The 2019 International Procurement Yearbook

11TH ANNUAL EDITION

- GENERAL - GLOBAL CONSTRUCTION PROCUREMENT TOPICS
- PURCHASE ORDERS & CONTRACTS
- PURCHASING / PROCUREMENT AND CONTRACTING METHODS
- VARIOUS FORMS OF CONSTRUCTION CONTRACTS
- INVITATION TO BID / INSTRUCTIONS TO BIDDERS / BID PACKAGE DOCUMENTATION
- CONTRACT ADMINISTRATION
- ORGANIZATIONAL ISSUES / PROCUREMENT ROLES AND RESPONSIBILITIES
- QUALITY CONTROL (QC/QA), SAFETY, INSPECTION, EXPEDITING AND TRANSPORTATION ACTIVITIES
- INTERNATIONAL PROCUREMENT ISSUES
- SAMPLES OF INTERNATIONAL AND USA CONSTRUCTION / CONSULTING CONTRACTS
- COUNTRY PROCUREMENT: DATA ON 125 COUNTRIES
- GLOSSARY OF INTERNATIONAL PROCUREMENT TERMS
- PROCUREMENT FORMS

Compass International Consultants Inc.
Morrisville, Pennsylvania, USA
Section 1
GLOBAL CONSTRUCTION PROCUREMENT TOPICS
Trends and issues we will see in 2019 and beyond
Procurement / Project Delivery Methods and Issues
Recent History and the influence of World Events on Engineering and
Construction Costs in the last couple of decades
Project Execution
Conventional approach: / Concurrent / Overlapping approach / Fast track approach
Various Types of Construction Projects: How do Purchase Orders vary from Contracts -
Engineering, Procurement and Construction (EPC)
List of Data / Engineering Deliverables supplied to Vendor to obtain fixed price quote
The Importance of Front End Planning
Defining the Project and the CAPEX Project Life Cycle Process
Project Team and Selection of Professional Services
Global Construction Procurement Purchasing / Contracting Challenges to be faced in
the next couple of decades and beyond

Section 2
PURCHASING / PROCUREMENT AND CONTRACTING
Facility Procurement Steps
Specifications
The Buy Out / Procurement Procedure
Purchase Orders
Contracts
Request for proposals (RFP)
The General Purchasing / Procurement Planning Process
Fundamentals of the Purchasing / Procurement / Contracting Plan
Establishing Potential Bidders List / Pre-Qualify Bidders and Recommend list of
Pre-approved EPC, A/E, CM firms, contractors and vendors
Prepare Invitation to Bid Packages, Purchase Orders, and Contracts / Sub-Contracts etc.
Evaluation and Award of Purchase Orders Construction Contracts / Sub-Contracts /
Service Contracts
Purchase Order / Construction Contract Administration
The Materials / Equipment Procurement / Purchasing Responsibility Matrix
Planning for Commodities - Bulk / Prefabricated / Consumable Materials
Major Equipment (Process – Production Equipment) Planning
Front End Quality Planning
Instituting a Quality Control Plan
Setting up and establishing an Inspection / expediting plan
Some major issues to keep in mind regarding Purchasing / Procurement and Contracting
Section 3
PURCHASING ACTIVITIES
Purchase Orders vs. Contracts
The Project Team / Organization
Home Office Procurement Group
The Four Step Purchasing – Procurement – Contracting process
Purchasing – Procurement – Contracting, Job descriptions
Purchasing – Procurement – Contracting Strategies
Proposals / Bids / Request for Proposals (RFP) / Tender Evaluations
Conclusion / Purchasing – Procurement – Contracting Tips

Section 4
QUALITY CONTROL (QC/QA), SAFETY, INSPECTION, EXPEDITING & TRANSPORTATION ACTIVITIES
General standards / specifications
Quality Assurance/Quality Control Basic Steps
Submittals, Product Data and Shop Drawing
Issue and Approval of Shop Drawings and Samples
The shop drawing / submittals approval cycle
Expediting Checklist
Transportation Issues

Section 5
CONSTRUCTION CONTRACTS & CONTRACT ADMINISTRATION
Five fundamental contract types
Fixed Price / Hard Money / Competitively Bid
Negotiated
Design-Build
Reimbursable Contracts / Cost-Plus / Pass through Contract
Schedule of Rates / Unit Price Contract
Request to bid letter / Request for proposal cover letter
Request for Quotation (RFQ)
Instructions to bidders
Bid opening / Analysis / Recommendation
International Construction Contracts
Sample contracts
Sample Design / Build Agreement related to Manufacturing Facility Expansion
Re-cap of main items

