ADMINISTRATIVE RESOLUTION

N° 82-2019-ACFFAA

Lima, June 17, 2019

HAVING REVIEWED THE FOLLOWING DOCUMENTS:


WHEREAS:

Paragraph 1.2.1, subsection 1.2 of article 1 of Single Revised Text of Law N° 27444, General Administrative Procedure Act, approved by Supreme Decree N° 004-2019-JUS, establishes that the following are not considered administrative acts: "The internal administrative acts of entities that are aimed at organizing or carrying out their own activities or services. These acts are regulated by each entity, under the provisions of the Preliminary Title of this Law, and any other regulations that expressly state it";

Paragraph 7.1 of article 7 of the same Law states that "internal administrative acts are aimed at the efficacy and efficiency of services and the permanent purposes of entities. Acts are issued by the competent body, their object must be physical and legally possible (...)");

Paragraph 72.2 of article 72 of Single Revised Text states that "Every entity is competent to carry out the internal material tasks that are necessary for the efficient fulfillment of its mission and objectives (...)");
The Manual on Foreign Market Procurement was approved by Administrative Resolution N° 109-2018-ACFFAA – version 04, in order to establish the procedures and guidelines for the execution of different contracting processes in the foreign market (goods, services and consulting services), which will be executed by the Entities under the scope of the Procurement Agency of the Armed Forces (OBAC), as well as the procurements that are the responsibility of the Procurement Agency of the Armed Forces;

By means of Administrative Resolution N° 0136-2018-ACFFAA, a paragraph was included in Chapter I GENERAL ASPECTS of the above mentioned Manual related to the contracting of certification services provided by Foreign and/or Private Government Certifying Authorities;

By means of Administrative Resolution N° 70-2019-ACFFAA, several amendments were made to the Manual on Foreign Market Procurement MAN-DPC-001 – version 04, approved by Administrative Resolution N° 109-2018-ACFFAA;

By means of Legal Report N° 000120-2019-OAJ-ACFFAA, the Legal Advisory Office, in the scope of its competence, states that in order to have the procedures and guidelines that are established for the execution of the different processes for the procurement in the foreign market in one regulatory document only, the approval of the updated Manual for the Procurement in the Foreign Market MAN-DPC-001 – version 04 is required. The Manual was approved by Administrative Resolution No. 0136-2018-ACFFAA and Administrative Resolution No. 70-2019-ACFFAA, which recommended its approval;

By means of Official Letter N° 00744-2019-MINDEF/VRD, the Deputy Minister of Defense Resources of the Ministry of Defense states that Guideline N° 007-2018/MINDEF/SG/IG/K2 "Inspection System of the Defense Sector" approved by Ministerial Resolution N° 851-2018 DE/SG, does not include the appointment of inspectors for public acts related to the selection procedures for the procurement of goods and/or services, as the supervision and/or inspection actions of the abovementioned procedures are not included in the roles of the Inspection System bodies of the Defense Sector. Therefore, the Deputy Minister of Defense Resources of the Ministry of Defense requests to evaluate the amendment of item j) of paragraph 7, Chapter III of the abovementioned Manual;

By means of Court Order N° 000146-2019-DEM-ACFFAA, the Bureau of Market Research suggested the amendment of item d, paragraph 6 of Chapter II of the abovementioned regulatory document, and requested to indicate that, during the market research carried out by the ACFFAA or OBAC, the providers that are not registered in the foreign provider database can be invited to tender prior presentation of their confidentiality agreement;
By means of Legal Report N° 000126-2019-OAJ-ACFFAA, the Legal Advisory Office, in the scope of its competence, states that the abovementioned updated Manual on Foreign Market Procurement MAN-DPC-001 – version 04, approved by Administrative Resolution N° 109-2018-ACFFAA, must include (in addition to the provisions of Legal Report N° 000120-2019-OAJ-ACFFAA) the amendments related to the update of the regulatory framework and to the participation of a representative of the Inspection System of the OBAC, as well as the presentation of the confidentiality agreement during the market research;

In this context, it is necessary to update the Manual, so that the procedures and guidelines established therein, which regulate the procurement process in the foreign market, are updated in one document only, therefore, the update of the regulatory framework and the recommendations and/or suggestions made by the Ministry of Defense and the internal bodies of this Agency must be taken into consideration;


IT IS HEREBY RESOLVED:

Article 1.- To approve the updated Manual on Foreign Market Procurement MAN-DPC-001 – version 04, approved by Administrative Resolution N° 109-2018-ACFFAA, which is an integral part of this Resolution as an Appendix.

Article 2.- To serve this Resolution and its Annex on the relevant bodies of the Procurement Agency of the Armed Forces, and the bodies under the jurisdiction of the Procurement Agency of the Armed Forces (OBAC), for their information and for all relevant purposes.

Article 3.- To order the publication of this Resolution and its Annex in the Institutional Portal of the Procurement Agency of the Armed Forces (www.acffaa.gob.pe).

Be it registered, communicated and published.

(signed)
Luis Alberto Huarcaya Revilla
Head of the Procurement Agency of the Armed Forces
Head Office / Seal

CTP, N° 0312
MANUAL ON FOREIGN MARKET PROCUREMENT
VERSION 4

(UPDATED TEXT)
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CHAPTER I
GENERAL ASPECTS

1. OBJECTIVE

To establish the procedures and guidelines for the performance of various procurement processes in the foreign market (goods, services and consulting) which will be conducted by Entities within the field of competence of the Procurement Agency of the Armed Forces (OBAC, for its Spanish acronym), as well as contracting in charge of the Procurement Agency of the Armed Forces (ACFFAA).

2. GENERAL ASPECTS

a. Within the process of modernization of the Public Administration, higher levels of efficiency and transparency are searched for the implementation of public resources under the scope of management through results. In that sense, the Procurement Agency of the Armed Forces (ACFFAA) as a technical, autonomous and independent entity leads the procurement system of Implementation Units and Defense Sector Bodies in the local and foreign market within the scope of the Public Procurement Law or the corresponding regulations. It contributes to the fulfilment of the constitutional objective of the Armed Forces and the duties assigned to other Entities within the field of competence of the Procurement Agency of the Armed Forces (OBAC).

b. The ACFFAA is a public executing agency attached to the Ministry of Defense responsible for planning, organizing and executing the Strategic Procurement Plan of the Defense Sector (PEC), as well as the processes of procurement of goods, services, works and consulting in the local and foreign market.

c. The ACFFAA has among its functions to prepare, update and approve guidelines, manuals or other similar documents for procurement processes under their responsibility and/or under OBAC's responsibility. In that context, procurement processes in the foreign market are subject to regulations and/or procedures established by guidelines, manuals and/or regulatory provisions issued by the Agency for such purpose.

d. The ACFFAA plans, organizes, prepares and implements the Strategic Procurement Plan of the Defense Sector (PEC), which states the scope of procurements considered as strategic procurement required by OBAC.

e. The ACFFAA prepares annually the General Procurement List considered as a Strategic List (LGCE) in the foreign market, as well as the General Procurement List considered as Minor Strategic List (LGECM, for its Spanish Acronym) in the foreign market containing goods, services and consulting considered as Strategic with regard to defense and national security.

f. With regard to procurement under the Foreign Military Sales mechanism of the United States of America, the Procurement Agency of the Armed Forces (OBAC) through its Commands or Directorate General of Logistics or Material, shall be in charge of planning, organizing and executing the cases arising from this Purchase and Sale Program by informing the ACFFAA, every six months, about the results of such procurement.
g. The ACFFAA and OBAC shall undertake the procurement of goods, services and consulting in the foreign market by applying, to the extent possible, the principles regulating public procurement included in the Public Procurement Law and the principles regulating the administrative procedure established in the General Administrative Procedure Act (LPAG, for its Spanish acronym).

h. When undertaking foreign market procurement of Weapons System that is not within the scope of the National System of Investment Projects, the ACFFAA shall appoint through Administrative Resolution, at the request of the Cataloguing Department, an Operating Technical Study Committee (CETO) which consists of, among others, specialized officers proposed by the entity within the field of competence of the Agency requesting such system. The Operating Technical Study Committee is responsible for preparing the Operating Technical Study (ETO, for its Spanish acronym) which includes the minimum technical, operating and logistical requirements to be considered for the procurement of the Weapons system. The ETO is provided to the Codification Department for approval and further proceedings, after the prior endorsement of the holder of the Armed Institution demanding such requirement, which is an integral part of the Call for Tender. If necessary, due to the complexity and specificity of contractual objects, it can be possible to hire independent experts providing advice to CETO and eventually to the COMMITTEE.

i. The Ministry of Defense of Peru (MINDEF) and the NATO Group of National Directors on Codification (AC/135), have signed the Sponsorship Agreement on Enrollment to the NATO Codification System (NCS), through which MINDEF accepts and adheres to SOC principles, as established in the Standardization Agreements (STANAG) 3150, 3151, 4177, 4199 and 4438; as well as policies and procedures contained in the NATO Manual on Codification (ACodP-1).

j. With regard to Procurement Processes, OBAC and ACFFAA, shall include a NATO codification clause in the agreements with the intention that contractors provide OBAC with the NATO codification numbers and necessary technical data for the full identification of all supply items under the agreement. If not possible, it shall be necessary to include part numbers, manufacturers’ or designers’ data and technical documentation of the material in order to identify them correctly.

k. The execution of centralized purchases under the responsibility of ACFFAA, makes it necessary the identification of homogenization and standarization procedures to determine technical specifications or terms of reference, as appropriate, in conformity with the guidelines issued by ACFFAA.

l. The Codification Bureau, based on a technical analysis, shall prepare annually a List of Goods and Services eligible for standardization for subsequent approval through the corresponding Resolution. Also, it is possible to receive requests and/or suggestions from OBAC.

m. OBAC is required to verify the list of homogenized and/or standardized goods and services in which case, they shall send their requirements to ACFFAA based on the homogenized and/or standardized data sheets and considering compulsorily their content for consolidation and subsequent contracting. Thus, it is forbidden to
use alternative or similar nomenclature related to goods and services indicated in
the above-mentioned List.

n. The Registry of Procurements in PAC, as well as the execution of procurement
processes in the foreign market related to the National Defense and Security
establish a Special System that has an own flow of procedures through the
corresponding module of SEACE. It does not have enough provisions in the public
procurement nationwide since the dissemination of information would jeopardize
the integrity and security of the State; therefore, they will not be subject to the
scope of supervision. For other procurements in the foreign market, the registry of
international contracting will be applicable (INTER).

o. ACFFAA shall determine annually procurements in the foreign market that will be
under the responsibility of OBAC in terms of quantity as per the effective PEC.

p. Procurements of goods and services in the foreign market with a reference value
not exceeding ten (10) tax units shall not be sent to the ACFFAA, and shall be
made as direct purchases by each OBAC.

q. Goods and/or services subject to foreign market procurements could be subject to
electronic procedures with requirements, procedures and other conditions
regulated in the pertinent guideline.

r. OBAC shall update and adapt their procedures, ordinances and/or internal
regulations in order to align them to the provisions of this manual, guidelines and
other similar instruments issued by ACFFAA.

s. ACFFAA shall develop gradually the Certification Program of Specialists on
Procurements in the Foreign Market with procedures and conditions that shall be
regulated in the pertinent guideline.

t. Procurement of certification services provided by Public and/or Private Foreign
Certifying Authorities could be directly made by each OBAC, provided that the
reference value does not exceed fifty (50) Tax Units.

