made elsewhere. To facilitate the waiver process and AID worldwide waiver for right-hand drive vehicles to 11,000lbs gross vehicle weight is used as source/origin authority. Vehicles over 11,000lbs require special approval from M/SER/OP/COMS. Each transaction for vehicles requires USAID Contracting Office approval since vehicles are classified as "Restricted" commodities.
- b. The unit dollar value of vehicles is so great that the Procurement Office will be responsible for insuring that a Vehicle Accountability File is maintained with individual receipts for each vehicle issued. Further the RONCO Procurement Office will insure that proper registration of the vehicle is completed for the various Parties and/or committees of the Alliance. Each unit will have an individual Official Receipt signed by the Party Representative or his alternate signifying his receipt of the vehicle and the registration documents.
- c. As per instructions from AID/REP, efforts are being made to locate U.S source and origin that can meet the anticipated need of heavy truck fleets. As the trucks are expected to be used in Afghanistan, these vehicles with steering on left hand will be acceptable.

**2. PHARMACEUTICAL PROCUREMENT:**

- a. Pharmaceutical may be procured in Pakistan but ONLY from MSH pre-qualified sources. MSH will take reasonable steps to insure the efficacy, safety and quality of production by having manufacturers inspected and pre-qualified by an Industrial Pharmaceutical Consultant. The short-listed group of suppliers will be the only sources from which RONCO will procure.
- b. MSH will provide RONCO a forecast of the pharmaceutical, surgical and expandable supplies and equipment they need for the specific time. This list (pharmaceutical by generic name) will be sourced by requesting suppliers to provide a written quote to the RONCO Procurement Agent. The RONCO Procurement Agent will acquire MSH line item approval for each item that is only available from other than pre-qualified sources. MSH's signature beside the line item on the Quotation Analysis signifies they approve of the purchases and have taken reasonable steps to insure efficacy, safety, quality of production, AID acceptable source and origin and adequate shelf-life.
- c. All pharmaceutical will adhere to AID Commodity Eligibility Listing -Part 3 (TM 15:83 January 1, 1983) Paragraph IA Special Requirements "Expiration Dates" Further per the above mentioned manual RONCO will require that invoices of the supplier state clearly the active ingredients and expiration date.

### VIII. AVAILABILITY OF FUNDS.

A. Prior to the issuance of a Purchase Contract to a selected supplier, RONCO will ensure that required funds to cover the procurement are available in RONCO's account. This will include the following procedures:

#### 1. FOR CEP PROCUREMENT.

- a. To cover procurement from USA or other AID code 935 countries, a Bank letter of Commitment will be required. If such as L/COMM is already in existence, RONCO will determine that sufficient funds are available. Otherwise Project Officer or the Contract Officer will be requested to establish such a L/COMM or increase the existing L/COMM by required amount.
- b. For procurement of commodities from Pakistan, necessary SF 1034 will be processed thru the Project Officer for advance of local currency. This request on SF 1034 will be made well in advance to ensure that the required funds are transferred from Bangkok to RONCO's Account.

#### 2. FOR OTHER AID CONTRACTORS PROCUREMENT.

- a. Upon receipt of a Procurement Request from the other AID Contractors, RONCO's Islamabad or Washington Office will review the requirement and call for quotation from the prospective offerors. Once the prices are received, evaluated and the selected offeror is approved, RONCO will request the COP or Finance Officer of the AID contractor to transfer required funds to RONCO's Washington or Islamabad Bank Accounts.
- b. RONCO will maintain complete details for such advances in separate bank accounts. A financial report can be provided, if required, to show:
  - i. The amount(s) and Date(s) of Advance(s) received.
  - ii. Details of payments against individual P.R's and corresponding Purchase Contracts.
  - iii. Balance amount available, if any, for further utilization or deobligation.

IX. ISSUANCE OF PURCHASE CONTRACTS.

- A. Upon completion of the evaluation Memorandum of Negotiation and, if required, after receipt of necessary approval from the COP or Project Officer, RONCO will prepare the necessary Purchase Contract in favor of selected supplier for the accepted item(s). This will include details and description of ordered items with prices and additional information to the supplier. Terms and Conditions of the procurement as included in the original solicitation document will then be made a part of the purchase contract by reference. However, important requirements, such as packing, delivery time and period, and documentation requirement will be included in the instructions to the Supplier.
- B. Unless required to obtain approval from the Project Officer for all the Purchase Orders, RONCO will proceed with issuance of contracts after necessary evaluation and selection of the supplier. However, in the following situation, RONCO will prefer to obtain approval from the Contract Officer:
- \* When other than the lowest-priced offer is recommended for acceptance;
  - \* When the cumulative price of commodities exceeds that set forth in the Procurement Request; or
  - \* When the specifications are materially different from those contained in the Procurement Request.
- C. All such requests for approval will be sent in writing by RONCO to the Contract or Project Officer or the concerned U.S Contractor and shall specify the number of offers received, and the prices proposed. Request shall also include, as applicable, the offeror recommended for award and the reasons for selection (if other than the lowest price); the additional funds required (if proposed price exceeds the original allocation); or a list of recommendations for material alterations.
- D. Prior to the issuance of the Purchase Contract, it will be signed by the RONCO's Procurement Officer and cleared by the RONCO's Admin/Fiscal Officer. Supplier will be required to return one acknowledgment copy duly signed. One copy each of the Purchase Contract will be provided to the Project Officer or the other U.S. Contractor, the Manager of RONCO's or AID Contractor's warehouse, and the RONCO's Finance Officer.