Section 6
INTERNATIONAL PROCUREMENT ISSUES
Globalization
Checklist of issues when working in an overseas country
Overseas Business Practices
Import Permits / Government Procedures
Currencies and Exchange Rates
Metric Considerations
Language Differences
Special Considerations for Working in Developing Countries
Final Thoughts on International Procurement
Section 7

COUNTRY DATA & 2019 GENERAL NOTES

Afghanistan
Albania
Algeria
Angola
Argentina
Armenia
Australia
Austria
Azerbaijan
Bahrain
Bangladesh
Belarus
Belgium
Belize
Benin
Bhutan
Bolivia
Bosnia
Botswana
Brazil
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Central African Republic
Chad
Chile
China
Colombia
Congo Democratic Republic
Costa Rica
Cote D' Ivoire
Croatia
Cuba
Cyprus
Czech Republic
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Eritrea
Estonia
Ethiopia
Finland
France
Gabon
Gambia (The)
<table>
<thead>
<tr>
<th>Page</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>154</td>
<td>Georgia</td>
</tr>
<tr>
<td>155</td>
<td>Germany</td>
</tr>
<tr>
<td>156</td>
<td>Ghana</td>
</tr>
<tr>
<td>157</td>
<td>Greece</td>
</tr>
<tr>
<td>158</td>
<td>Guatemala</td>
</tr>
<tr>
<td>159</td>
<td>Guinea - Bissau</td>
</tr>
<tr>
<td>160</td>
<td>Guinea</td>
</tr>
<tr>
<td>161</td>
<td>Haiti</td>
</tr>
<tr>
<td>162</td>
<td>Honduras</td>
</tr>
<tr>
<td>163</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>164</td>
<td>Hungary</td>
</tr>
<tr>
<td>165</td>
<td>India</td>
</tr>
<tr>
<td>166</td>
<td>Indonesia</td>
</tr>
<tr>
<td>167</td>
<td>Iran</td>
</tr>
<tr>
<td>168</td>
<td>Iraq</td>
</tr>
<tr>
<td>169</td>
<td>Israel</td>
</tr>
<tr>
<td>170</td>
<td>Italy</td>
</tr>
<tr>
<td>171</td>
<td>Jamaica</td>
</tr>
<tr>
<td>172</td>
<td>Japan</td>
</tr>
<tr>
<td>173</td>
<td>Jordan</td>
</tr>
<tr>
<td>174</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>175</td>
<td>Kenya</td>
</tr>
<tr>
<td>176</td>
<td>Kuwait</td>
</tr>
<tr>
<td>177</td>
<td>Laos</td>
</tr>
<tr>
<td>178</td>
<td>Lebanon</td>
</tr>
<tr>
<td>179</td>
<td>Libya</td>
</tr>
<tr>
<td>180</td>
<td>Madagascar</td>
</tr>
<tr>
<td>181</td>
<td>Malawi</td>
</tr>
<tr>
<td>182</td>
<td>Malaysia</td>
</tr>
<tr>
<td>183</td>
<td>Mali</td>
</tr>
<tr>
<td>184</td>
<td>Mexico</td>
</tr>
<tr>
<td>185</td>
<td>Mongolia</td>
</tr>
<tr>
<td>186</td>
<td>Morocco</td>
</tr>
<tr>
<td>187</td>
<td>Mozambique</td>
</tr>
<tr>
<td>188</td>
<td>Namibia</td>
</tr>
<tr>
<td>189</td>
<td>Nepal</td>
</tr>
<tr>
<td>190</td>
<td>Netherlands (The)</td>
</tr>
<tr>
<td>191</td>
<td>New Zealand</td>
</tr>
<tr>
<td>192</td>
<td>Nicaragua</td>
</tr>
<tr>
<td>193</td>
<td>Niger</td>
</tr>
<tr>
<td>194</td>
<td>Nigeria</td>
</tr>
<tr>
<td>195</td>
<td>Norway</td>
</tr>
<tr>
<td>196</td>
<td>Pakistan</td>
</tr>
<tr>
<td>197</td>
<td>Panama</td>
</tr>
<tr>
<td>198</td>
<td>Paraguay</td>
</tr>
<tr>
<td>199</td>
<td>Peru</td>
</tr>
<tr>
<td>200</td>
<td>Philippines</td>
</tr>
<tr>
<td>201</td>
<td>Poland</td>
</tr>
<tr>
<td>202</td>
<td>Portugal</td>
</tr>
<tr>
<td>203</td>
<td>Romania</td>
</tr>
<tr>
<td>204</td>
<td>Russia</td>
</tr>
<tr>
<td>205</td>
<td>Rwanda</td>
</tr>
<tr>
<td>206</td>
<td>Saudi Arabia</td>
</tr>
</tbody>
</table>
Section 8
GLOSSARY OF INTERNATIONAL PROCUREMENT TERMS
AND PROCUREMENT RELATED FORMS
About the Firm: Compass International Consultants Inc. was founded in 1992 (C.I.C.I), and is a provider of estimating services, international construction cost data, location factors, training seminars, procurement intelligence, data and advice, value engineering, estimating support and conceptual construction economic cost data. Compass International is backed by an excellent staff of experienced Cost Engineers, Cost Estimators, Civil / Mechanical / Chemical Engineers and Economists.