3. PURPOSE

Optimizing the use of allocated resources, as well as standardizing procedures that
make it possible, when appropriate, to reach and maintain the operational efficiency
of allocated means included in the provisions of international treaties or agreements,
as well as uses and customs of international trade.

4. SCOPE

Standards and procedures established in this Manual shall be complied by the OBAC
and ACFFAA, for procurement processes to be conducted in the foreign market.
5. REGULATORY FRAMEWORK

The legal and regulatory basis supporting the Manual includes its amendments and is presented as follows:


b. Public Procurement Law and its current Regulations.

c. Legislative Decree 1134, Legislative Decree approving the Law on Organization and Duties of the Ministry of Defense published on December 10, 2012.

d. Legislative Decree 1128, Legislative Decree creating the Procurement Agency of the Armed Forces, published on December 7, 2012.

e. Legislative Decree 1252, Legislative Decree creating the National System of Multiannual Planning and Investment Management; it repeals Law 27293, National System Law on Public Investment, published on December 1, 2016.

f. Decree Law 14568, which establishes that the load classified as war material could be withdrawn directly by Military Institutions, free of payment of import duties published on July 19, 1963.


h. Supreme Decree 052-2001-PCM, it establishes provisions applicable to acquisitions or procurement of goods, services or works made as military secrecy or domestic order published on May 5, 2001.

i. Supreme Decree 205-2012-EF, amending Supreme Decree 052-2001-PCM and establishing supplementary provisions applicable to procurement of goods, services or works made as secrecy, military secrecy or domestic order published on October 21, 2012.

j. Legislative Decree 1440, Legislative Decree of the National Public Budgeting System published on September 16, 2018.

k. Supreme Decree 005-2013-DE, it approves the Regulation of Legislative Decree 1128, which creates the Purchasing Agency of the Armed Forces published on September 7, 2013.


6. SCOPE OF APPLICATION

a. Objective Scope:

This Manual is applicable to all procurements in the foreign market regardless of the funding sources or the budgeting program approved for OBAC, based on the Public Budget Law approved in the corresponding fiscal year.

Thus, it is applied to procurements related to National Defense and Security establishing the so-called Special System (RES), which comprises procurement processes in the foreign market that are under the responsibility of ACFFAA, and those authorized or empowered by it, in order to be subsequently executed by OBAC.

Besides, the scope of this Manual includes procurements that are not related to National Defense and Security which represent an assumption excluded from the scope of application of the Public Procurement Law under the supervision of OSCE. Such procurements are under the responsibility of OBAC and represent the so-called General System (INTER) and adopt the non-application assumption considered in the above-mentioned Law.

b. Subjective Scope:

This Manual is applicable to ACFFAA and OBAC. Procurements related to National Defense and Security are made under the following scenarios:

i) They shall be made with suppliers non-domiciled in the country.

ii) Within the national territory, there should not be a supplier with the capacity to manufacture the required goods, or to perform the required services within the national territory.
7. PHASES OF PROCUREMENT IN THE FOREIGN MARKET

Procurements of goods, services and consulting in the foreign market shall be made in three (3) sequential phases as detailed below:

a. **Preparatory Actions Phase:** it comprises from the preparation of the requirement (technical specifications or terms of reference) by OBAC until the approval of Bases.

b. **Selection Process Phase:** From the call (bids) until the award to a bidder is completed or administratively strong.

c. **Contract Performance Phase:** it comprises from the Request to sign the agreement to the completion through the correspondent compliance and payment.

In the case of procurements under the responsibility of ACFFAA, to which no budgetary transfers are timely made, the ACFFAA shall only conduct the preparatory actions phase and selection process by sending corresponding documents to the OBAC in order to sign the agreement. In that case, the ACFFAA shall perform duties of supervision and document control in the contract performance phase.

The scope of such supervision and documentary control shall be determined by the ACFFAA through corresponding guidelines.

CHAPTER II PREPARATORY ACTIONS

1. REQUIREMENTS DETERMINATION

a. The user area is responsible for preparing or determining in a clear, detailed, objective and accurate manner the technical specifications, terms of reference or code of the current data sheet of goods, services or consulting to be contracted, as applicable. Also, it shall determine the contracting conditions such as the term, manner and delivery location based on the inco terms in force, the term of technical guarantee, method of payment, date of required placement and other items necessary to define the relevant aspects of the procurement, as well as supporting the public purpose of the procurement.

The Codification Department shall verify the accuracy of requirements submitted by OBAC and if, it were the case, it shall homogenize and standardize the technical specifications of goods or terms of references of services object of the procurement of the Defense Sector.

In the event that the good or service has been subject to homogenization or standardization by ACFFAA, it shall be necessary the use of a pertinent data sheet approved by the Codification Department of the ACFFAA. In these cases, the user area shall also define exactly the conditions established in the first paragraph of this subparagraph.
b. In case it is necessary to contract a brand or specific type of product, a duly supported standardization process shall be conducted based on the guidelines procedures issued by ACFFAA.

c. Prior to the approval of the procurement file, the competent body of OBAC shall prepare a Technical Report supporting the gathering of the established requirements to opt for the procurement in the foreign market stated in paragraph 6, Chapter I of this Manual; thus, establishing the need and its public objective, as well as information related to technical specifications, terms of reference and other specifications of companies providing goods or services. Such report will be sent to the legal area which shall support, through a Legal Report, that the indications of the Technical Report are aligned to regulations on the procurement process in the foreign market. Such reports shall be approved through Resolution of the Head of OBAC or of the person responsible to do so.

In the event of contracts under the responsibility of ACFFAA, such Reports shall be made by the Market Research Department and the Legal Advisory Office as set forth in Regulations on Legislative Decree 1128.

d. Technical and Legal Reports supporting the gathering of established requirements to opt for the procurement in the foreign market, as well as those providing support, if applicable, to the contracting under the Single Supplier Modality, and the Resolution approving them, carried out during the month, shall be submitted to the Institutional Supervisory Body of each OBAC depending on the General Comptrollership of the Republic within ten (10) working days following the approval. Such responsibility shall be borne by the Competent Body of OBAC, in case of contracting arranged by the ACFFAA, the procedure established in the Regulation on legislative Decree N° 1128 shall be followed.

2. PREPARATION AND INCLUSION OF CONTRACTING PROCESSES IN THE FOREIGN MARKET IN THE ANNUAL CONTRACTING PLAN (ACP)

a. The preparation of the Annual Contracting Plan in the OBAC will be made following the procedures established in the Public Procurement Law, and its current Regulations and Guidelines on this subject.

b. Procurement processes in the foreign market related to National Defense and Security will be included in the Annual Contracting Plan under the Special System modality (RES, for its Spanish Acronym) according to the flows established in the SEACE since the provisions set in the Public Procurement Law are not under its Supervision.

c. All procurement processes in the foreign market, prior to registration in the SEACE, shall be included in the Annual Contracting Plan of the pertinent OBAC.

d. Procedures for further amendments in the Annual Contracting Plan, in cases where it is necessary to include or exclude contracting, will be subject to the provisions of the Public Procurement Law, its Regulations and Effective Guidelines on the subject.
e. In the case of procurement involving a set of provisions, the main objective of the process will be determined based on the provision representing the highest percentage impact on the total cost.

3. FRACTIONING PROHIBITION

a. OBAC will not be able to fraction the procurement of goods and services with the intention to avoid them, due to their amount, to be under the field of competence of the ACFFAA.

b. In the case of procurements in the foreign market, the following will not be considered as fractioning:

1. Contracting in stages, sections, bundles or batches based on the nature of the object of procurement.

2. When an additional Budget is obtained through any source of funding after the registration of a process in SEACE.

4. MARKET RESEARCH

a. Based on the requirement, the competent body of OBAC or the Market Research Department of ACFFAA, shall conduct a market research being necessary to research, analyze and assess the possibilities offered by the foreign market and determine the following aspects:

1. Reference value
2. The existence of various potential bidders or single supplier, if it were the case.
3. Form, method of payment and advances, where applicable.
4. Time of minimum technical guarantee, maximum deadline, form and place of delivery of the good or service based on the current Incoterm.
5. Conditions and validity of the offering.
6. Information about the name, business name, tax domicile, telephone, e-mail, contact person and other information regarding potential suppliers.
7. Qualifications and/or authorizations, as well as capacities of potential bidders.
8. Information to be used in order to determine assessment factors, where applicable.
9. Appropriateness of making adjustments to technical characteristics of the object of contracting, if necessary.
10. Minimum purchase amount.
11. Technical regulations, metrological, environmental and/or health standards, if any.
12. Industrial and social Offset for one hundred percent (100%) of the contract value as per the current General Guidelines of MINDEF.
13. Other necessary aspects impacting on the efficiency of procurement.
14. In the case of selection processes under the responsibility of ACFFAA, OBAC shall submit, in addition to their requirement, the quotes used to obtain
the budgeted amount duly approved by the competent body of OBAC.

