

## **Regulations for The Implementation of Inter-entity Supply Contracts**

*Promulgated on May 17, 1999*

*Last Amended on March 1, 2012*

### **Article 1**

This Regulations is prescribed for the inter-entity supply contracts provided for in Article 93 of the Government Procurement Act (hereinafter referred to as the “Act”).

### **Article 2**

The term “property or services that are commonly needed by entities” referred to in Article 93 of the Act means property or services which are commonly required by two or more entities.

The term “inter-entity supply contract (hereinafter referred to as the “Contract”)” referred to in Article 93 of the Act means that an entity, on behalf of two or more entities, signs a contract with a supplier for property or services that are commonly needed by entities, so that the entity and other entities to which the Contract applies can utilize the Contract to conduct procurements.

### **Article 3**

The term “contracting entity” referred to in this Regulations means the entity that signs the Contract with a supplier.

The term “entities to which the Contract applies” referred to in this Regulations means those entities that shall conduct procurements according to the Contract.

### **Article 4**

When preparing the tender documentation of the Contract, unless otherwise provided for in laws or regulations, an entity shall specify the following, if applicable.

1. the name of the subject of tendering, technical specifications, areas of supply, estimated total quantity of procurement, minimum quantity for each order, maximum quantity for each order, terms and conditions of quotation, procedures for notifying the winning tenderer, time limit for performance of each order, packaging, inspection and acceptance, guarantee, dispute settlement, or other commercial terms;
2. each area where price and the time limit for performance of order may be different;
3. order notifications to the supplier during the term of the Contract or prior to

- expiration or termination of the Contract shall be valid;
4. where promotional or special discount activities offered to the general public during the term of the Contract result in more favorable prices or conditions than those provided in the Contract, such favorable prices or conditions shall also be applicable to the entities to which the Contract applies;
  5. the applicable entities;
  6. entities other than those referred to in the preceding subparagraph may, upon agreement of the supplier, make use of the Contract to conduct procurements;
  7. the procedures and conditions for changing the Contract;
  8. the conditions for rescinding or terminating the Contract;
  9. information regarding the names, addresses, telephone numbers, fax numbers and contact persons (or units), etc. of the contracting entity and the suppliers;
  10. an indication that the Contract is an "inter-entity supply contract "; and
  11. other requisite matters.

#### Article 5

The applicable entities referred to in subparagraph 5 of the preceding Article may be one of the following:

1. all participating entities, where two or more entities agree that one of such entities signs the Contract on behalf of the others;
2. the entity and its subordinate entities, where the contracting entity is designated by the entity, and the entity is a ministry, commission, central bank, department, bureau, administration, etc. at the central government level, or a municipal or county(city) government; or
3. central government entities, where the contracting entity is designated by the responsible entity.

#### Article 6

The applicable entities shall use the Contract for procurements and shall inform the contracting entity of such procurements. Where there are other requirements prescribed in the Contract, those requirements shall apply.

The applicable entities referred to in the preceding paragraph need not use the Contract for procurements provided that there is due cause for doing so, but shall notify the contracting entity of such circumstances.

#### Article 7

The Contract shall be published on the website of the responsible entity for all entities to use.

#### Article 8

The procurement procedures for applicable entities to use the Contract shall be stated explicitly in the Contract by the contracting entity in one of the following manner:

1. to conduct the procurement through the contracting entity; or
2. to deal directly with the supplier and notify the contracting entity of such circumstances;
3. to follow other procedure requirements as prescribed in the Contract.

When conducting the inspection, acceptance and payment, the applicable entity may, in principle, deal directly with the supplier.

#### Article 9

The Contract shall state explicitly that the contracting entity may negotiate with the supplier for amending the Contract if the supplier, during the term of the Contract, offers the applicable entities or other persons the subject of the Contract for more favorable price or condition. Where the supplier refuses to lower the price without reasonable cause, the contracting entity may terminate the Contract.

#### Article 10

The Contract shall state explicitly that the contracting entity may terminate the Contract and claim for damages if the supplier accords differential treatment to the applicable entities without due cause, or fails to supply goods or services to the applicable entities due to causes attributable to the supplier.

#### Article 11

The maximum term for the applicable entities to use the Contract for procurements shall be two years.

#### Article 12

Collection and compilation of statistical information and the notification pursuant to Article 101 of the Act pertaining to the Contract shall, in principle, be solely handled by the contracting entity.

#### Article 13 ( deleted )

#### Article 14

The provisions set out in this Regulations may not be applicable to the

procurements conducted by overseas institutions of the applicable entities.

#### Article 15

The contracting entity may charge the applicable entities necessary fees for handling the Contract.

#### Article 16

This Regulations shall take effect May 27, 1999.

The amendment to this Regulations shall take effect on the date of promulgation.