Web site: http://www.compassinternational.net

Mailing Address:
Compass International Inc.
P.O. Box 1295
Morrisville, PA, 19067 USA
Telephone / Fax (215) 504-9777
E Mail
Sales@compassinternational.net
Info@compassinternational.net

Acknowledgements: This data source is the result of more than fifteen years of research and data collection. The data is based in part on Compass International’s data library, various government agencies data, global quasi-governance organizations information, various national libraries around the world, various government information desks / trade promotion departments, augmented by numerous trade magazines, professional association articles, an assortment of newspaper / magazine articles, almanacs / reference books, internet data and various construction / procurement related publications. We would like to express our sincere thanks to the many engineers, contractors, vendors and other individuals (friends and colleagues), too many to mention, who have given freely of their advice, input, time and knowledge so that this data source could be produced. We welcome any comments or data that could be used in future updates to make this database more complete and accurate.

Copyright © 2006 – 2019: By Compass International. All rights reserved. This information may not be reproduced or transmitted in any means, electronic or mechanical, including photocopying, scanning, copying and pasting, recording, or by any information storage or retrieval system without permission. Compass International makes no warranty or guarantee as to the accuracy and completeness of the procurement data contained in this publication and assumes no liability for damages that are incurred by utilizing the data contained within this publication. The data is based on data known and collected in the 4th Quarter of 2018. Global economic situations and world events impact currency exchange rates, escalation, billing rates. Procurement data changes rapidly so use this data with care. The best application and use of this data is to use it in concert with latest procurement data from specific countries, if that data can be obtained.

Contributing Editors:
Sharon Curl
Reed McConville
Andrew McConville
Kyle McConville
Compass International, January 2019
Trends and Issues We Will See in 2019 and Beyond

The Global Construction market is projected to expand over the next five years to a value of $9 to $11 trillion. This growth for the most part will occur in the 2nd and 3rd world developing economies of Africa (Ethiopia, Ghana, & Nigeria), Asia (Vietnam, Laos, China, India, & Indonesia), and South America (Colombia, Chile, & some Central American Countries).

The prospect of a major trade war between China, Mexico, Canada, the European Union and the USA is a distinct possibility. The Chinese economy is very dependent on exports to the US; a trade war with the US could seriously impact construction activity in China. Look for labor costs to increase significantly in China in the coming years; increases could be in the 5% - 10% per year in the next five years. The increasing “clout” of the Chinese worker will impact global costs and procurement practices. China is facing labor unrest and wage increase demands from its huge factory and construction labor workforce. These workers currently are demanding anywhere from 10% to 25% increase per annum, numerous strikes and walk outs have been seen in some of China’s largest cities, wage rates in some situations have been increased by as much as 15% in some automobile facilities. China has a huge transient (they travel to where the work is and are not compensated for their travel and temporary living expenses, when the project is completed they are released and the cycle continues again) low skilled workforce of as many as 100 + million workers. These workers are typically paid between 350 – 600 Yuan ($50 to $80) a week. This situation will most probably change in the next five years as some of the wage demands are met. Will these rising wages relegate China as the worlds manufacturing #1 ranking location? Will Vietnam, Indonesia and India move up the table and become the most sought after manufacturing location in 2019 and beyond, stay tuned.

There are a number of trends that are generating the need for future construction activity. The two main trends are (1) Urbanization - in the next ten years more than one billion people will migrate from rural areas to cities. This will create a huge need for housing and associated infrastructure construction work. The number (2) trend is the industrialization of third world countries; again this will generate an enormous need for low cost housing and attendant infrastructure.