15. Including the history of sales made by the people invited to participate from the market research, in case of having such information.

b. The competent body of OBAC or the Market Research Department of ACFFAA will recommend the Codification Department to invite potential suppliers to register in the registry of foreign suppliers.

c. In the case of procurements under the responsibility of ACFFAA, the OBAC will submit the file indicating the beginning of goods, services or consulting to be hired together with the documentation and information established in the guidelines issued by ACFFAA.

Such initiation files shall include sources or source documents to determine the estimated value of procurement processes to be included in the Annual Contracting Plan, as well as the document signed by the competent body of OBAC supporting the gathering of requirements established to opt for the procurement in the foreign market.

d. For the procurement of a Weapons System that is not under the scope of an Investment Project, the Market Research Department of the ACFFAA or the Competent Body of OBAC, when applicable, shall take into account the information related to minimum technical, operating and logistic requirements contained in the technical study prepared by CETO when conducting the market research.

e. In the case of procurements of goods and/or services under the scope of the investment Project, the Market Research Department of the ACFFAA or the competent body of OBAC will conduct a market research based on the requirement contained in the initial file, being the responsibility of OBAC to comply with the procedures, requirements and standards related to the Investment Project.

f. With regard to the procurement of goods and/or services under the scope of an indebtedness approved by Supreme Decree, the Market Research Department of the ACFFAA or the Competent Body of OBAC will conduct a market research based on the requirement contained in the initial file, being the responsibility of OBAC to comply with procedures, requirements and standards related to the specific requirement card submitted to the Ministry of Economy and Finance (MEF).

g. With regard to corporate purchases, the ACFFAA through the corresponding area shall consolidate and standardize initial files submitted by OBAC in order to make the corporate purchase viable.

h. If, before ending the market research, awareness of the approval of a new technical card arises, the competent Body of OBAC or the Market Research Department shall prepare again the study based on the new card, being necessary to inform the user area about such situation.
5. REFERENCE VALUE DETERMINATION

a. Reference value is the amount determined by the competent body of OBAC or the Market Research Department, as a result of the conduction of the market research.

In order to obtain the reference value, it is necessary to take into account at least two (2) sources, which will obligatorily include quotes; also, it would be possible to consider historical prices, aspects referred to cost structures, information through portals and/or websites, and catalogues. In the event that only one source is obtained, the reference value will be determined through this source provided that such situation is supported in the corresponding Market Research Report required for the approval of the procurement file.

Quotation requests shall be sent to, at least, three (3) potential suppliers, among them, we will find manufacturers object of the call, as well as authorized distribution companies.

In the case of lack of quotes from manufacturers or companies authorized by them, it will be necessary to Request quotes to suppliers authorized by the governmental entity of the country of origin in order to trade the goods subject of the procurement due to a different cause supported in the market research and approved by the authority approving the procurement file.

In the case of obtaining one single quote from the manufacturer or company authorized by him, with unfavorable conditions on the price or duly supported causes, it will be possible to request quotes to suppliers authorized by the governmental entity of the country of origin in order to trade the goods subject to the procurement after a supporting report of the area in charge of the market research.

A similar rule shall be applied in the case of services. When the object of the procurement refers to repair or maintenance services, it is necessary to request quotes to workshops or repair stations authorized by the manufacturer.

In the case of lack of quotes from workshops or repair stations authorized by the manufacturer, it will be possible to request quotes to workshops or repair stations with technical capacity to conduct the service, authorized by the governmental entity of the country of origin and duly supported in the market research and approved by the authority approving the procurement file.

In the event of obtaining one single quote from a workshop or repair station authorized by the manufacturer with unfavorable price conditions or duly supported causes, it will be possible to request quotes to workshops or repair stations with technical capacity to conduct the service and authorized by the governmental entity of the country of origin after a supporting report of the area in charge of the market research.

b. In the event that it is not possible to obtain two (02) quotes, such situation shall be indicated in the corresponding market research. The above mentioned provisions do not apply in the case that there is one Single Supplier.
c. In the case that the manufacturer does not participate, it will be necessary to specify the reasons for non-participation in the market research.

d. The reference value shall include, if applicable, all the freight, taxes, insurances, transport, inspections, tests and corresponding labor costs, as well as any other aspect applicable that could have impact on the value of goods and services to be hired taking into account the current Incoterm with which the procurement process shall be made.

e. The reference value is reserved. Exceptionally, when determined by the market research, it can be established that the reference value can become public through Resolution of the competent body of OBAC or the Market Research Department, after the supporting Report.

f. The reserve of the reference value will stop when the COMMITTEE discloses the awarding to a bidder.

g. The reference value obtained as a result of the market research and taking part of the approved procurement file, shall not exceed six (6) months considered from the date of approval of such file.

h. When the reference value needs to be modified due to a legitimate reason, a new market research report should be made with the pertinent comparative table and a new approval of the procurement file.

i. To determine the reference value, it is necessary to take into account the exchange rate submitted by the OBAC in the initial file. Also, in the case of corporate purchases, the Market Research Department of the ACFFAA will be able to determine a unique exchange rate and OBACs shall be subject to such determination.

6. REGISTRY OF SUPPLIERS.

a. The Codification Department of ACFFAA shall prepare the database of foreign suppliers for procurement processes in the foreign market, for which the pertinent guidelines will be issued.

b. Minimum conditions to be registered as foreign supplier will be as follows:

1) Not domiciled in the country.
2) Having a legal incorporation, registry, licenses, certifications and required authorizations according to the country of origin.

c. The registry of foreign suppliers shall be constantly updated by the Codification Bureau and shall contain at least, the following data:

1) Company’s name
2) List of the type of goods and/or services provided.
3) Legal Representative.
4) Address, telephone, fax and e-mail.
5) Certificates from the competent authority of the country of origin or the manufacturer, as applicable.
6) Non-compliance with the standards established in the different phases of procurement processes due to causes imputable to participants or contractors.

d. Upon the implementation of the database of foreign suppliers, the ACFFAA and the OBAC shall use it for invitation purposes to the selection process.

In the event that suppliers are not registered in the Market Research conducted by the ACFFAA or the OBAC, they could be invited to quote upon submission of the confidentiality commitment, being necessary to regularize the registry before the commencement of the selection process.

e. The Contract Performance Office of the ACFFAA shall inform the Codification Bureau about non-compliance with regulations during the performance of contracts.

7. APPROVAL OF THE PROCUREMENT FILE

a. In order to begin with the selection process phase, it is mandatory to have an approved procurement file which will be prepared by the competent body of OBAC or the Market Research Department, and shall include the following documents:

1) Requirement of goods or services to be hired. An appropriate detail of the technical specifications or terms of reference will be provided, as applicable, procurement conditions, regulatory standards and any other information necessary for the procurement of the goods or service. In the event that the good or service has been subject to homogenization and/or standardization by the ACFFAA, the use of a technical card shall be obligatory.

2) Market research as established in paragraph 4 of this Chapter.

3) List of potential suppliers or single supplier to be invited.

4) Technical Report specifying that the disclosure of information object of the procurement affects the National Defense and Security indicating the level of classification of the file, if appropriate.

5) Copy of the SEACE card to include the process into the Annual Contracting Plan.

6) Budget Credit Certificate (CCP) and/or Social Assistance Certificate of Resources (CPR), as appropriate, prepared and signed by the competent area of OBAC and/or the Ministry of Defense, as applicable.

7) Printed report of the verification on the SIAF of the funds allocated to the Budget Credit Certificate (CCP).
8) Technical Report supporting the gathering of requirements for a procurement in the foreign market.

9) Legal Report indicating that the specification in the Technical Report is adjusted to the regulations on the procurement process in the foreign market.

10) Technical/Legal Report of Single Supplier detailing the technical reasons for which the good or service offered by a specific supplier is the only one meeting the requirement. Also, such report shall specify the non-existence of a good or service in the foreign market able to replace it as per the technical study or market research, as the case may be. Such report shall be approved by the person in charge of the OBAC or the responsible person.

In the case of procurements under the responsibility of ACFFAA, the Market Research Bureau and the Legal Advisory Officer will prepare the Technical and Legal Report of the single supplier, respectively; also, such reports will be approved through Administrative Resolution.

11) Resolution of approval of Technical and Legal Reports under the responsibility of the person in charge of OBAC or the designated person.

12) Resolution of the person in charge of OBAC or the person designated to approve the procurement file.

b. In the case of procurements under the responsibility of ACFFAA, the procurement file shall be prepared and approved by the Market Research Department and will include the following documentation:

1) Initial file submitted to the OBACs with the documentation and information established in the Guideline issued by the ACFFAA.

2) Technical Report prepared by the Market Research Department of the ACFFAA supporting the gathering of requirements for procurement in the foreign market.

3) Legal Report prepared by the Legal Advisory Office of the ACFFAA through which it will be possible to support that the specifications in the Technical Report are aligned to the regulations on procurement processes in the foreign market.

4) Document consolidating and/or redefining the minimum technical requirements, if appropriate.

5) Market Research, as established in paragraph 4 of this Chapter. Also, it is necessary to include all the additional or relevant information and/or documentation supporting the conducted market research.

6) Resolution of approval of the procurement file issued by the Market Research Department.

Upon approval of the procurement file, it shall be submitted to the Purchase Processes Bureau of the ACFFAA for the performance of the selection process phase.
8. COMMITTEE ON PROCUREMENTS IN THE FOREIGN MARKET (COMMITTEE)

a. It is the governing body in charge of conducting the procedure to select the supplier with whom procurement in the foreign market will be arranged. He will be responsible from the time of his selection until the award of the bidder is set or administratively steady, or cancelled.

b. The Committee will be designated through Resolution of the person in charge of OBAC or by the appointed person to do so. The Committee will consist of three (3) members with the same number of substitutes, being necessary that one of them have technical knowledge with regard to the object of the procurement. The other member could belong to the user area and the other member would be duly trained in procurements or logistic management. Members shall be aware of procurement processes of goods and services in the foreign market established in this Manual and know the provisions of the use and practices of international trade.