X. SUPPLIER'S CONFORMANCE WITH CONTRACT TERMS.

A. RONCO shall maintain a contract administration system for assuring suppliers conformance with terms, conditions and specifications of all purchase contracts, including delivery schedules. In the event of non-compliance in any of the contracts, RONCO shall discuss the matter with the supplier for corrective action or proceed to terminate the purchase contract and initiate reprocurement of required items. The following discussion provides RONCO's system of contract administration for assuring suppliers conformance:

(1) CONFORMANCE WITH TERMS AND CONDITIONS.

When submitting an offer, the selected supplier will be required to enclose a Letter of Transmittal agreeing to comply with all terms and conditions of the solicitation document. In addition, at the time of issuance of the Purchase Contract, RONCO will incorporate all terms and conditions of the RFQ by reference as part of the Purchase Contract. Should any deviation come to RONCO's knowledge during the implementation of the delivery schedule, RONCO will easily be able to point out the supplier's responsibility and the need for corrective actions.

(2) COMPLIANCE WITH SPECIFICATIONS.

The Purchase Contract will clearly specify the description and quantity of the required equipment and material. Any model number, as originally offered by the supplier and accepted by RONCO, will also be included as part of the description in the Purchase Contract. This will assure and remind the supplier's shipping unit of the type of equipment or commodity that will be delivered. A copy of the same Purchase Contract will also be provided to the Manager of the receiving warehouse under CEP or to the consignee as indicated in the AID Contractors purchase requests. These warehouse managers or the other recipients will be under strict instructions that only the specified items, if delivered, must be accepted. All other unspecified items will not be accepted and any deviation will be rejected.

B. For certain commodities, where it will be considered essential and feasible, RONCO will arrange pre-delivery inspection by an independent inspector at supplier's/manufacturer's plant. This will be another means of assuring delivery of specified equipment and commodities and conformance by the supplier. For off-the-shelf items that will not merit pre-delivery inspection, RONCO's standing instructions to the warehouse

managers will be to check each and every item or conduct at random inspection of the item received before issuing a warehouse receipt to the supplier.

- C. RONCO's regular follow-up with the supplier during the delivery time will remind the supplier of the contractual obligations. If any deviation or problem is encountered during this period, all necessary corrective actions would then be taken. These might be: extension in delivery period, reduction in the quantity, or cancellation of the contract. However, all such changes in the contract will be brought to the notice of the Project Officer or AID Contractors.
- D. Where applicable, RONCO will require performance bond from the suppliers. These Bonds will be valid for 30 days after completion of contract.
- E. Another surety of conformance with the specifications will be the manufacturer's warranty. If, by chance, the supplier delivers a sub-standard item, RONCO will invoke the warranty clauses and get proper replacements from the supplier.

**XI. DELIVERY SCHEDULE.**

The purchase contract will specify the last date for delivery. In addition, for off-shore items, the Bank Letter of Credit will also specify the last date for delivery as agreed upon. Any delay beyond this agreed date will mean that either the supplier will not get paid (unless the date is amended) or the supplier's failure to deliver will result in forfeiture of his performance bond.

Upon issuance of the Purchase Contract, RONCO will follow up with the supplier on a periodic basis--every two weeks, weekly or twice a week, as needed. This follow-up will depend on the length of the delivery period agreed upon by the supplier. RONCO's experience is that regular follow-up with suppliers often results in obtaining the ordered equipment and commodities on an improved delivery schedule.

## XII. DELIVERY ACCEPTANCE.

Procurement of items from the three different sources will have different basis of delivery. Arrangements for such deliveries will be made as follows:

### (1) SOURCES IN PAKISTAN

Purchase Orders issued in favor of suppliers with items sourced in Pakistan for the Commodity Export Program will require delivery to one or any of the warehouses in Islamabad, Peshawar, and/or Quetta. Items ordered for the other U.S. contractors will be ordered on the basis of delivery point as requested in the original Purchase Request. The responsibility for arranging packing, loading aboard the carrier, transportation and delivery to the designated point will be that of the supplier. However, RONCO's Transportation Officer will coordinate transportation, if required.

### (2) SOURCES FROM CODE 935 COUNTRY

Purchase Contracts issued in favor of suppliers with items sourced in any of the A.I.D. Geographic Code 935 countries (excluding the U.S and Pakistan) will require delivery on CIF designated port of entry in Pakistan. Receiving, clearance at unloading port and transportation to the warehouses or other delivery points in Pakistan will be handled by RONCO's Transportation Officer.

### (3) SOURCES FROM THE U.S.

Purchase Orders issued in favor of suppliers with items sourced in the U.S.A. will require delivery on an FOB supplier or manufacturer's plant basis. Under an existing arrangement with a freight forwarding agency in the U.S.A., RONCO's Washington office will arrange inland transportation to the freight forwarder's warehouse for consolidation of the commodities for a containerized shipment via ocean-going carrier. Where consolidation is not considered economical for the project, arrangements for delivery of the cargo right from the manufacturer/supplier's plant to the ocean port of loading or to a location where the Afghan Humanitarian Relief Flights originate, will be made. In any case, RONCO's home office in the U.S will be responsible for providing all the originals of the shipping documents to its field office in Islamabad prior to the arrival of the ocean-going cargo. RONCO's Transportation Officer in Islamabad will then arrange for clearance of the surface shipped cargo

from the Port of Karachi and for all the required transportation to the warehouses or other designated points. The Transportation Officer will also attend arrival AHR flights, receive the cargo and arrange for transportation to the designated warehouse or other points.