Why are global construction material costs so important? All of us live in the global village, we are all connected by current and future world events trends, as one pundit recently espoused think of countries in terms of elevators. Some countries are moving up (perhaps China and India), some countries are moving down (perhaps Egypt and Spain), and some countries are stuck between floors (perhaps the US and the UK). Global construction material costs in some ways impact us all, just look
• The rapid pace of technology (computers, communication systems, etc.).
• The establishment of foreign manufacturing facilities in the U.S. (automobiles, high-tech products, etc. by Japanese and South Korea companies).
• The downsizing and re-engineering of corporate America and Europe.

In 2019, similar to the last ten years (with the exception of 2007/2008), the trend has been for expeditious and continuous expanding global/country marketplaces, together with huge population explosions and major political shifts. Some, not all of these “shifts,” have created overall conditions that are favorable for overseas construction (the booming economies of China and India are an example of this positive economic and political shifts). Issues and factors must be taken into account from procurement/purchasing point of view are; local price and availability of materials, CAPEX equipment sourcing, and the availability of “skilled” construction labor. These items are extremely important, and world or local events can easily affect these costs. In the 1970s, for example, certain products, such as copper, plywood, and petroleum derivatives, were in short supply (it appears that this situation in some cases is about to repeat itself in 2019/2020) and beyond. These goods experienced serious price fluctuation from one day to the next, and in many instances were unavailable. Nobody knows what a barrel oil will cost in the next six months - will it be $50 or $100 a barrel? Some industry experts are forecasting an oil shortage now that Iran’s oil is no longer trading on the world’s oil market, or will it move dramatically lower with all the issues taking place in the Middle East? The bad news is that there is currently a global shortage of crude oil. Look for a gallon of gas to be above $3 a gallon in the US for the next 5 years. The construction — purchasing professional needs to be aware that world events will impact construction materials and equipment now and in the future.

Some measures that could be used to relieve some of these potential problems include:
• Develop easy to use procurement / purchasing / contracting procedures
• Employment of enhanced expediting systems
• Use of enhanced QA / QC systems to catch problems before they arise
• Computerization of procurement / purchasing / contracting systems via the use of a company intranet.
• More contacts with vendors / suppliers to ascertain fabrication and delivery status
• Better communications between all of the involved parties in the procurement / construction / contracting process, via use of E-Rooms.
• More training and seminars on the topics of procurement / purchasing / contracting.

The ensuing comments are related specifically to contracting and subcontracting, these topics need to be evaluated and planned for in the contracting and subcontracting execution cycle.
• Bid packages must be prepared using available drawings and specifications.
• Missing scope must be added to bid prices to ensure a level playing field.
• Ensure that bidders have accepted all owner terms and conditions, condition bids for exceptions to proposal.
• Ensure all commercial conditions are met by bidder, i.e. bonds, payment terms, insurance coverage and extended warranties.
• Contracting / Subcontract planning efforts (i.e. project completion date) must be considered to ensure the optimum use of field labor.
• A/E firms, General Contractors, Subcontractors and Vendors / Suppliers bidding on a specific project should have the staff, (manpower resources) facilities, financial strength, experience and qualifications to perform the specified work or services.
• All bidders / proposals must be appraised / evaluated on an evenhanded basis; an audit trail should be maintained to ensure a professional approach to the bid evaluation was utilized.
• Instructions to bidders must be clear on proposal timing and the deliverables required for the proposal evaluation.

The following sections describe a number of...
## General Information, Data / Engineering Deliverables