In the event of procurements under the responsibility of ACFFAA, the Committee will consist of three (3) members with the same number of substitutes. One of them shall belong to the OBAC and have technical knowledge with regard to the object of the procurement and the other two members with regard to the ACFFAA. Also, among the representatives of ACFFAA, one of them shall belong to the Purchase Process Bureau and will act as Chairman of the Committee.

c. The Committee is empowered to make remarks on the procurement file, being able to suggest necessary corrections to the competent body. If the corrections made affect the reference value or technical specifications or terms of reference, such amendments will require a new approval of the procurement file.

In case of procurements under the responsibility of ACFFAA, remarks and/or suggestions will be submitted to the Market Research Department to make the corresponding evaluation and the appropriate coordination with the Codification Department, if applicable. The new approval of the procurement file will be under the responsibility of the Market Research Department.

d. The members of the Committee shall act autonomously, technically and they are jointly and severally liable. The quorum for operation will require the presence of all members. In the event of absence or non-availability of any of its members, which shall be duly supported, the Committee will complete the quorum with the pertinent substitute who will only act as a result of the absence of any of the members. The members of the Committee can only be removed due to unforeseeable circumstances or force majeure, and such incidences shall be included in the corresponding records. In case of grounded absence of the holder and substitute, the Committee will be re-established by replacing the absent members through Resolution from the authority who designated it. In the case of procurements from the ACFFAA, such replacement will be made at the request of the Director of Purchase Processes.

e. Members of the committee can only be removed due to unforeseeable circumstances or force majeure, due to termination of service, conflict of interests or other situation through properly justified documentation. In the same document, it is possible to designate the new member.
f. Agreements shall be unanimously adopted or by majority vote, in case of having dissenting votes, they shall be duly supported and will be shown in the corresponding record. The adopted decisions shall be recorded and presented in every Committee and then signed by all its members. All records prepared by the Committee shall be enclosed to the procurement file.

g. Additionally, the Committee will be able to request the advisors deemed necessary according to the object of the procurement, who will be authorized by the authority designating them or the person empowered to do so.

h. The day after they have been notified about their designation, the Committee shall be settled for which the pertinent record shall be signed.

9. BASES

a. The document containing the set of regulations prepared by the Committee is the document in which the object of the selection process, technical specifications of goods, terms of reference of the services, conditions to be followed and the Project of the contract are specified; as well as the rights and obligations of the participating companies, bidders and future contractors within the scope of this Manual.

b. In the case of not finding any remarks to the procurement file, the Committee will begin to prepare the bases.

c. Bases shall include, at least, the information below detailed:

1) Object: It is the objective or purpose for which the foreign procurement process has been convened

2) Process Schedule: It will establish the date and terms of each phase of the foreign procurement process.

3) Minimum Technical Requirements: Mandatory requirements contained in the procurement file. They will comprise the technical specifications (goods) or terms of reference (services), procurement conditions and any other requirement established by the user to comply with the object of procurement, in the event that the good or service has been subject to homogenization and/or standardization by the ACFFAA, technical specifications and/or terms of reference will be included in the corresponding data sheet.

4) Documentation for mandatory submission: these are documents considered as mandatory according to current regulations and those that the Committee consider as essential in the Proposal in such a manner that they are useful to legally identify the bidder, verify compliance with minimum technical requirements and establishing commitments from the bidder, among others. In the event that procurement is subject to industrial and social offsets, it shall be indicated that before signing the contract, it shall be necessary to sign the pertinent Offset framework agreement.

5) Means of communication and form to submit the proposal.
6) Guarantees, as set forth in paragraph 1), Chapter IV of this Manual.

7) Sanctions as per paragraph 3), Chapter IV of this Manual.

8) Aligned to current general guidelines on the subject issued by MINDEF and according to the reference value of the process, it is necessary to request through the Bases, as mandatory documentation, a Sworn Statement in which the bidder commits to make Industrial and Social Offsets for 100% of the awarded value in case of being awarded, if it were the case.

9) The Committee will include as a document of mandatory submission, a Sworn Statement, through which the Company is committed to meet the codification obligations as per the Appendix enclosed to this Manual.

10) In order to submit proposals, it is necessary to request as a document of mandatory submission, a copy of the current official document certifying the legal representative of the company. Also, for improvement of the contract, it is necessary to submit the original document of the power of attorney certifying the legal representative of the company which shall be registered in the consulate of the country of origin of the awarded supplier and authorized by the Ministry of Foreign Affairs, or through Apostille proceedings in the case of countries with which there is an agreement. Also, it is necessary to consider all necessary documentation for signing the agreement, such as the signing of the Offset Framework Agreement and the NATO Codification Clause.

11) Method of Evaluation and Qualification of Proposals: it shall allow to select the Proposal guaranteeing quality, required technology and within the most suitable terms.

The evaluation and qualification of proposals is integrated and shall be made in two phases: the first phase is technical and the objective is to evaluate and qualify the technical Proposal, while the second phase is the economic evaluation which purpose is to evaluate and qualify the amount of the economic Proposal.

The Committee will determine the evaluation aspects to be used, which shall be objective and consistent to the object of the procurement and shall be subject to reasonableness and proportionality criteria. In the procurement processes under the Single Supplier modality, the Committee will be able to determine the non-inclusion of evaluation aspects.

Such aspects cannot assign a score to the compliance of the demanded RTM; notwithstanding this fact, it will be possible to rate those aspects improving or enhancing it provided that they are related to the object of procurement, they have been previously considered in the bases and they do not distort the requirement.

12) Contract Project in which conditions of procurement in the foreign market are indicated and will include the conditions established in the Bases putting emphasis on aspects related to the price, technical specifications or terms of reference, guarantees, penalties, causes for resolution and methods of payment.
d. Prior to approval, the legal instrument approving the Bases shall have the authorization of the Legal Advisory Body of OBAC or ACFFAA, as appropriate. In case of having observations, they shall be corrected to continue with the process.

e. Bases shall be approved through Resolution of the holder of OBAC or through the pertinent designated person. In case of procurements under the responsibility of ACFFAA, they shall be approved through Administrative Resolution or Resolution of the empowered responsible.

f. The Committee shall use standardized bases approving the ACFFAA, which will be obligatory from the day following the publication in the website of the Agency.

CHAPTER III
SELECTION PROCESS

1. SELECTION PROCESS REGISTRY

The selection process registry in the foreign market related to the National Defense and Security is conducted through the e-system of Public Procurement – SEACE.

The Registry shall be conducted through the Special System Module which is out of the scope of the Public Procurement Law, being possible to make restrictions with regard to data security under such system and being obliged to make the registry of the procurement process only through SEACE. On the other hand, it is not possible to disseminate the bases or other related documentation.

In the case of procurement processes under the “INTER” general system, the registry shall be made through the corresponding module at SEACE, and it will not be possible to make restrictions with regard to data security bring under the supervision of the Supervisory Board of State Contracting (OSCE).

The registry of the process is the exclusive responsibility of the COMMITTEE, which will have the operating support of the competent body of OBAC, or the Purchase Process Bureau for processes called for the ACFFAA.

2. BIDS

a. The Committee will make bids to potential suppliers for participation in the selection processes according to the information contained in the market research, having a term of two (02) working days after making the registry at SEACE. Such suppliers shall be registered in the registry of foreign suppliers as of the date of the bid.

b. Bids will be made through invitations to bid letters, which can be send by email, Courier, or fax provided that evidence of submission is shown, and it will take part
of the procurement file.

c. Invitation to bid letters shall include the approved Bases of the selection process.

d. The Company invited to participate in the process acquires the condition of "participant". A company loses the condition of participant if it expressly states its decision of non-participating in the process.

e. In the case that the procurement file has been classified as secrecy, the Committee could send invitations through diplomatic committees of invited companies certified in the country or through the corresponding Peruvian Defense Attaché Offices overseas. With the intention not to jeopardize the information included in the Bases, invited companies shall sign a confidentiality commitment on the information classified as SECRECY, after their corresponding registry as participants.

3. ESTIMATION OF TERMS

a. With regard to procurement processes in the foreign market, from the registry at SEACE to the improvement of the contract, terms are estimated as per working days. Non-working days will be Saturdays, Sundays, holidays and those days considered as non-working days for the Public Sector. The term does not include the first day and includes the due date.

b. The maximum term for the submission of consultations is fifteen (15) working days, considered from the day after the invitation is made to suppliers.

c. The maximum term to answer queries from the Committee will be five (05) working days, considered from the day after the term to present consultations has been finished.

d. The minimum term between the integration of bases and the submission of proposals shall be five (5) working days.

e. The maximum term to receive proposals and awarding to a bidder will be five (05) working days. If a higher term is required, the Committee shall support such decision and record it.

f. The term of a supplier to deliver the good and/or render the service shall be established in the content of the contract and on calendar days, and based on the information established in the winning Proposal.

g. Goods and services to be contracted shall have at least one (1) year of technical guarantee except for the nature of the good or service and/or the market decides to establish different terms, which shall be duly supported. Also, higher guarantee periods could be demanded depending on the nature of the good or service and/or the market.

h. Selection processes in the foreign market shall not exceed thirty (30) working days considered from the day after the registry at SEACE,
until the awarding to a bidder. If an additional term is required, the Committee shall inform the Competent Body of OBAC about the reasons for such decision. In case of procurements under the responsibility of ACFFAA, the Committee shall inform the reasons for extension of the term to the Director of Purchase Processes.

i. In the case of procurements under the Single Supplier modality, the procedure shall not exceed ten (10) working days considered from the day following the invitation until the consent to award to a bidder, being not possible to apply minimum terms established in this paragraph.

4. EXTENSION AND DELAYS

Extension or delays of phases of the selection process are determined as agreed by the Committee, through a record duly justified and reporting to all participants by the same means through which they were invited to a bid.

