

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ARTICLE IX:6(b) NEGOTIATIONS STUDY OF CERTAIN TYPES OF SERVICE CONTRACTS

ARCHITECTURAL AND CONSULTING ENGINEERING SERVICES

Addendum

The present addendum contains a contribution from Israel.

I. COMMERCIAL IMPLICATIONS FOR CODE COVERAGE OF THE SERVICE

A. Definition of the service sector

- One entity - Israel Port Authority (IPA) - has indicated clear definition of procurement of consulting engineering services, i.e. design and supervision of construction of port facilities.

B. Current number and value of procurement contracts by signatory government of the service and import and export figures

- Number of contracts: 20
Annual value, 1984 figures: US\$286,000

II. QUESTIONS REGARDING THE PROCUREMENT OF THIS SERVICE BY GOVERNMENT ENTITIES

A. What are the procedures used to procure the service, including the criteria used in evaluating and choosing bids, e.g. reliability, price, quality, etc.?

- The IPA chooses the supplier mainly through selective tendering, considering in descending order the professional qualification, reliability and prices of the potential suppliers.

B. In the procurement of this service by governments, are there problems in defining the origin?

- None

C. Does the procurement of this service typically involve sub-contracting?

- Sub-contracting is normally not used in the procurement of these types of services.

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D. Are there issues or ambiguities concerning the valuation of the service procurement contract, including, inter alia:

1. Is the procurement of the service in some cases not the purchase of a discrete service, but rather a contract for ongoing, possibly open-ended work?

- There are very few cases of open-ended contracts, and only in cases of completion of port terminals in phases.

2. Is the procurement of the service done in some cases through multi-year contracts?

- See D.1 above

3. Is there ambiguity as to what be considered the value of the service procurement contract?

- No, the value of the contract corresponds to the stage of implementation of the project and the payments done according to the relevant executed phase of the project.

E. Further characteristics of government procurement of this service, such as:

1. What is the range of typical values of government contracts in this area? Do the bulk of purchases typically exceed a certain value?

- There is no typical value of IPA contracts in this area, as the projects from one year to the other are of different nature.

2. What is the typical time necessary in the procurement process of this service between invitation to tender and bid deadline?

- The time could range from two weeks to two months, depending on complexity of the service required.

F. Are there practices that affect foreign access to government contracts in this service area?

- The IPA practice is to request offers from local qualified firms. In case there are not available firms resident in Israel, IPA will seek proposals on international basis from well known qualified firms, in selective tendering procedure.