(4) DISTRIBUTION OF SHIPPING DOCUMENTS

- a. It is expected that most of the items that RONCO will procure from A.I.D. Geographic Code 935 countries and/or the U.S.A. will be shipped aboard ocean-going vessels. Because suppliers from code 935 will be responsible for CIF named port of entry in Pakistan, RONCO will require in the purchase contract with such suppliers that, in addition to the normal requirement of the shipping documents, they must immediately mail one copy each of the clean on board rated Bill of Lading to the following five addresses:

U.S Department of Transportation  
Maritime Administration  
Division of National Cargo  
400 Seventh Street, N.W.  
Washington, DC 20590

Office of Commodity Management  
Transportation Support Division  
Agency for International Development  
Washington, DC 20523

U.S.A.I.D./Islamabad  
O/CC-CMO  
18-Sixth Avenue, Ramna 5  
Islamabad, Pakistan

USAID/Karachi  
ATTN: Administrative Officer  
1-S.M.C.H. Society  
Karachi, Pakistan.

Office of the A.I.D. Representative for Afghanistan  
affairs  
c/o American Embassy  
Islamabad, Pakistan

- (b) For shipment originating within the U.S., RONCO's home office will immediately mail one copy each of the on-board rated Bill of Lading covering such shipments to all the office addresses using the Washington, D.C Zip Codes. RONCO will ensure that the above-noted bills of lading are sent within 20 days of the shipment.

5. OCEAN/AIR SHIPMENTS

- a. Shipment of the items procured from sources in Code 935 countries or the U.S.A. will either be made aboard ocean-going vessels, air carriers, or AHR flights originating in U.S. For administrative and practical purposes, the cargo aboard these carriers (except AHR flights) will be consigned to :

USAID  
c/o AID/REP, Project No. 306-0205  
American Embassy  
Islamabad, Pakistan.

- b. Title of these items will then be transferred to the project upon arrival and clearance from the named port of entry. Items procured for the other three A.I.D. Contractors from Geographic Code 935 or the U.S.A. will be consigned to the agency or organization as directed by the Project Officer.
- c. RONCO will arrange all such shipments aboard U.S. flag carriers. However, subject to the non-availability of such carriers, RONCO will obtain necessary authorization from the Transportation Support Division of the Office of Commodity Management, A.I.D./W, or from AID/REP, for shipment of the cargo aboard other eligible carriers.

6. COORDINATION DELIVERY TO AHR FLIGHTS.

Based on the urgency in shipment and delivery of the required items and as directed by the Project Officer, RONCO's home office will arrange inland transportation and delivery of the cargo to the originating point (s) of AHR flights in U.S. Such transportation and delivery handled through a U.S freight forwarder will be coordinated with the operators of AHR flights and/or DOD's concerned officials.

### XIII. PAYMENTS TO SUPPLIERS

Simultaneous to the issuance of Purchase Contract, RONCO will establish a financial instrument ensuring that the supplier of commodities will be paid according to the agreed payment terms and upon delivery of the ordered items against presentation of certain collection documents, such as the invoice, packing list, evidence of delivery and others.

For items sourced within Pakistan, the suppliers will either be paid by a bank check issued by the Financial Officer of RONCO or through a bank Letter of Credit established by a commercial bank in Pakistan. Banking charges for such L/Credit will be to the account of Beneficiary

In order to arrange payment to the suppliers for commodities sourced from Code 935 countries or the U.S., RONCO will request A.I.D. to issue a Letter of Commitment in favor of a selected U.S. Bank with RONCO/W to act as the Approved Applicant. Payment for commodities and commodity-related services supplied by the suppliers of Code 935 countries or the U.S., will be arranged through establishment of irrevocable Letters of Credit issued by the U.S. L/Comm Bank. These suppliers will be paid upon presentation of necessary documents such as their commercial invoice, packing list, evidence of delivery such as trucking bill of lading, ocean bill of lading or airway bill, and any other document required by A.I.D. Supplier will be required that, immediately upon presentation of the above-noted documents to the paying bank, a copy of the set of documents will be sent to RONCO/W by the supplier.

#### XIV. INSURANCE COVERAGE

Suppliers of commodities sourced from code 935 countries will arrange marine/air insurance covering warehouse-to-warehouse and all risks, including war risk. Such coverage will be required on 110% of the CIF value of the cargo and any insurance claims will be payable in U.S dollars.

Since commodities sourced from U.S. will be procured, mostly on an FOB supplier/manufacturer's plant basis, marine/air insurance coverage for shipment of such items will be arranged by RONCO's home office. Coverage of these items will again include all risks and warehouse to warehouse at 110% of the CIF value of the cargo.

Commodities to be procured in Pakistan will be insured by the suppliers as the ordered items will be delivered by the suppliers to the warehouse and/or other designated point of delivery.

RONCO will be responsible for filing an insurance claim for any damage, loss or pilferage of the commodities procured from A.I.D. Code 935 countries or the U.S. Proceeds of such claims will be reported to and disposed of as advised by the Project Officer or Contract Officer. Normally, such proceeds would be utilized for covering the cost of repair or replacement of the lost items. However, RONCO will expect instructions from the Project Officer or Contract Officer for such disposition.