5. PREPARATION AND ANSWER TO ENQUIRIES

a. Enquiries are useful to request clarifications of the provisions of the Bases or any other aspect in the contents not aligned to the guidelines and procedures of this Manual.

b. In the case that a participant has any enquiry within the term established in the Schedule of Bases, it will be answered by the Committee according to the Schedule and informing all the invited companies about their responses. The Committee shall forward the enquiries related to the RTM to the competent body of OBAC. In the case of procurements under the responsibility of ACFFAA, the Committee will be able to send the consultations to the bodies of the ACFFAA in charge of preparatory actions or directly, to the user areas of OBAC, as appropriate.

c. Answer to enquiries is made on a supported basis through a "Request for answer to consultations" which is informed to all participants on the date established in the schedule.

6. INTEGRATION OF TENDER DOCUMENTS

Once the list of responses to inquiries have been communicated to participants, or if no inquiry has been made, the Tender Documents shall be integrated. They become the definitive rules of the process and shall contain the changes resulting from the responses to inquiries.

7. PRESENTATION OF TECHNICAL AND ECONOMIC PROPOSALS

a. The proposals must be presented in a sealed envelope containing the technical proposal and the economic proposal. Two sets of the technical and economic proposal shall be presented: 1 original and 1 copy.
b. The Committee may accept the presentation of proposals of participants as a Consortium, provided that this situation has been foreseen in the Tender Documents and that all the consortium member companies have been invited to the process, being necessary to prove said agreement at the time of the presentation of proposals.

c. In no case, consortium participation implies the obligation to create a different legal entity. Consortium members shall not submit individual offers nor participate in more than one consortium in a single item selection process or in a particular item, in the case of processes as per list of items. In the case of processes as per list of items, the members of the consortium may participate for items other than the one presented as consortium, either individually or as a consortium.

d. Participants who submit proposals acquire the category of “bidder”. A bidder loses this status when his proposal has been declared rejected. If he withdraws his proposal, he will no longer be able to present an objection.

e. The documents that make up the proposal shall be duly signed by the legal representative of the company, sealed with the company’s seal, foliated, and initialed on each page, without erasures or alterations. In the case of a consortium, the documents shall be signed by the common legal representative of the consortium.

f. The proposals shall contain the information provided in the Tender Documents and shall be presented in Spanish. The technical information that serves to prove compliance with the MTR (technical specifications or terms of reference), such as that contained in brochures, manuals, catalogs, official websites, certificates or similar, may be submitted in English. Information in a language other than Spanish or English must necessarily have a simple translation into Spanish.

g. Proposals may be submitted whether by courier to the registry office of the OBAC or ACFFAA, as the case may be, before the beginning of the public bid opening, or in person at the same public bid through a facilitator or legal representative, identified only with his identity document and/or alien card or passport, not being necessary the presentation of a copy of the powers of attorney that accredit him as such.

h. The proposal public presentation initiates when the Committee start to call the participants, so that they deliver their proposals in the order in which they were invited. If at the moment of being called, the participant is not present, Committee will verify if proposal has been sent by courier within the established term; otherwise, it will be considered as “abandoned”.

i. Compliance with mandatory submission documents and MTRs is a prerequisite for a proposal to be declared “admissible”, and therefore subject to the application of evaluation factors.

j. The public presentation of technical and economic proposals shall be carried out in the presence of a notary public, and a representative of the Institutional Control Body will be invited. In the case of contracts by the ACFFAA, the opening will be made solely with the presence of a notary public and a representative of the Institutional Control Body.
The proposals must be signed by the notary public who attested the public bid opening.

In this public bid, the technical proposal of each company will be opened to verify that it complies with the MTR and the presentation of mandatory documents, reading the amount offered by each bidder.

If said verification has been completed in the same public bid, the Committee shall declare the proposal admitted, which shall be suitable for evaluation of the factors established in the Tender Document privately.

If due to the technical complexity of the purchase, the Committee requires more time to verify compliance with the MTRs, it will verify in the public bid opening only the presentation of the mandatory documents and if it is in compliance, it will be deemed as received. Subsequently, in a private session, the content of the mandatory documents and the MTRs will be verified, and if they are accepted, they will be deemed admitted. This acceptance shall be recorded in the minutes. The result of this verification will be communicated to the bidders as the first activity during the public contract award.

k. The results of the technical and economic evaluation will be disclosed in the public contract award session. The contract award will be granted to the bidder that has obtained the highest final score.

l. In case the Committee notices during the admission that any proposal presents a material or formal error in the documents presented that do not alter the essential content of the proposal, it shall communicate to the bidder in the same public session or by letter and/or electronic mail, so that it corrects it within a maximum term of 8 working days from the communication for the rectification of offers, unless the rectification can be carried out in the same session. If the correction does not take place or does not comply with the MTRs, the proposal will not be accepted. This situation will be recorded in the corresponding minutes. It will not be possible to remedy the omission of the presentation of mandatory documents.

m. In the case of the economic offer, only errors of foliation, seal and/or heading may be corrected. Likewise, in the case of offers per unit prices where there is a difference between these and the total amount, the Committee may make corrections to the arithmetic operations. Likewise, in case of difference between the amount indicated in numbers and letters, the amount indicated in letters will prevail.

8. EVALUATION AND RESULTS OF PROPOSALS

a. The evaluation of proposals will be carried out per items.

b. Only the bidders whose proposals have been admitted will go on to the evaluation stage.

c. If proposals exceed the reference value, they will be disqualified. As a result, the bidder loses the status of bidder and is therefore no longer able to file an appeal.
d. The maximum deadline for evaluating proposals is 5 working days, considering the possibility of extensions.

e. The technical and economic evaluation will be explained in corresponding comparative table, according to the factors, criteria and modalities established in the Tender Documents.

f. The general procedure for evaluating proposals is as follows:

1) Once the proposals have been accepted, they will be evaluated. The Committee will obligatorily use the evaluation factors established in the integrated Tender Documentation, considering that both the technical and the economic evaluation are rated out of 100 points.

2) Depending on the purpose of the contract, the following may be considered, among others, as evaluation factors:

   a) Deadline for delivery and/or performance of the service.
   b) Technical guarantee.
   c) Improvements to the minimum technical requirements, if applicable.
   d) Bidder's experience
   e) Bidder condition

3) The economic evaluation will consist of assigning the established maximum score to the proposal of lesser amounts. The rest of proposals will be assigned an inversely proportional score, according to the following formula:

   \[ P_i = \frac{O_m \times 100}{O_i} \]

   Where:
   \[ i \] = number of proposals
   \[ P_i \] = Score of economic proposal \( i \).
   \[ O_i \] = Economic proposal \( i \).
   \[ O_m \] = Economic proposal of lesser amount.

   The total score will be obtained according to the following formula:

   \[ P_T = ((1 - m) \times P_T) + (m \times P_i) \]

   Where:
   \[ P_T \] = Total score.
   \[ P_t \] = Technical score.
   \[ m \] = Economic evaluation factor: it varies between 0.5 and 1.0.
   \[ P_i \] = Economic score.

4) In the case of consortia, the complementarity principle shall be applied, whereby the sum of the experience of the parties who undertake to perform the obligations inherent in the contract shall be considered as the experience of the consortium.
9. CONTRACT AWARD

a. After evaluating the technical and economic proposals, the Committee shall prepare the corresponding comparative table, presenting the order of priority and the total score obtained by each of the bidders. Finally, the Committee will sign the corresponding Minutes before Notary Public.

b. The Committee is empowered to grant the contract award, even if only one offer remains valid, stating this fact in the corresponding Minutes.

c. In the event that two or more proposals obtain the same score assigned by the Committee, the contract award shall strictly follow the following order:

1) To the bidder who has obtained the higher technical score

2) By mutual pro rata agreement between the bidders, if feasible.

3) By drawing lots

d. Once the contract awarding session has been carried out, the Committee on the same day will communicate to all bidders, by means of a letter, the name of the supplier or suppliers who were awarded the process, and if no complaint is filed within 8 working days from this communication, said contract award will be deemed to have been consented to.

e. The power to leave the contract award without effect, (even once it has been consented) before the signing of the contract, may only be exercised extraordinarily by the person who approved the contracting file, by means of a duly supported resolution, based solely on the violation of the principle of presumption of veracity or for reasons of duly accredited budget reduction. For such purpose, the competent bodies of the OBAC shall issue a Legal Technical Report detailing the causes of such action. In the case of contracts by the ACFFAA, such authority shall correspond to the Head of the Agency or to the person that was delegated with such authority, prior Technical Report by the Purchasing Processes Directorate; likewise, the legal opinion of ACFFAA’s Office of Legal Counsel shall be necessary.

f. In the case mentioned in the paragraph below, when the cause is the violation of the principle of presumption of veracity, the corresponding letter of contract award will be sent to the supplier in the second place, as long as the latter maintains its original proposal; otherwise, it will continue progressively in accordance with the order of priority occupied by the bidders. If the last place of priority is reached and the bidder does not maintain its original proposal, the contracting process will be declared void, for which the competent body of the OBAC or ACFFAA shall consult the user area if the need persists, as well as the existence of budgetary availability so that, with the confirmation of both consultations, a second call will be managed as soon as possible through the corresponding Committee.
10. CANCELLATION OF PROCESS

a. During any stage of the process and until the contract awarding, the process may be canceled due to force majeure or unforeseeable circumstances, or when there is no more need for contracting, or even if need persists, the allocated budget has to be allocated to other emergency purposes as expressly declared.

b. When the competent body of the OBAC requests the cancellation of the process, it shall communicate in writing its decision to the Committee on the following day, and the Committee shall communicate that decision to all participants or to those invited, as the case may be, on the day following receipt of the communication, at the latest.

c. In the case of contracts by the OBACs, the cancellation of the process shall be formalized through a duly supported resolution issued by the authority that approved the contracting file.

d. In the case of contracts by the ACFFAA, during any stage of the selection process until the awarding, the Head of ACFFAA may cancel the process due to force majeure or unforeseeable circumstances, under its sole responsibility, by means of a duly supported Resolution.