**TYPICALLY SUPPLIED TO VENDOR TO OBTAIN FIXED PRICE / UNIT PRICE QUOTE**

<table>
<thead>
<tr>
<th>REFERENCE NO.</th>
<th>TASK / DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Owners Purchasing Agent / Contact person</td>
</tr>
<tr>
<td>2</td>
<td>Telephone / E Mail Address / Fax #</td>
</tr>
<tr>
<td>3</td>
<td>Contact for Technical Questions</td>
</tr>
<tr>
<td>4</td>
<td>Contact for Commercial Questions</td>
</tr>
<tr>
<td>5</td>
<td>Project Name / Location / Reference Number</td>
</tr>
<tr>
<td>6</td>
<td>General description of items required</td>
</tr>
<tr>
<td>7</td>
<td>FOB Point / Works Location</td>
</tr>
<tr>
<td>8</td>
<td>Item # / Cost Code</td>
</tr>
<tr>
<td>9</td>
<td>Quantity of materials / items needed (Tons, LF, #, etc.)</td>
</tr>
<tr>
<td>10</td>
<td>List of specifications, country codes and standards that materials / components will conform to</td>
</tr>
<tr>
<td>11</td>
<td>List of drawings that materials / equipment will correspond to / conform to</td>
</tr>
<tr>
<td>12</td>
<td>Date when materials / components must be delivered to site</td>
</tr>
<tr>
<td>13</td>
<td>Listing of QA/QC requirements that order will comply to</td>
</tr>
<tr>
<td>14</td>
<td>O/M documentation requirements</td>
</tr>
<tr>
<td>15</td>
<td>Submittals / Shop Drawings requirements</td>
</tr>
<tr>
<td>16</td>
<td>Special packing instructions</td>
</tr>
<tr>
<td>17</td>
<td>Purchase price, fixed price or unit price basis</td>
</tr>
<tr>
<td>18</td>
<td>Discount</td>
</tr>
<tr>
<td>19</td>
<td>VAT / GST Other Taxes included or excluded</td>
</tr>
<tr>
<td>20</td>
<td>Domestic Freight costs / Ocean Freight costs</td>
</tr>
<tr>
<td>21</td>
<td>Tariffs / Import duties</td>
</tr>
<tr>
<td>22</td>
<td>Customs requirements</td>
</tr>
<tr>
<td>23</td>
<td>Escalation / Increased cost formulae if applicable</td>
</tr>
<tr>
<td>24</td>
<td>Weight of order Pounds - Kg /</td>
</tr>
<tr>
<td>25</td>
<td>Size CF – M³</td>
</tr>
<tr>
<td>26</td>
<td>Inspection requirements</td>
</tr>
<tr>
<td>27</td>
<td>Insurance included or excluded</td>
</tr>
<tr>
<td>28</td>
<td>Shipper / Freight Forwarding Agent</td>
</tr>
<tr>
<td>29</td>
<td>Validity of proposal</td>
</tr>
<tr>
<td>30</td>
<td>Required warranty period (1 year or 2 years)</td>
</tr>
<tr>
<td>31</td>
<td>Transport / Freight Carrier Information</td>
</tr>
<tr>
<td>32</td>
<td>P.O. Terms and Conditions (Payment Terms)</td>
</tr>
</tbody>
</table>
• Critical milestone data needs to be complied and incorporated into contract.
• Co-ordination procedures, supplementary terms and conditions and standard. Contracting forms must be revised and incorporated into bid / proposal package.
• Maintain relevant quality assurance, quality control (QA / QC) data.
• Collect and distribute shop drawings and vendor data to appropriate group.
• WBS / COA needs must be formulated and inserted into the required documents.
• Inspection requirements / Expediting methods / Transportation / Warehousing systems and administration need to be developed.
• Review and audit invoice payments and back charges audit change orders and claims.
• Monitor insurance and bonding information.
• Collect packing and shipping documents.
• Maintain and collect progress reports / test reports / inspection reports
  • Collect operating manuals and maintain as-built drawings.
  • Prepare release liens.
  • Issue retention release.
  • Prepare close-out reports and related documentation.

Additional information on Purchasing / Procurement / Contracting administration issues and topics are covered in later sections of this database.

THE PURCHASING / PROCUREMENT / CONTRACTING MATRIX / ACTION LIST
The path forward in the Purchasing / Procurement / Contracting planning effort is to formulate a Purchasing / Procurement / Contracting matrix / action item list. This list is a document that details out of all the numerous components and issues entailed in the Purchasing / Procurement / Contracting effort. Every new construction project can customize the matrix / action list to its own special applications and requirements. The matrix / action list should designate which party / group is accountable for each Purchasing / Procurement / Contracting related task.

When the final Purchasing / Procurement / Contracting matrix / action list has been created it should be compiled into a working procedure and distributed to all appropriate project team members. Additional information on Purchasing / Procurement / Contracting matrix / action list issues and topics are covered in later sections of this database.

TEAM WORK AMONGST THE PURCHASING / PROCUREMENT / CONTRACTING GROUP
It is vital that there is genuine team work amongst the Purchasing / Procurement / Contracting group. Team work is defined as working together as a group, for the mutual advantage of all, by reaching collective goals whilst minimizing uneconomical Purchasing / Procurement / Contracting activities and replication of effort.

