

**[ PITC MEMORANDUM CIRCULAR NO. CT-95.4/02,  
April 17, 1995 ]**

**INCLUSION OF COUNTERTRADE UNDERTAKING OF FOREIGN  
SUPPLIERS IN BIDDED OR NEGOTIATED CONTRACTS COVERED  
BY E.O. 120 (S. 1993) AND ITS IMPLEMENTING RULES AND  
REGULATIONS**

**A**

**Introduction**

To ensure that "best efforts" are exerted by Government procuring offices to adopt countertrade as a supplemental trade tool with respect to their procurement/importation of foreign capital equipment, machinery, products, goods and services as mandated under E.O. 120 dated August 19, 1993 and its Implementing Rules and Regulations ("IRR") dated January 10, 1995, the following measures shall be complied with.

**B**

**Integration of a Countertrade Undertaking/Proviso in Bid Tenders or  
Related Product Offers of Foreign Suppliers**

B.1 It shall be the responsibility of all Government procuring offices, whose foreign procurement or importations are covered by E.O. 120 and its IRR, to require its foreign suppliers to submit, together with their bid tender (in case of bidded purchases) or product/sales offer (in case of negotiated purchases) a written Undertaking to pursue countertrade in the Philippines in the event that said supplier is awarded the subject contract.

The text of said written Undertaking is hereto attached as Annex "A" and made integral parts hereof.

B.2 The aforesaid Undertaking shall be signed by the duly authorized representative of the foreign supplier and shall be submitted to the Government procuring office together with, and at the time as, the bid tender or product/sales offer for the particular equipment, machinery, product, goods or services being offered to the government.

B.3 The government procuring office concerned shall take all necessary steps to integrate the above-mentioned requirement in its bidding or related procurement procedures for importations covered by E.O. 120 and its Implementing Rules and Regulations.

To this end, said office shall ensure that its foreign suppliers are duly informed of such a requirement PRIOR to submission of their respective formal bid or related offers.