Likewise, in case of partial awards, if the OBAC does not continue requiring the item or items that were not awarded, those items will be canceled.

e. Likewise, the items that were not awarded whose reference values are within the amount (UIT) established by the Agency for the OBACs to carry out contracts in the foreign market, may be cancelled either on their own initiative or on the instructions of the OBAC.

11. NOTICE OF NON-AWARD OF CONTRACT

a. The contract will not be awarded in the cases where no proposal has been submitted or where submitted proposal are deemed not valid, and will be partially awarded in the cases where no proposal has been submitted or where submitted proposal are deemed not valid in relation to some of the requested items. In those cases, the Committee shall submit a Report evaluating the causes that did not allow the conclusion of the process, indicating the corrective measures, if any.

The Holder of the OBAC shall indicate whether the need persists and if budget is still available before making the next call, and invite at least 2 suppliers.

b. After the corrective measures have been applied, the Committee shall process the approval of the new Tender Documents before the authority that approved the original Tender Documents or before the person delegated with such authority, and if applicable, it shall also seek again for the approval of the contracting file, in order to make the second call for the process or items that were not awarded.
c. In the selection processes where no contract was awarded, the composition of the items grouped by packages and registered in the SEACE may be reformulated for the following calls, and the number of package items may be reduced or increased, taking into consideration the new market study.

12. SELECTION PROCESSES ARISING FROM PROCESSES WHERE NOT CONTRACTS WERE AWARDED

a. The minimum period between the integration of the Tender Documentation and the presentation of proposals will be 5 working days.

b. The maximum period between the invitations and the contract award may be 15 working days.

c. The presentation of proposals will be developed in a public session and the contract award in private session, which will be notified by means of letter sent by electronic means to the bidders.

d. The contract award will be approved on the fifth working day from notice to the bidders, if no appeal has been filed.

13. ANNULMENT OF THE PROCESS

a. The Head of the OBAC in charge of the contracting processes, as the highest administrative authority, may annul the selection process before the signing of the contract, upon occurrence of any of the following: (i) actions dictated by non-competent bodies, (ii) contravention of legal norms, (iii) a case of legal impossibility (iv) the procedure established by the applicable regulations is disregarded. It shall be necessary to indicate in the Resolution to be issued, the stage from where the selection process shall take effect. Concerning the nullity of administrative actions, the Single Revised Text of Law N° 27444, General Administrative Procedure Act, shall be applicable.

For the same assumptions, the Head of ACFFAA shall declare the nullity of the process when it comes to contracting processes in charge of ACFFAA.

In case the annulment is denounced under any modality by any of the participants or bidders, it shall be subject to the admissibility requirement contemplated in paragraph 14 Appeals, subsection b, number 8(c). This situation does not lead to the suspension of the selection process.

b. After the contract has been signed, the highest administrative authority of the entity that signed it may declare the contract null and void in the following cases: (i) After verifying the infringement of the principle of presumption of veracity during the selection process or for signing the contract, (ii) when the procedures established in the applicable regulations for contracts in the foreign market has not been followed.

c. The OBACs shall notify the ACFFAA of contracts that have been declared null and void, attaching a certified copy of the corresponding Resolution.
14. APPEALS

a. Request for Information

After notifying the contract award and until it is authorized, any of the bidders will be able to request in writing to the President of the corresponding Committee, for access to the file information.

b. Appeals

1) Bidders may appeal the actions dictated by the Committee during the selection process.

2) Appeals shall be filed at the court registry office of the OBAC or ACFFAA, as the case may be; the Committee must detail in the bidder documentation of the selection process, the procedures on the matter.

3) The Head of the OBAC shall resolve by means of Resolution, the appeals filed in relation to the contracting processes in the foreign market that are not linked to the National Security and Defense (INTER).

4) The Head of ACFFAA shall resolve by means of an Administrative Resolution the appeals filed concerning the contracts under his responsibility and those that he authorizes to the OBACs, including those that he authorizes to the OBACs according to their amount, subject to the opinion of the Office of Legal Counsel through its Appeals Review Unit.

5) Filing an appeal suspends the selection process while it is being resolved.

6) The appeal must be filed within eight working days after the contract award. In the case of selection processes that were not awarded, the term shall be five working days.

7) A participant loses the quality of bidder when he withdraws his proposal after it has been declared rejected; consequently, he will not be able to file any objection.

8) The filed appeal shall meet the following admissibility requirements:

a) Filed at the court registry office of the OBAC or ACFFAA, as the case may be.

b) Identification of the plaintiff, including his name, corporate name, address, electronic mail address, name of the representative, enclosing documentation that proves the nature of its representation.

c) Guarantee shall be equivalent to the 3% of the tendering procedure or the item to be contested.
d) Petition that includes a clear and concrete determination of what is requested, exhibits, and a copy of the brief and supporting documentation.

e) Copies to notify corresponding participants.

In case a requirement has not been fulfilled, the appellant has a maximum term of 5 working days from the day after the appeal was filed, for the corresponding correction. If the omission is not corrected, the appeal is deemed not to have been filed.

9) The appeal will be declared inadmissible when: (i) filed against some of the acts that are not objectionable, (ii) filed after expiry of the time limit, (iii) the signatory of the appeal is not the complainant bidner nor its duly accredited representative, and (iv) the bidder lacks the procedural legitimacy to challenge the action subject to reconsideration.

10) The bank guarantee for filing an appeal shall be granted in favor of the OBAC or ACFFAA, as the case may be, for the equivalent of 3% of the reference value of the challenged procurement procedure. In the case of processes convened as per list of items, the amount of the guarantee shall be equivalent to 3% of the reference value of the respective item, step, stage, package or lot. In no case, may the guarantee be less than 50% of the Tax Unit in force.

11) The bank guarantee for filing an appeal keeps the same formalities as those established in paragraph 1(j) of Chapter IV of this manual, shall have a minimum term of 30 days, and may be renewed, if necessary. The guarantee may also consist of a deposit to the bank account of OBAC or ACFFAA, as the case may be.

12) The procedure of the appeal to be resolved by the Head of the OBAC, conforms to the following procedures:

a) Within a period of no more than 2 working days, from the receipt of the appeal or from the correction of the omissions noted in the filing of the appeal, the OBAC shall request to the Committee the contract file.

b) The Committee shall send the contract file within a period of no more than 3 working days, under its responsibility.

c) The appeal must be resolved within a period of no more than 15 working days from the filing of the appeal or from the correction of the omissions noted in the filing of the appeal.

d) If two or more appeals have been filed with respect to the same process or item, they are accumulated and shall be resolved jointly whenever they are related.
13) The procedure of the appeal to be resolved by the Head of the ACFFAA conforms to the following procedures:

a) Within a period of no more than 2 working days, from the receipt of the appeal or from the correction of the omissions noted in the filing of the appeal, the ACFFAA shall request to the Committee the contract file.

b) The Committee shall send the contract file to the ACFFAA within a period of no more than 3 working days after being requested, under its responsibility. In the case of authorized contracting processes, the OBAC submits to the ACFFAA the contract file within the referred term, accompanying the file with a Legal Technical Report on the objected issue, in which the position of the OBAC is expressly indicated, with respect to the grounds of the appeal.

c) The ACFFAA has a term of no more than 15 working days to resolve the appeal, from the filing of the appeal or from the correction of the omissions noted in the filing of the appeal.

d) If two or more appeals have been filed with respect to the same process or item, the ACFFAA may accumulate them in order to resolve them jointly, whenever they are related.

e) The Appeals Review Unit shall issue an Opinion on the appeal within 8 business days after receiving the contract file, and shall submit it to the Office of Legal Counsel.

f) If the Office of Legal Counsel agrees with the Opinion, it shall endorse it and subsequently put it for consideration of the Head of the Agency, through the General Secretariat, within 2 days from receipt.

g) The Head of the ACFFAA shall resolve the appeal within the prescribed time limit.

14) The Holder of the OBAC or the Head of the ACFFA, as the case may be, by virtue of the filed appeal, may resolve the appeal to be: (i) well-founded, (ii) unfounded or (iii) inappropriate. Likewise, if by virtue of the evaluation of the appeal it notices contraventions of legal norms, actions dictated by non-competent bodies, or a legal impossibility, or the procedure established by the applicable regulations is disregarded, it can declare the nullity of the selection process and must indicate the stage from where the selection process shall take effect.

15) When the appeal is declared well-founded in whole or in part, the guarantee is returned to the complainant within 15 working days from the request. In the event that the appeal is declared unfounded or inappropriate, the guarantee is enforced, as well as in the case of withdrawal by the complainant.

16) The administrative action that resolves the appeals of the selection processes in the foreign market exhausts all administrative remedies.
17) Appeals filed in foreign market contracting processes supervised by the ACFFAA are governed by the provisions of its creation rule, its regulations and the provisions of this Manual, by order of priority.

15. CONTRACT AWARD

a. When 2 or more proposals have been presented, the contract award will take 8 working days after it has been notified, provided that bidders have not exercised the right to file an appeal. The Committee shall inform by letter to the winning bidder about the contract award on the next business day. In the case of selection processes that were not awarded, the provisions of paragraph 12 (d) of this Chapter shall be taken into consideration.

b. In the case of a single bidder, the contract award will take place on the date of its notification.

c. Once contract is awarded, the Committee shall submit all the documentation to the competent agency duly foliated, enclosing to the remittance letter an index of all the documentation. In the case of contracts awarded by the ACFFAA, the Contract Performance Department will be responsible for submitting all the documentation necessary for the signing of the contract, which includes the contract document.

CHAPTER IV
CONTRACT PERFORMANCE

1. PERFECTION

a. The content of the contract shall be based on the technical and economic proposal of the winning bidder and on the content of the tender documentation.

b. Once contract is awarded or administratively secured, the parties shall sign the contract; the contractor shall present the requirements established in the Tender Documentation.

c. If the contract is subject to industrial and social offsets, the corresponding Offset Framework Agreement must be signed prior to the signing of the contract; otherwise, the bidder will automatically lose the contract award, without prejudice to the corresponding administrative actions.

d. The OBACs shall not refuse to contract, except due to budget cuts that are duly supported and that directly affect the selection procedure, by express rule or when the need has disappeared after a supporting report from the user area. This decision must be communicated to the ACFFAA.

e. In the case of contracts to be signed by the OBAC, the maximum term between the contract award and the signing of the contract is 22 working days.
If longer terms are required, they shall be authorized through Resolution by the Head of the OBAC, or the person to whom authority has been delegated, previous to Legal Technical Report of the corresponding area, not exceeding the current fiscal year. If the Head of ACFFAA signs the contract, the terms indicated in the Regulations of Legislative Decree N° 1128 shall apply.

f. If the winning bidder does not attend the singing of the contract within the established term or fails to present the required documentation, the contract award is canceled; the body responsible for the contractual performance shall notify this in writing to the bidder’s addresses indicated in the documents presented in its technical proposal or offer, within 24 hours.

Within the same period of time, the body responsible for the contractual performance shall summon, in writing, the bidder in second place in the order of priority, so that he presents the documentation required for the signing of the contract; the procedures for perfecting the contract above indicated shall be followed. If the bidder in the second place does not show up, the Committee will be requested to declare the process not awarded.

g. The contract will be signed by the officer of the OBAC with authority delegated by means of the respective resolution. Likewise, the winning bidder shall present the accreditation documents of his representative, as well as his respective power of attorney in which the authority to enter into contracts is expressly indicated. This power shall be registered in the consulate of the country of origin of the winning supplier and certified by the Ministry of Foreign Affairs, or with the corresponding Apostille in the case of countries that have an agreement. In case the corresponding budget transfer to ACFFAA has been made, the contract shall be signed by the Head of the ACFFAA or the officer delegated by him.

h. The contract shall be formalized in writing and shall contain, at least, the following conditions necessary for its correct performance:

1) Object of contract.
2) Services to be performed.
3) Technical specifications of the good or terms of reference of the service.
4) Deadline for fulfilling obligations.
5) Form and place for delivery of the good or provision of the service.
6) Price of the services.
7) Payment terms.
8) Guarantees to be granted.
9) Contract codification clause.
10) Penalties.
11) Dispute resolution.
12) Note that, if there are hidden defects, they will be assumed by the contractor.
13) Anti-corruption clause.
14) Others considered pertinent in accordance with the object of the contract.

i. Regarding the guarantees, their purpose is to ensure the proper performance and fulfillment of the obligations assumed by the contractor.
j. The contracts in the foreign market shall include performance bond and advance payment clauses. These guarantees must be backed by letters of guarantee or other international guarantee instruments; such instruments must be unconditional, joint and several, irrevocable and automatic upon request. The performance bond, at the request of the contractor, may be presented through a cash deposit to the bank account of the OBAC or ACFFAA, as appropriate.

k. The entities issuing the above-mentioned guarantees shall be banks under the supervision of the Peruvian Banking, Insurance and Pension Plan Agency; and shall be authorized to issue guarantees; or be considered in the latest list of first-rate foreign banks published periodically by the Central Reserve Bank of Peru.

For this purpose, the following general guidelines should be taken into consideration:

1) Contracts must have a guarantee of faithful performance for the 10% of the contractual amount, in force until the termination of the contract.

2) Advance payments must have a guarantee corresponding to 100% of the advance payment. Said guarantee may be reduced as the contract is completed per stages, until 100% of the total is completed.

3) Foreign contracts whose amount does not exceed 25 UITs, are exempt from the formality of presenting the performance bond of the contract.

4) If there are additional guarantees to the contract, the contractor shall provide an additional guarantee for 10% of the additional amount.

2. GENERAL CONDITIONS DURING CONTRACTUAL PERFORMANCE

a. If considered in the Tender Documentation, the contractor shall provide during the contractual performance the necessary information for identification of the items of supply, for their correct codification:

1) Item Name.
2) Part Number.
3) N-CAGE (Manufacturer’s Code assigned by the NATO Codification System (NCS)
4) NATO Stock Number (NSN)

In case the supply is not registered or is not part of the NCS, contractors shall be responsible for providing part numbers, manufacturer or designer data and technical documentation necessary for the identification of the items of supply.

b. Regarding payment by letter of credit, it should be specified whether the costs of the letter of credit will be assumed by the contractor or the OBAC.
c. A contractual clause shall be included specifying that, in the event of hidden defects, these will be assumed by the contractor.

d. The contractor may subcontract with third parties part of the services at its expense, as long as it has been established in the Tender Document and up to 30% of the amount of the contract, with the prior authorization of the entity.

e. Once the contract is signed between the OBAC and the contractor, the OBAC shall send to the ACFFAA, within 7 calendar days from the signing, a certified copy of the contract, containing a copy of the letter of credit (10%) for faithful compliance and copy of the validity of the power of attorney of the legal representative of the awarded company.

3. CONTRACT AMENDMENTS

The content of the contract may not be modified unless addenda are signed, for which the following requirements and formalities shall be complied with:

1) The modification is necessary to comply with the purpose of the contract on a timely basis and efficient manner and/or represents an improvement to the good or service.

2) The essential elements of the purpose of the contract are not changed.

Such amendment shall be supported on a Report from the user area and specialized area containing the contractor's communication and must be authorized by the Head of the OBAC or the authority with such capacity.

In the case of the contracts by the ACFFAA, the Agency's previous favorable opinion must also be obtained, supported on the Technical Report issued by the Contract Performance Office.

4. APPLICATION OF PENALTIES

a. The penalty for delay in the performance of the service, in case it has been considered in the Tender Documentation and agreed in the contract, arising from the contracting processes abroad, may be applied to the contractor up to a maximum amount equivalent to 10% of the contractual amount or, as the case may be, of the item, step or stage. If the described maximum amount of penalty is exceeded, the contract may be terminated.

b. This penalty shall be deducted from the partial payments to be made or from the final settlement of the contract, as agreed; or if necessary, it shall be collected from the amount resulting from the enforcement of the guarantee of faithful performance.

c. Penalties other than those mentioned in the preceding subparagraph may be established in the contract, provided that they are reasonable and consistent with the supplier's performance.
5. TERMINATION OF CONTRACTS

a. The OBACs may terminate the contract for the following reasons:

1) If the contractor unjustifiably fails to comply with contractual obligations, causing delays in the delivery of goods or services.
2) When the maximum amount of the penalty for late payment or the maximum amount for other penalties has been accumulated during the performance of the service at the contractor’s expense.
3) The contractor stops or unjustifiably reduces the performance of the service, despite having been required to correct such situation.
4) Fortuitous event or force majeure that makes the continuation of the contract definitively impossible.

b. Procedures for the termination of contracts

If either of the parties fails to perform their obligations, the aggrieved party shall require, by means of a document in which their completion can be corroborated, to perform them within a period not exceeding 10 calendar days, under the penalty to terminate the contract.

Depending on the contractual amount and the complexity, scope or sophistication of the contract, terms longer than those indicated above may be established, which in no case may be greater than 20 calendar days.

If at the end of this period the non-performance continues, the aggrieved party may terminate the contract in whole or in part, communicating the decision to terminate the contract in a suitable document where reception can be verified. The contract is terminated since the reception of such communication.

The OBAC or ACFFAA may terminate the contract without requiring the contractor’s prior performance, when it is due to the accumulation of the maximum amount of penalty for late payment or other penalties, or when the situation of non-performance cannot be reversed. In these cases, it is enough to communicate, in an appropriate document, to the contractor the decision to terminate the contract.

The partial termination only involves that part of the contract affected by the breach, provided that such part is separable and independent of the rest of the contractual obligations, provided that the total termination of the contract could affect the interests of the OBAC. In this sense, the requirement must clearly specify which part of the contract is terminated if the breach persists. If this is not specified, it is understood that the resolution is total.

Any controversy derived from the performance of the contract will be resolved through the instances and procedures described in the clauses of the contract, and ACFFAA must be informed of the status of the contract. In case the figure of conciliation or arbitration has been determined, these must be filed within 30 working days from the notification of the Resolution, this being an expiration period.
The OBAC shall inform the ACFFAA of the termination of the contract, communicating the grounds for such termination within 7 working days of the issuance of the act.

6. RECEPTION OF GOODS AND APPROVAL OF SERVICES

a. The reception of goods and the approval of services are the exclusive responsibility of the user area, for which it must consider in its request, if applicable, the procedures of reception and approval. Such procedures shall be considered by the Committee in the Tender Documents.

b. The entire reception procedure is formalized through the Certificate of Reception of Goods, which is one of the mandatory documents to formalize the corresponding payment procedure.

c. The approval procedure of all contracted services is formalized through a Technical Report from the official responsible for the user area or the agency that prepared the requirement; who must verify, depending on the nature of the service, the compliance with all contractual conditions, as stated in the respective service provision.

d. The approval shall be submitted by the competent body of the OBAC for the preparation and signing of the Certificate of Reception and Approval of Service, which is one of the mandatory documents to formalize the corresponding payment procedure.

e. If there is any observation in the reception of the goods or approval of the services, it shall be recorded and clearly described in the respective certificate. Supplier shall be given a time for their correction, depending on the complexity of the contracted goods or service.

f. In the event that the supplier does not fully comply with the correction, the OBAC may discontinue the Committee without prejudice to applying the corresponding penalties and enforcing the corresponding guarantees.

g. The approval of the reception by the competent body does not limit the right to claim later for defects in its use or hidden defects.

h. The duly signed and certified Certificate of Approval shall be submitted to the ACFFAA no later than 5 working days after it has been signed.

7. ADDITIONAL SERVICES, REDUCTIONS AND COMPLEMENTARY SERVICES

a. Additional services may be available up to the termination of the contract for up to a limit of 30% of the amount of the original contract, provided it is necessary to achieve the purpose of the contract. In such case, prior approval shall be required, by means of a Resolution from the Head of the OBAC or of the officer to whom such authority has been delegated, which must be accompanied by the respective Technical and Legal Report and have the corresponding budget availability. This
decision shall be submitted to the ACFFAA enclosing a copy of the Resolution and the corresponding addendum.