The benefits of Team work consist of:
• Enhanced Purchasing / Procurement / Contracting methods / procedures and results
• Bring into play shared knowledge and experience to find solutions to Purchasing / Procurement / Contracting problems and issues.
• An appreciation each team members goals and objectives and basically to rein in the recurrence of Purchasing / Procurement / Contracting activities and effort.
• A decrease in communication / documentation and the subsequent savings in this improved working environment where the focus is on cooperation rather than conflict.
• A reduction in change orders, claims and possible litigation and the costs associated with these activities cost.
• A decrease in the numbers of staff required to administrate and monitor Purchasing / Procurement / Contracting advancement.

A team working philosophy depends on the obligation / commitment and work ethos of each particular member of the project team. Team working approaches have been proved to work in the past
The actions associated with quality, safety, inspection, expediting, and transportation for any construction project are specialized elements of the overall procurement/purchasing management effort. Quality control (QC/QA), safety, inspection, expediting, and transportation epitomize important concerns for owners and contractors. Imperfection in materials or equipment, together with failures in constructed facilities, can have significant schedule and cost consequences. Quality problems and even small imperfections can require significant rework of the completed construction work; this could mean completion delays, possible safety problems and typically add costs to the construction effort. The worst case scenario in construction is a construction defect/failure(s) that cause personal and/or physical damage, in it is worst case if it could result in loss of life, or another serious consequence is that the facility cannot be utilized. Personal injuries and accidents in the course of the construction effort can, of course, result in serious problems, lawsuits, delays in the completion date, additional Division 1 / Preliminaries costs, increased costs of future insurance premiums, re-work and the re-purchasing of damaged materials and equipment. Good Project Managers try to ensure that the job is done right the first time, and that no major accidents occur on the project. The quality requirements of the future construction work are spelled out in the project specifications and are sometime described in the project procedures; occasionally, they are mentioned on the drawings. General standards / specifications related to construction and specific quality considerations are numerous, they include some or all of the following, note there are numerous other North American and overseas applications of these standards, this is a partial list to assist the reader with the various standards that are currently in use:

- American Society for Testing and Materials (ASTM)
- The American Society of Civil Engineers (ASCE)
- The American Society of Mechanical Engineers (ASME)
- European Standards used on building and civil engineering projects (ENs)
- BS British Standards (BS)
- American Petroleum Institute (API)
- The American National Standards Institute (ANSI)
- Construction Specifications Institute (CSI)
- The American Iron and Steel Institution (AISI)
- DIN Standards (German - DIN)
- The International Organization for Standardization was formed in the mid 1940’s as a non-governmental federation of standardization bodies from over 70 countries. (ISO)
- Japanese Industrial Standards (JIS)
- The American Society for Testing and Materials (ASTM)
- The American Welding Society (AWS)
- American Water Works Association (AWWA)

These general standards and specifications must
<table>
<thead>
<tr>
<th>#</th>
<th>ACTIVITIES</th>
<th>INDIVIDUALS / PARTIES INVOLVED</th>
<th>TOOLS / DELIVERABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Issue request for quotation.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Utilize Owners - A/E - CM firms standard (Request for Proposal) RFP and modify were necessary.</td>
</tr>
<tr>
<td>8</td>
<td>Perform bid review / contract evaluation.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Utilize industry evaluation forms.</td>
</tr>
<tr>
<td>9</td>
<td>Award contract or Purchase Order.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Produce bid award / justification / recommendation memo.</td>
</tr>
<tr>
<td>10</td>
<td>Conduct expediting activities or review construction progress.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Audit and review QA /QC and other production activities.</td>
</tr>
<tr>
<td>12</td>
<td>Approve interim payments if applicable.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Invoice approval / progress reports.</td>
</tr>
<tr>
<td>13</td>
<td>Receive equipment at site c/w packing lists, O/M manuals &amp; other required data.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Packing list / Receiving reports.</td>
</tr>
<tr>
<td>14</td>
<td>Close out contract / Purchase Order.</td>
<td>Owner / Owners consultants / Procurement staff - A/E or CM firm.</td>
<td>Release of liens, release of retention.</td>
</tr>
</tbody>
</table>

**SAMPLES OF INTERNATIONAL AND USA CONSTRUCTION / CONSULTING CONTRACTS**

See following pages.
CAMBODIA
Cambodia is located in South East Asia; it borders Vietnam, Laos and Thailand. Cambodia does have a good potential for future oil / gas, agricultural and timber production. Cambodia is a poverty-stricken country, but it does have large and industrious populations that are focused on improving their country.