XV. WAREHOUSE/STORAGE AND ISSUANCE.

- A. RONCO will operate warehouse storage facilities in Islamabad, Peshawar and Quetta. These facilities will be used for temporary storage and accountability of commodities procured under the CEP. Also, the donated commodities arriving in Pakistan aboard AHR freights will go to the Islamabad storage facility. PL 480 commodities will continue to be stored in Peshawar and Quetta. Commodities procured by RONCO for other projects will go to the storage locations operated by the respective contractors.
- B. Warehouses located in Peshawar and Quetta are the main points from which delivery activities for the commodities and equipment going across the border is conducted. Proper operations and maintenance of complete inventories is essential for problem-free implementation of this segment of the CEP.
- C. RONCO considers that the present spaces available at Peshawar and Quetta for warehousing and storage of commodities are adequate. With increase of larger procurements, in future and if required RONCO may have to acquire additional space.
- D. Every item that will be received at these warehouses will be checked for correct quantity, proper packing and conformity to the specification as included in the original Purchase Contract. Any deviation noticed will be pointed out to the supplier for corrective action, that may include replacement by the supplier. Upon receipt of the commodity that comply with the ordered specification, the RONCO's warehouse manager will issue necessary warehouse receipt to the supplier. Each receipt will then be included in the "Register for Receipts" and a copy of the warehouse receipt will be sent to RONCO's Islamabad office for entering in the database.
- E. These commodities will be stored until instructions for issuance to the designated parties are received from the GOP authorized officials. Specified quantities of the required commodities will be distributed to the authorized parties and proper receipts will be obtained of such deliveries. These receipts will be countersigned by the GOP officials and include issuance receipt number, description and quantity of each item with date of issuance and name of the receiving party and other relevant information. RONCO's warehouse manager will enter this issuance in the stock register on the same day and provide a copy of the receipt

to RONCO/Islamabad for entry in the database. Updating the receipt and issuance will provide information about stock in hand by the end of each day.

- F. The RONCO's Area Logistics Officers in Peshawar and Quetta will be responsible for the day to day operations of the respective warehouses. Proper maintenance of receipt and issuance will ensure complete accountability of each item of commodity.

## XVI. REPORTS

RONCO will maintain a complete computerized data base for all the activities of procurement, transportation, storage, distribution, monitoring and accounting of each line item covered under an individual Procurement Request.

Upon taking each action under the procurement cycle, RONCO will enter relevant information in computer storage for future reports. RONCO will provide to the Project Officer and any other office as instructed by the Project Officer, the following reports:

### (1) WEEKLY PROCUREMENT REPORT

This report will include procurement activities during a given week and will contain: Project title, Procurement Request #, Line Item # and description of commodity, quantity, unit, unit value, total value, supplier, RONCO Purchase order #, estimated delivery date and actual delivery date.

### (2) MONTHLY PROCUREMENT REPORT

This will be a summary report covering all the procurements accomplished during the given month, as reflected in the weekly reports. This will include: Project title, PR #, PO #, supplier name, L.I.#, Description, Unit, Quantity, Unit cost, Total value, Delivery date, Location and other information.

### (3) MONTHLY FINANCIAL REPORT

In addition to the above reports relating to procurement activities, RONCO plans to provide a financial report covering disbursement of funds on a monthly basis. This will indicate the Project title, Procurement Request number, name of supplier, RONCO's Purchase Order number, Letter of Credit number, payment amount and payment date. At the end, this report will show total amounts paid separately against local Letters of Credit and the U.S. Bank Letter of Commitment.

### (4) QUARTERLY PROGRESS REPORTS.

Within thirty (30) days following the end of the preceding Quarter, A Quarterly Progress Report will be prepared in accordance with the guidelines included in

office memorandum issued by John Gunnings & Carol Carpenter on March 27, 1989. Eight (8) copies of this report will be sent to Mr. Muhammad Malik, Program

Assistant, O/AID/REP. Format of this report will include:

- Title Page
- Summary Progress
- Component # 1:
  - a. Completed Project activities and their verification status.
  - b. Unanticipated activities.
  - c. Uncompleted or unsuccessful activities, constraints identified and solutions proposed.
  - d. Work plan for next quarter.
- Components #2, #3, etc.
- Financial summary table.

#### 5. MONITORING REPORT.

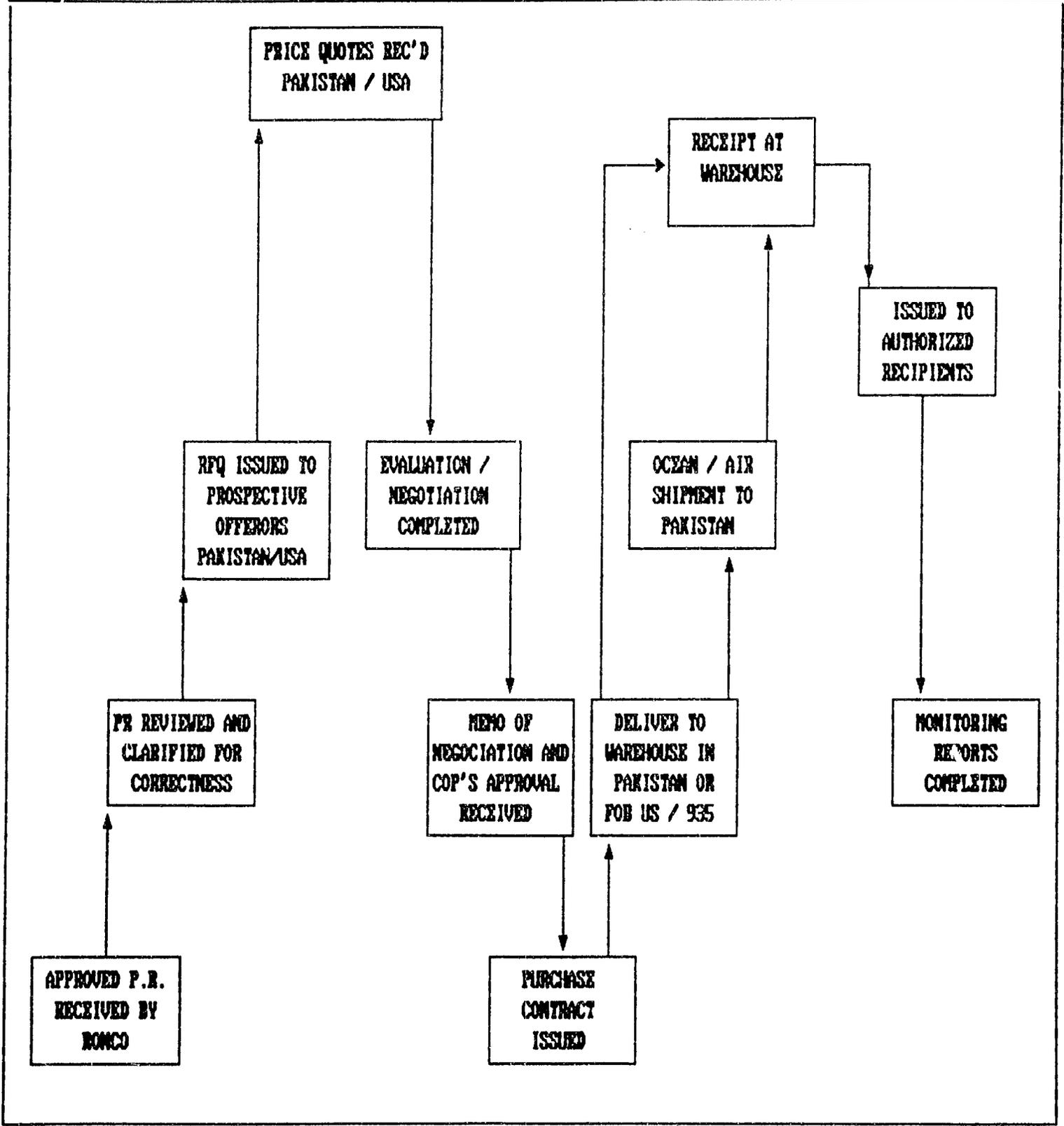
This report will be prepared and submitted within five (5) days following the end of the previous month. This will include:

- Methods used to monitor the distribution of issued commodities, within the northern bordering areas of Pakistan and inside Afghanistan.
- Review and summary of reports submitted by RONCO's monitors.
- Any noticeable diversion of or loss of commodities enroute to final destination.
- Impact of the monitoring activity on the proper distribution of commodities.
- Suggested improvements in the existing monitoring program.

# RONCO CONSULTING CORPORATION

## COMMODITY EXPORT PROGRAM

### CRITICAL PATH



DAYS	0	3	6	26	29	32	35	60	60	60	75	90	PAKISTAN
			11	31	34	37	40	65	110	120	135	150	US/935

RONCO CONSULTING CORPORATION  
Contractor  
United States Agency for International Development  
Office of the Representative

P R O C U R E M E N T   R E Q U E S T

INSTRUCTIONS: 1. This form must be TYPED. 2. One form to be filled out for each commodity type. 3. Initiating office to keep a copy for their records. 4. BE CERTAIN to provide a comprehensive specification so that the commodity required is the commodity purchased. 5. Prior to submitting Procurement Request acquire Approval signatures from Project Team Leader and Special Projects Officer O/AID/REP.

NAME AND SIGNATURE OF PERSON INITIATING REQUEST

DATE REQUEST INITIATED

QUANTITY	ITEM DESCRIPTION	ESTIMATED UNIT COST	ESTIMATED TOTAL COST

DELIVERY DATE REQUESTED:

COMMENTS: (RATIONALE FOR PURCHASE, SPECIAL PACKAGING REQUIREMENTS ETC.)

PROJECT NAME:

RONCC OFFICE ONLY:

APPROVALS:

RONCC PROCUREMENT OFFICE COMMENTS

PROJECT TEAM LEADER:

PROJECT OFFICER O/AID/REP:

RONCC PROCUREMENT AGENT RESPONSE

RONCC PROCUREMENT OFFICER:

PROCUREMENT REQUEST NUMBER:

RONCO CONSULTING CORPORATION  
H-5, ST-66, F-7/3  
Islamabad, Pakistan

## REQUEST FOR QUOTATION (RFQ)

REQUEST FOR QUOTATION (This is not an order)	RFQ No. _____ PR No. _____	RFQ Date: _____
DELIVERY TERMS  FOB : _____	REQUIRED DELIVERY: _____	
TO:	FOR INFORMATION CALL  TEL/TLX NO. _____	

Dear Sir:

RONCO Consulting Corporation, acting as Purchasing Contractor for the United States Agency For International Development (USAID) solicits quotation for supply of goods and services as described in attachment "A" to this RFQ.

Should your company be interested in participating in this RFQ, please send in your quotation for the requested goods/services so as to reach this office by the last date, as indicated below. Terms and Conditions for this RFQ are as described in attachment "B".

Offerors invited to send their price quotation are under no obligation to do so. At the same time they will not be reimbursed for any cost, incurred in preparation and submission of their quotation.

All offerors are requested to sign and submit their price quotation on attachment "A" and also the letter of undertaking, attachment "C", to validate their offer.

Procurement Office  
RONCO  
Islamabad

Last date for receipt of quotation  
at RONCO office, Islamabad

Date: \_\_\_\_\_

32

RONCO CONSULTING CORPORATION  
DESCRIPTION OF MATERIAL & PRICE QUOTATION

RONCO RFO NO: \_\_\_\_\_

ORIG PR NO: \_\_\_\_\_

RONCO PR NO: \_\_\_\_\_

LINE ITEM NO.	ITEM DESCRIPTION	UNIT	TOTAL QUANTITY UNITS	SUPPLIER'S ITEM DESCRIPTION (If different than requested)	SUPPLIER'S PRICE PER UNIT	COUNTRY ORIGIN	VALIDITY DATE OF OFFER

COMPANY NAME &amp; ADDRESS

SIGNATURE

DATE

TITLE

STAMP

# RONCO CONSULTING CORPORATION

## TERMS AND CONDITIONS OF RFQ.

### I. ELIGIBILITY OF COMMODITY

The authorized source for the goods as listed in the attachment "A" is Pakistan. There are, however, a few restrictions regarding the purchase of goods manufactured in certain countries outside United States. The final product that is offered by the prospective offeror will not be accepted under this RFQ if it contains any component or part made in any of the following country:

- |                               |   |
|-------------------------------|---|
| 1. Albania                    | 13. Lithuania                                   |
| 2. Afghanistan                | 14. Mongolia                                    |
| 3. Bulgaria                   | 15. North Korea                                 |
| 4. Czechoslovakia             | 16. People's Republic of<br>Yemen (South Yemen) |
| 5. Cambodia                   | 17. People's Republic of<br>China               |
| 6. Cuba                       | 18. Poland                                      |
| 7. Estonia                    | 19. Romania                                     |
| 8. German Democratic Republic | 20. Syria                                       |
| 9. Hungary                    | 21. USSR  |
| 10. Iran                      | 22. Vietnam                                     |
| 11. Laos                      |   |
| 12. Libya                     |   |

Prospective offerors are therefore advised that any Product or Goods made in, or containing component made in any of the above noted country, must not be offered. In case any product after delivery to RONCO's designated point is found with components or product from any above noted country, will be returned to the supplier at his/her cost.

### II. QUOTATION DEADLINE

Quotation must be received at the RONCO's office on or before the last date of quotation as indicated on the cover page of the RFQ. Late quotation may be considered at the discretion of RONCO.

### III. VALIDITY PERIOD

Quotation must remain valid for not less than thirty (30) calendar days after the last date for receipt of price quotation as specified on the front page of this RFQ. Quotation offering less than this period may not be considered.

### IV. BASIS OF QUOTATION

Unless otherwise specified for individual line items, delivery terms under this procurement will be as indicated on the front page of this RFQ. Offerors should include in their quotations the inland transportation to the designated delivery points and handling charges.

38

**V. GRATUITIES**

- (a) The right of the Supplier to proceed may be terminated by written notice if, after notice and hearing, the Procurement Officer of RONCO determines that the Supplier, its agent, or another representative -
  - (1) Offered or gave a gratuity (e.g., any entertainment or gift) to an officer, official, or employee of RONCO; and
  - (2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.
- (b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.
- (c) If this contract is terminated under paragraph (a) above, RONCO is entitled to pursue the same remedies as in a breach of contract.
- (d) The rights and remedies of RONCO provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

**VI. NEGOTIATION**

Lowest responsive quotations are anticipated and it is expected that the selection of supplier will depend on the basis of such quotations. RONCO, however, reserves the right to negotiate prices and delivery period with the prospective suppliers prior to issuance of a Purchase Contract. Such negotiation will be conducted in accordance with AID's regulations.

**VII. TRANSFER OF TITLE**

- (a) Title to supplies furnished under this contract shall pass to RONCO upon formal acceptance, regardless of when or where RONCO takes physical possession, unless the contract specifically provides for earlier passage of title.
- (b) Unless the contract specifically provides otherwise, risk of loss of or damage to supplies shall remain with the Contractor until:
  - (1) Delivery of the supplies to a carrier, if transportation is F.O.B. origin; or
  - (2) Acceptance by RONCO or delivery of the supplies to RONCO at the destination specified in the contract, whichever is later, if transportation is F.O.B. destination.

- (c) Paragraph (b) above, shall not apply to supplies that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage to such non-conforming supplies remain with the Contractor until cure or acceptance. After cure or acceptance, paragraph (b) above, shall apply.
- (d) Under paragraph (b) above, the Supplier shall not be liable for loss of or damage to supplies caused by the negligence of an officer, agents, or employee of RONCO acting within the scope of their employment.

#### VIII. PAYMENT OF TAXES, DUTIES OR SIMILAR IMPOSITIONS:

A.I.D. is not permitted to finance identifiable taxes, duties or similar impositions of the Government of Pakistan and/or its political subdivision agencies. This requirement applies to imported as well as locally produced commodities and "shelf items". Accordingly, unless A.I.D. shall otherwise agree in writing, no A.I.D. funds may be used, nor will they be reimbursed, to pay any identifiable customs duties, taxes, tariffs, or similar impositions of the Government of Pakistan and/or its political subdivisions or agencies.

#### IX. TERMS OF DELIVERY

The term "F.O.B. Delivery", to which this purchasing contract is subject, means:

- (a) Delivered free of expense to the RONCO's named point of destination;
- (b) That it shall be the responsibility of the Supplier to perform the following:
  - (1) Provide for, pay and bear all costs for transport to the named point of destination;
  - (2) Obtain and dispatch promptly to the consignee, or his agent, delivery/supply challan/delivery order to the named point of destination;
  - (3) Be responsible for any loss or damage, or both, until the goods have been delivered and accepted at destination;
  - (4) Provide to Receiving Officer, delivery orders, or any other documents issued for the supplies.

**X. PACKING**

Packing must be sufficient as specified in Purchasing Contract to ensure undamaged arrival at final destination, fully covered to exposure to atmosphere or open storage.

**XI. GUARANTEE**

The Supplier warrants that the commodities/supplies will be same as those specified in his/her offer specification or the samples submitted at the time of quotation which were thoroughly reviewed and approved by RONCO prior to award of this contract. Further, the Supplier guarantees that all materials will be free from any defects attributable to the Supplier. The Supplier shall, within a reasonable time after receipt of such notice, replace the defective material at no extra cost to RONCO. Unless this contract specifies otherwise, the Contractor represents that the supplies and components are new and are not of such age or so deteriorated as to impair their usefulness or safety.

**XII. EXTRAS**

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor have been authorized in writing by RONCO.

**XIII. CHANGES - FIXED-PRICE:**

- (a) RONCO may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
- (1) Drawings, designs, or specification when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawing, designs, or specifications.
  - (2) Method of shipment or packing.
  - (3) Place of delivery.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this work under this contract, whether or not changed by the order, RONCO shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

- (c) The Supplier must submit any "proposal for adjustment" (hereafter referred to as proposal) under this clause within 30 days from the date of receipt of this written order. However, if RONCO decides that the facts justify it, RONCO may receive and act upon a proposal submitted before final payment for the contract.
- (d) If the Supplier's proposal includes the cost of property made obsolete or excess by the change, RONCO shall have the right to prescribe the manner of the disposition of the property.
- (e) Failure to agree to any adjustment shall be a dispute under the Dispute clause. However, nothing in this clause shall excuse the Supplier from proceeding with the contract as changed.

#### **XIV. DOCUMENTATION FOR PAYMENT**

The Supplier shall submit documents as specified below in requesting payments:

- a. Original copy of the Supplier invoice showing description, quantity, unit price, total price, and the basis of delivery of commodity. In the case of pharmaceutical products add the following information: Expiry date of each product and the quantity of each active ingredient in each item shall be identified by its "established name". The invoice shall be personally signed on all copies by the Supplier or his duly authorized representative and the name of the firm must be identical to that shown on the purchasing contract.
- b. Warehouse receipt evidencing delivery to the designated point.

#### **XV. PAYMENT**

Unless otherwise specified, payment shall be made in Pak Rupees by check, in an amount invoiced by the Supplier, within 30 days after completion of the shipment and receipt and acceptance by the designated office.

#### **XVI. GRACE PERIOD**

A ten (10) day grace period may be given against late delivery in part or whole for the life of the contract. It is critical to understand that grace period does not give approval for delays considered reasonable by Supplier judgement. Rather, RONCO must be notified in writing and in return must respond with approval in writing to consider the delay excusable under the terms of the "Grace Period". Written communication must be in the form of a telex to facilitate timely and documented exchange of information.

#### **XV. FORCE MAJEURE**

Except with respect to default of a subcontractor, the supplier shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Supplier and if the Supplier within twenty (20) days from the beginning of any such Force Majeure notifies RONCO of such prevention of performance and the cause thereof. Such causes may include but are not restricted to, acts of Buyer, fires, floods, epidemic, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the supplier. The Supplier shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Supplier to meet the required delivery schedule.

#### **XVI. TERMINATION BY RONCO FOR CONVENIENCE**

This contract may be terminated by RONCO in whole, or from time to time in part, whenever the RONCO shall determine that it is in the best interest of the project to do so. Termination shall be effected by registered letter to the Supplier. The letter shall specify the extent to which performance is terminated, the effective date of termination, and the steps which should be taken by the Supplier. With respect to goods which are completed and ready for delivery by the effective termination date, RONCO agrees to accept delivery thereof at the contract price and terms. RONCO may elect to accept delivery of material which is not complete and pay Supplier a prorated amount of the contract price. No payment shall be made by RONCO for any material not yet in process of manufacture on the effective date of termination. Other arrangements may be agreed upon between Supplier and RONCO. Supplier shall submit to RONCO its written claim within one month of the effective date of termination. In deciding the amount due, all settled claims which RONCO may have against the Supplier in connection with this contract will be deducted. Any disagreement regarding termination amounts or procedures shall be settled under the clause of this contract entitled "Disputes."

#### **XVII. TERMINATION FOR DEFAULT**

- a. RONCO may, by registered mail to the Supplier, terminate the whole or part of this contract in any one of the following circumstances;
  - (1) If the Supplier fails to make delivery of the equipment within the time specified herein or any extension thereof, or

(2) If the Supplier fails to perform any of the other provisions of this contract or so fails to make progress as to endanger performance of this contract in accordance with the terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as RONCO may authorize in writing) after receipt of notice from RONCO specifying such failure.

b. In the event RONCO terminates this contract in whole or in part as provided in (a) of this clause, the RONCO may procure, upon such terms and in such manner as RONCO may deem appropriate, supplies similar to those so terminated, and the Supplier shall be liable to RONCO for any excess costs for such similar supplies. Supplier shall continue performance of this contract to the extent not terminated.

### **XVIII. DISPUTES**

All disputes arising in connection with this contract shall be decided under the Rules on Conciliation and Arbitration of the International Chamber of Commerce, by one or more arbitrators appointed in accordance with the rules.

### **XIX. INSPECTION**

All commodities supplied under this RFQ (including raw materials, components, intermediate assemblies and end products) shall be subject to inspection and test at the request of RONCO. The supplier will provide all necessary assistance to RONCO's inspector at the time of such inspection. Any item/goods/equipment found not acceptable because it is substandard, not meeting the required specification or other reason will not be supplied and instead a replacement will be provided.

### **XX. LITERATURE & SAMPLES**

Where the quotation refers to a particular model or product of an equipment and machinery of a manufacturer, the offeror shall furnish performance data and characteristics of the offered equipment. This should demonstrate conformity with requirements of the specifications. Catalog cuts and/or photographs indicating general configuration and dimension of the offered equipment can also be furnished.

Where the RFQ is for pharmaceutical items or surgical instruments, prospective offerors must send with their price quotation a sample of each line item offered. This sample will be returned if quotation not accepted or in case of order, the sample will be adjusted against delivery.

**XXI. SPECIAL PROVISIONS**

1. Delivery of selected items will be on the basis of FOB designated Warehouse, in domestic packed boxes/packages/containers.
2. Electrically operated items must be operable on 220 volt, 50 cycles, with the voltage and phase as indicated for such items in the technical specifications. Any item with 50/60 cycle will not be acceptable and supplier will be responsible for return of such item if found, upon delivery at the project site, and all charges will be to the account of the supplier.
3. The items are urgently required. Prospective offerors are urged to indicate their best delivery time. In addition to the lowest responsive cost, delivery period will also be a selection criterion.
4. At the discretion of RONCO, and if the order is for more than equivalent to \$ 10,000.00, the selected supplier may be required to provide a performance bond, covering ten percent (10%) of the contract value. This performance bond will be required within five (5) working days of issuance/receipt of Purchase Contract and be valid for one month after final delivery date agreed upon.

**XXII. ADDITIONAL GENERAL PROVISIONS.**

These additional general provisions are required by the U.S. Government and create or reserve by virtue of this contract certain rights, responsibilities and duties as set forth herein.

This contract incorporates the following clauses by reference with the same force and affect as if they were given in full text. Upon request, RONCO will make their full text available.

**AGENCY FOR ITNERATIONAL DEVELOPMENT ACQUISITION REGULATION (AIRAR) CLAUSES:**

S.	<u>CLAUSE NO.</u>	<u>TITLE</u>
1.	752.7004	Source and Nationality Requirement
2.	752.7005	Language, Weights and Measures
3.	752.7006	Notices
4.	752.7020	Organizational Conflicts of Interest

LETTER OF UNDERTAKING

Procurement Office  
RONCO Consulting Corporation  
House-6, Street-66, F-7/3  
Islamabad.

REF: RONCO RFQ NO: \_\_\_\_\_

Dear Sir:

We hereby propose to furnish all the equipment and material and perform all work required for delivery of items \_\_\_\_\_ (insert line item numbers, as listed in the Attachment "A" - Description of item(s)).

The undersigned further acknowledges and agrees to the terms and conditions and special provisions of the referenced RFQ. The unit price of individual line item(s) with extensions, delivery period, and source of the item(s) offered are indicated on the attachment "A".

We certify that, unless justified in the following paragraph, the prices offered for the item(s) as indicated in attachment "A", are higher than we charged from any other customer, including any U.S. governmental instrumentality, during the preceding 60 days.

All items for which prices offered are higher than any lower price charged to any other customer during the preceding 60 days are identified below (including the amount(s) by which such offered prices are higher) and a written justification for the differences is attached:

Item(s)	Price Difference
_____	_____
_____	_____
_____	_____
_____	_____

This is to further certify that, to the best of my knowledge and belief, cost or pricing data submitted in writing, or specifically identified in writing is correct.

Offer No: \_\_\_\_\_

Signature: \_\_\_\_\_

Title : \_\_\_\_\_

Company : \_\_\_\_\_

RONCO CONSULTING CORPORATION  
 House-6, Street-66, F-7/3  
 Islamabad, Pakistan  
 Telex 54272 RONCO PK  
 Telephone 813679 - 812893- 825375

PURCHASE CONTRACT

PURCHASE CONTRACT NO: RONCO- - DATE:

COMPANY NAME :	SHIPPING ADDRESS:
CONTACT PERSON :	
STREET ADDRESS :	
CITY/COUNTRY :	
TEL/TLX :	

SHIPMENT REQUIRED BY :

PAYMENT TERMS : WITHIN 30 DAYS OF DELIVERY

FORM OF PAYMENT : BY CHECK

SHIPPING DIRECTIONS : PRE-PAID F.O.B.  PESHAWAR  QUETTA  ISLAMABAD

SPECIAL CONDITIONS:

SEE ATTACHED \_\_\_\_\_

Irshad A. Akhtar Sr Procurement Officer	Khalid Parvez Sr Proc/Cont Specialist	Francis R. Smoot Finance Officer
--	--	-------------------------------------

ITEM NO.	QUANTITY	COMMODITY DESCRIPTION	UNIT PRICE (EX-FACTORY)	EXTENDED PRICE (EX-FACTORY)

TOTAL EX-FACTORY	
INLAND TRANSPORTATION COST	
TOTAL F.O.B. <input type="checkbox"/> PESHAWAR <input type="checkbox"/> QUETTA <input type="checkbox"/> ISLAMABAD	



PURCHASE CONTRACT CONTINUATION SHEET  
INSTRUCTIONS TO THE SUPPLIER

1. This Purchase Contract is issued in our capacity as Procurement Contractor for USAID and in response to your quotation dated \_\_\_\_\_, against RONCO's RFQ No. \_\_\_\_\_. The terms and conditions of the RFQ are made a part of this Purchase Contract by reference.
2. The supplies ordered herewith must be delivered according to the following schedule to the designated delivery points:

ITEM DESCRIPTION	QTY.	DELIVERY DATE	DELIVERY POINT
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Supplier is advised to contact the Warehouse Manager at the delivery point at least 48 hours in advance of the intended delivery of the cargo. At the same time, the supplier will give details of the cargo, i.e. description of the commodity; total number of bags or packages; total weight; and number of trucks carrying the cargo. Also the supplier will ensure that the vehicle or other carrier carrying the cargo must arrive at the delivery point before 12.00 noon of the appointed date. This will facilitate the Warehouse Manager to make necessary arrangements for receipt, inspection, and acceptance of the cargo without any corresponding delay.

Supplier is advised to ensure that the commodities or items to be supplied must conform to the specifications as described in the Purchase Contract and as accepted by the supplier. Any item or commodity found not meeting the agreed specifications will not be accepted by the Warehouse Manager. Return of such rejected items will be to the risk and account of the supplier.

Upon delivery of the cargo, supplier shall obtain a Warehouse Receipt duly signed by the Warehouse Manager acknowledging receipt and an evidence of delivery. This Receipt will then be a part of other documents required by RONCO for arranging payment to the supplier.