If the contract is signed by the ACFFAA, the additional approvals shall follow the procedures established in the Regulations of Legislative Decree 1128.

b. A reduction in the service of up to 30% of the original contract amount may also be available. Likewise, prior approval shall be required, by means of a Resolution from the Head of the OBAC or from the officer to whom such authority has been delegated, which must be accompanied by the respective Technical and Legal Report. This decision shall be submitted to the ACFFAA enclosing a copy of the Resolution and the corresponding addendum.

c. If the contract is signed by the ACFFAA, the reduction approvals shall follow the procedures established in the Regulations of Legislative Decree N° 1128.

d. Up to 30% may be contracted only once within the first 6 months from the termination of the contract. In this case, prior approval shall be required, by means of a Resolution from the Head of the OBAC or from the officer to whom such authority has been delegated, which must be accompanied by the respective Technical and Legal Report. This decision shall be submitted to the ACFFAA enclosing a copy of the complementary contract.

e. If the contract is signed by the ACFFAA, the approvals of the complementary contracts shall follow the procedures established in the Regulations of Legislative Decree N° 1128.

f. The ACFFAA and the Institutional Control Bodies of each OBAC shall receive a copy of the Resolution that states the additional service and/or reduction of the service, as well as the Legal Technical Report that supports it, within a term that shall not exceed 10 working days from the approval, under the responsibility of the Head of the OBAC.

8. PAYMENT

a. All payments made in favor of the supplier for the goods or services covered by the contract shall be made after the respective service has been performed; unless, due to the nature of the latter, payment is a condition for the delivery of the goods or the conduction of the service.

b. The OBACs may make periodic payments to the supplier for the value of the goods and services contracted in compliance with the purpose of the contract, provided that they have been established in the Tender Documents.

c. The OBACs shall pay the agreed consideration in favor of the contractor, on the date established in the contract. For this purpose, the person responsible for approving the reception of the goods and/or services shall do so within a maximum period of 10 working days to enable payment to be made within the agreed period.
d. The competent Body of the OBAC or the agency in charge of preparing the purchase order or service order, as applicable, shall send to the area in charge of making the payments, a copy of the file and an original copy of the documents supporting the draft and payment phases, which shall be:

1) Purchase or service order.
2) Signed contract (if applicable).
3) Commercial invoice or similar document.
4) Certificate of the reception of goods or the certificate of approval of services, as appropriate.

e. A copy of the document accrediting that the payments have been made to the ACFFAA shall be sent no later than 5 working days after payment.

**RESPONSIBILITIES**

The staff of the bodies of the ACFFAA, OBACs, Committees and all staff involved in the different phases of the contracting shall be responsible for compliance with the provisions contained in the updated text of this Manual.
DEFINITION OF TERMS

a. User Area
An agency, body or organizational unit belonging to the OBACs, whose need or needs are formalized through technical specifications or terms of reference as appropriate, or that, given its specialty and/or functions, channels the requirements made by other user agencies, bodies or organizational units of the OBACs. Likewise, it collaborates and participates in the planning of contracts, carries out the technical verification of the contracts made at its request, and gives its approval if its need has been satisfied.

b. Tender Documents
It is the document containing the set of rules formulated by the COMMITTEE, specifying the purpose of the process, the technical specifications or terms of reference as appropriate, the conditions to be followed during the process, and the preparation and signing of the contract, as well as the rights and obligations of the participants, bidders and the future contractor.

c. Operating Technical Study Committee (CETO, for its Spanish Acronym)
Committee in charge of the preparation of the Operating Technical Study, which includes the minimum technical, operating and logistical requirements to be considered in the contracting of a Weapons System, which is not under the scope of the National System of Investment Projects. In the case of an Investment Project, these functions are performed by the teams preparing the Definitive Studies.

d. Special Committee on the Foreign Market (COMMITTEE)
It is the corporate body in charge of conducting the process to select the supplier, with which the contract will be carried out in the foreign market. It assumes responsibility from the moment of its appointment until the contract is awarded or administratively secured.

e. Contracts by the ACFFAA
These are the contracting processes conducted by the ACFFAA.

f. Contracts by the the OBAC
These are those processes conducted by the OBAC that are not linked to the National Security and Defense, and contracts whose reference value does not exceed 10 Tax Units (UIT).
Likewise, these are the processes that, being linked to the National Security and Defense, due to the amount established in ACFFAA's Administrative Resolution, shall be the responsibility of the OBAC and shall be executed by the OBAC. In addition, they are the contracting processes authorized to be conducted by the OBAC through ACFFAA's Administrative Resolution.

g. Contracts related to National Defense and Security
Contracts of goods and services that maintain and/or increase Military Capabilities, as defined by the Joint Command of the Armed Forces.
h. **Standardization**
   Process to determine Technical Specifications (TS) or Terms of Reference (TOR) which serve to contract goods and services of a mark, patent or particular type, allowing to reach levels of compatibility, interchangeability and commonality with other pre-existing ones.

i. **Facilitator**
   Person designated by the foreign company to carry out coordination tasks before the OBAC or the ACFFAA in the country, which include the presentation of the company’s documentation within the contracting process. The facilitator is not enabled to sign documentation on behalf of the company.

j. **Homogenization**
   Process to determine Technical Specifications (TS) or Terms of Reference (TOR) which serves to contract goods and services of similar nature for the OBACs with common needs, within the framework of the principles of interoperability and joint action.

k. **Item**
   Minor contracting process within the main contracting process.

l. **Bodies under the Scope of the Purchasing Agency of the Armed Forces (OBAC)**
   1. Joint Command of the Armed Forces
   2. Peruvian Army
   3. Peruvian Navy
   4. Peruvian Air Force
   5. Peruvian Merchant Marine School
   6. National Commission for Aerospace Research and Development
   7. Pension General Directorate of the Armed Forces
   8. Other as may be provided by Supreme Decree

m. **Competent body of the OBAC**
   This is the body appointed by the OBAC to carry out the activities corresponding to the preparatory actions or other aspects of a technical nature that have an impact on the contracting process.

n. **Participant**
   Supplier company domiciled abroad, invited by the COMMITTEE to a contracting process in the foreign market.

o. **Bidder**
   Foreign supplier company invited by the COMMITTEE to participate in a contracting process in the foreign market, which presents its technical and economic proposals for the corresponding evaluation.

p. **Legal Representative**
   Person appointed by the foreign company before the registration authority of its country of origin with powers to represent the company and sing documents on its behalf.

q. **Weapons System**
   It is the self-sustained force unit made up of command and control elements, personnel that operate them, weapons systems and logistic support, with the capacity to be functionally used to meet operational requirements in order to conduct a military mission.
r. NATO Codification System (NCS)
   It is the official procedure by which parts and components of military supply systems
   and equipment are uniformly named, classified and described; a NATO Stock Number
   (NSN) shall be assigned to be used as key identifiers in logistics information systems.
ADDITIONAL INFORMATION

A. VALIDITY

This updated Manual for Contracting in the foreign market MAN-DPC-001 - version 04, will become effective on the day after its publication in the ACFFAA's Institutional website.

B. APPROVAL

It shall be approved by Administrative Resolution.

C. APPENDIX

APPENDIX 1. Formal Declaration of Compliance with Codification Obligations
APPENDIX 01

FORMAL DECLARATION OF COMPLIANCE WITH CODIFICATION OBLIGATIONS

Messrs.
Chairman of the Special Committee on the Foreign Market (COMMITTEE).

COMMITTEE ______-2017-____ (brief name of the contracting process)

The undersigned, (Name of Legal Representative of the Company),
identified by passport ____________________________, born in ____________________________, in
representation of the company ____________________________, with NCAGE 1:
, with Tax Identification Number or equivalent:__________, and legally domiciled in
(city),_________________________;(country)_________________________, I declare under oath that
the company I represent undertakes to:

a) Supply to ____________________________ "(name of Institute)" all technical data
(drawings, specifications, codification or other information describing the physical
characteristics of an item) necessary for the complete identification of all sourcing
items supplied under the Contract. The information shall be submitted within the term
of the Contract and must be provided in print and electronic form.

b) Provide a list of the items of supply under the Contract, and in the case of equipment,
assemblies or systems, the spare parts considered in the respective parts catalogues,
with the technical data necessary for codification, namely: Item Name, Part Number,
N-CAGE (Manufacturer's Code assigned by the NATO Codification System (NCS),
and NATO Stock Number (NSN); if the items are standardized (Standard Parts), it
shall provide the number of the standard or technical specifications of the design. The
above information shall be delivered in EXCEL format.

In the event that you subcontract the supply of the items with a manufacturer from a
non-NATO country, ____________________________ (name of Company) shall be
responsible for obtaining from that company all technical data necessary for the
complete identification of all services and items of supply under the Contract and
delivering them to ____________________________ "(name of Institute)".

c) Provide the technical information corresponding to the modifications and changes in
the concept or design made to the item of supply during the term of the Contract.

__________

1 Optional
d) Verify compliance with the codification stipulated in the Contract Codification Clause, by means of a certificate obtained from the Peruvian Codification Bureau (Codification Department of the Procurement Agency of the Armed Forces) and which will be necessary for the settlement of the contract. It is understood that the delivery of the goods under the contract has not been completed until the stipulated codification obligations are fully complied with, to which the character of main obligations is expressly conferred, inherent to the delivery of the items, in such a way that its non-compliance will have the same treatment and effects as the non-compliance of the delivery obligation.
### TABLE OF CONTROL OF CHANGES IN REGULATORY DOCUMENTS

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I, the undersigned Certified Translator, Member of the Peruvian Association of Professional Licensed Translators (CTP), do hereby certify that this Certified Translation, consisting of 45 pages, is a true and correct translation into English of the original document in Spanish enclosed herewith, which has been produced before me.

This certification shall be considered an acknowledgment of the accuracy of the translation but not of the authenticity or contents of the document in source language attached hereto.

Signed in Lima, this 16th day of September 2019.

[Signature]

[CTP Logo]