![Map of Cambodia](image)

<table>
<thead>
<tr>
<th>DATA TABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Type of Government: Democracy</td>
</tr>
<tr>
<td>2. Capital: Phnom Penh 2,200,000</td>
</tr>
<tr>
<td>3. Major Cities: Kampot, Sisophon</td>
</tr>
<tr>
<td>4. Population: 15.85 million</td>
</tr>
<tr>
<td>5. Area: 181,050 sq km</td>
</tr>
<tr>
<td>6. GDP: $23.40 billion</td>
</tr>
<tr>
<td>7. GDP per Head: $1,460</td>
</tr>
<tr>
<td>8. Inflation Rate: 2.5% - 3.8%</td>
</tr>
<tr>
<td>9. Time: + 12 EST</td>
</tr>
<tr>
<td>10. VAT / Sale Tax: 10%</td>
</tr>
<tr>
<td>11. Exchange Rate: 4,090 Riel</td>
</tr>
<tr>
<td>12. Freight from USA: 8.5 – 11.5 / 34 days</td>
</tr>
<tr>
<td>13. Local freight: 2% - 3% of material / equipment purchase price</td>
</tr>
<tr>
<td>15. Import duties: Refer to website mentioned above under General Notes, note 15</td>
</tr>
<tr>
<td>16. Electricity: 120/220 v – 50Hz</td>
</tr>
<tr>
<td>17. Telephone code: 855</td>
</tr>
<tr>
<td>18. Professional Architect / Engineer / Accountant / Purchasing Agent etc: $20 - $30</td>
</tr>
<tr>
<td>19. Skilled Worker rate: $7 - $13</td>
</tr>
<tr>
<td>20. Unskilled worker rate: $5 - $7</td>
</tr>
<tr>
<td>21. Worker Productivity vs. USA Gulf Coast (Houston = 1.00): 1.80 – 2.80</td>
</tr>
<tr>
<td>22. Location Factor vs. USA Gulf Coast (Houston = 1.00): 0.86 - 0.94</td>
</tr>
<tr>
<td>23. Local Bulk Material Factor vs. USA Gulf Coast (Houston = 1.00): 0.85 - 0.90</td>
</tr>
<tr>
<td>24. Major Sea Ports: Sihanoukville, Koh Kong, Kampot</td>
</tr>
</tbody>
</table>
INDONESIA

A diverse tropical country that is made up of 100’s of islands straddling the equator for more than 2,000 miles. Indonesia was a former Dutch colony. It has the world’s largest Muslim population. Indonesia has significant minerals, timber and oil / gas.

DATA TABLE

1. Type of Government: Republic
2. Capital: Jakarta 10,500,000
3. Major Cities: Medan, Bandung, Surabaya, Kupang
4. Population: 265 million
5. Area: 1,906,500 sq km
6. GDP: $1,090 billion
7. GDP per Head: $4,370
8. Inflation Rate: 3.3% – 4.6%
9. Time: + 12 EST
10. VAT / Sale Tax: 10%
11. Exchange Rate: 14,423 Rupiah
12. Freight from USA: 8.5 – 10.5 / 25 - 40 days
13. Local freight: 2% - 3% of material / equipment purchase price
15. Import duties: Refer to website mentioned above under General Notes, note 15
16. Electricity: 220 v – 50 Hz
17. Telephone code: 62
18. Professional Architect / Engineer / Accountant / Purchasing Agent etc: $15 - $35
19. Skilled Worker rate: $8 - $12
20. Unskilled worker rate: $5 - $7
21. Worker Productivity vs. USA Gulf Coast (Houston = 1.00): 2.50 – 3.00
22. Location Factor vs. USA Gulf Coast (Houston = 1.00): 0.89 - 0.93
23. Local Bulk Material Factor vs. USA Gulf Coast (Houston = 1.00): 0.87 – 0.92
24. Major Sea Ports: Jakarta, Surabaya, Kupang
Rwanda is a small hilly landlocked country in the Great Lakes region of Eastern Africa; it shares a border with Uganda, Burundi, the Democratic Republic of the Congo and Tanzania.

**DATA TABLE**

1. Type of Government: Republic
2. Capital: Kigali 750,000
3. Major Cities: Butare, Ruhengeri
4. Population: 11.85 million
5. Area: 26,300 sq km
6. GDP: $9.05 billion
7. GDP per Head: $900
8. Inflation Rate: 4%-5%
9. Time: + 7 EST
10. VAT / Sale Tax: 18%
11. Exchange Rate: 861 RF
12. Freight from USA: 8.5% - 11.5% / 36 days
13. Local freight: 2% - 3% of material / equipment purchase price
15. Import duties: Refer to website mentioned under General Notes, note 15 above
16. Electricity: 220 v – 50 Hz
17. Telephone code: 250
18. Professional Architect / Engineer / Accountant / Purchasing Agent etc: $15 - $30
19. Skilled Worker rate: $7 - $11
20. Unskilled worker rate: $4 - $6
21. Worker Productivity vs. USA Gulf Coast 
   (Houston = 1.00): 2.25 – 3.30
22. Location Factor vs. USA Gulf Coast 
   (Houston = 1.00): 0.90 – 0.94
23. Local Bulk Material Factor vs. USA Gulf Coast 
   (Houston = 1.00): 0.86 – 0.90
24. Major Sea Ports: Landlocked
• **L.T.T.**: Less than truckload.
• **Lump sum**: An amount of monetary value used in a proposal, bid, or contract denoting the total cost that an organization is willing to contract for to perform a scope work.
• **Material**: The raw matter, parts, or semi-processed components from which a finished product is produced.
• **Materials management**: A procedure whereby all materials and equipment procurement activities are combined under one management activity. These functions include contracting, purchasing, quality assurance, quality control, inspection and expediting, trafficking, receiving and warehousing.
• **Material status**: A report detailing the current availability and location of materials.
• **Materials test report**: A document usually referred to as Certified Materials Test Report or Mill Test Report. The actual test results are usually described, detailing chemical analyses, material composition test, and process methods used to perform the test.
• **M.C.**: Minimum charge
• **Mechanic’s lien**: A type of lien filed by an individual (or organization) who has completed work for which payment is either in dispute, or remains outstanding.
• **Mileage allowance**: Allowance based on mileage for mileage transportation organizations moving specific goods / materials.
• **Monthly requisition**: a contractor’s monthly progress invoice
• **Multiple consignees**: A container car, truck, or ship containing materials and equipment required by two or more consignees.
• **Multiple source buying**: The activity of finding and locating additional sources of materials and equipment.
• **N.C.**: Notification charge.
• **Need date**: When a specific article is required at the construction site.
• **Negotiation**: The method by which a buyer and seller reach an agreement on the terms and conditions regarding the purchase of materials or equipment.
• **Net price**: The monetary cost reached after all allowable discounts, rebates, refunds, etc. are deducted from the original selling price.
• **Net ton**: (short ton) 2,000 pounds.
• **Net weight**: The weight of the materials and equipment without any shipping container and damage material.
• **NEMA**: National Electrical Manufacturing Association
• **N.O.S.**: Not otherwise specified
• **O.B.L.**: Ocean bill of lading
• **O.C.P.**: Overland common point
• **Offer**: A proposal or bid made by an individual or organization to another individual or organization to undertake a service or activity; the acceptance of such an offer is a contract.
• **Open competitive bidding selection**: A method of contractor selection where an advertisement to bidders is published in newspapers or magazines notifying contractors of the owner’s desire to receive and consider sealed competitive bids for a construction contract. Usually the lowest conforming and complete bid will be successful.
• **Ordering cost**: The cost for placing a purchase order.
• **Order lead time**: Period of time required to receive an item from a vendor or supplier once the purchase order is approved.
• **O.S. & D.**: (Over short and damage report): A report or log indicating discrepancies in materials received, together with a damage assessment.
• **Owner (client)**: The individual, group or organization that has title to a building, facility, or business.
• **Packing list**: A document or log compiled by the shipper to indicate in detail the particular package contents / components.
• **Partial payment**: A stage or interim payment made upon delivery of one or more completed units.
• **Penalty clause**: A provision in a contract that stipulates the sum of money to be forfeited in the
## (4) Expediting Report

### SAMPLE FORM

<table>
<thead>
<tr>
<th>EXPEDITING REPORT</th>
<th>Prepared By:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number:</td>
<td>Date:</td>
</tr>
<tr>
<td>Project Name:</td>
<td>Expediting Report Number:</td>
</tr>
<tr>
<td>Project Location:</td>
<td>Expeditors Name:</td>
</tr>
</tbody>
</table>

P.O. Number:  
Contract Number:  
Equipment Tag #:  

Vendor Name / Address / Telephone:  
Vendor Contact Name & Title:  
Vendor Name / Fax / E Mail:  

### COMPONENT / ITEM

<table>
<thead>
<tr>
<th>COMPONENT / ITEM</th>
<th>CONTRACTUAL DELIVERY DATE</th>
<th>CURRENT DELIVERY DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments / Action Items needed by Vendor to achieve Contractual Delivery Date:

Date of next Expediting visit:

Date and time of telephone contacts:

Distribution: