

## Article 1 Legal Basis

- 1.1 Article 6, Paragraph 4 of the Fundamental Science and Technology Act.
- 1.2 Regulations Governing Procurements for Scientific and Technological Research and Development.
- 1.3 TASA's Rules for Procurement Procedures ("**Rules**").

## Article 2 Scope of Application

Procurement conducted in accordance with Article 2 of the Rules shall be governed by the Scientific Research Procurement Handbook ("**Handbook**").

## Article 3 Definitions

- 3.1 Scientific Research Procurement: The procurement of property, service or construction works for a scientific and technological research and development project funded or commissioned by a government agency (or institution) under Article 6, Paragraph 4 of the Fundamental Science and Technology Act.
- 3.2 Superior Agency: National Science and Technology Council.
- 3.3 Subsidizing Agency: The government agency (or institution) subsidizing TASA's procurement cases.
- 3.4 Threshold for Small Procurement: The same amount as provided in the Government Procurement Act.
- 3.5 Threshold for Publication: The same amount as provided in the Government Procurement Act.
- 3.6 Threshold for Supervision: The same amount as provided in the Government Procurement Act.
- 3.7 Large Procurement: The same meaning as provided in the Government Procurement Act.
- 3.8 Supplier: Any natural person, juridical person, institution, organization, company or the industrial or commercial firm under partnership or sole proprietorship supplying for Scientific Research Procurement.
- 3.9 Requesting Unit: The unit responsible for filing applications for procurement and handling the management of contract performance and dispute resolution.
- 3.10 Requesting Personnel: The handler applying for procurement based on the needs of operation, experiments and research.
- 3.11 Procuring Unit: The unit responsible for handling invitation to tender, tender opening, price competition, price negotiation, contract awarding, contract execution, and inspection and acceptance in procurement cases, and assisting in contract dispute resolution.
- 3.12 Procuring Personnel: The person handling procurement.
- 3.13 Monitoring Unit: The unit responsible for the on-site monitoring of, or reviewing the documents of, the procedures of tender opening, price competition, price negotiation, contract awarding and inspection and acceptance.

- 3.14 Monitoring Personnel: The person responsible for monitoring the procedures of the Scientific Research Procurement cases.
- 3.15 Assistant Inspector: The person responsible for assisting in inspection and acceptance procedures and conducting on-site audit to check if the subject of contract performance meets the needs of procurement request.
- 3.16 In-charge Supervisor: The person listed in accordance with the “Authorization Chart for Procurement Procedures”.
- 3.17 Negotiation: The discussions or agreements made between TASA and the Supplier regarding the tender specifications, contents of tender, terms of contract and price.

#### **Article 4 Procedures of Procurement Request**

- 4.1 Before conducting Large Procurement, the Requesting Personnel shall submit an analysis of the expected benefits of the Large Procurement to the Superior Agency; however, if the detailed plan has already been submitted, the said analysis need not to be submitted.
- 4.2 Procurement of property, service, or construction work with an amount of NT\$ 10 million or more shall be submitted to the “Purchasing Review Committee” for review and approval before the procurement request procedures are carried out.
- 4.3 The Requesting Personnel shall fill out the procurement request form based on the needs of operation and have the procurement request form approved by the Director General or the authorized person thereof in accordance with the provisions of the “Authorization Chart for Procurement Procedures”.
- 4.4 When the Requesting Unit submits a procurement request, the following matters should be noted:
  - 4.4.(1) The Requesting Unit may not carry out the procurement by segment.
  - 4.4.(2) For a procurement of a value reaching the Threshold for Publication, the tender specifications shall be prescribed in terms of function or performance. There shall be no requirement or reference to a particular trademark or trade name, patent, design or type, specific source of origin, producer or supplier in the tender documents, unless there is no precise way of describing the procurement requirements and provided that words such as “or equivalent” are included in the tender documents.
  - 4.4.(3) Where there is no applicable international standards or national standards for the technical specifications set by the Requesting Unit and there is no precise way of describing the procurement requirements so that requiring or mentioning specific brand names is needed, the words “or equivalent” shall be specified, and the brand names listed shall comply with the following conditions:
    - 1. The brand names listed shall be for the Supplier’s reference only and may not be mandatory for the Supplier;
    - 2. The brand names listed are currently manufactured, supplied, easily accessible, reasonably priced, and can ensure the quality of procurement, and no agent or distributor thereof has monopolistic conducts or concerted actions as stated in the Fair Trade Act; and

3. The prices, functions, benefits, standards and characteristics of the brand names listed are equivalent.
- 4.4.(4) Where the tender documents allow the Supplier to offer the equivalents, it can be carried out in any of the following ways:
  1. Where the tender documents specify the words “or equivalent” and provide that the Supplier shall specify in the bidding documents in advance when it would like to offer an equivalent, the Requesting Personnel should review and evaluate themselves whether it is an equivalent when opening the tender. After reviewing, if it is not an equivalent, the Supplier should be disqualified.
  2. Where the tender documents specify the words “or equivalent” and provide that the winning Supplier, when it would like to offer the equivalent, may offer the equivalent to TASA before using the same, the winning Supplier shall specify the brand names, prices, functions, benefits, standards or characteristics comparison chart, etc., and the supervisor of the Requesting Unit will convene a meeting to review and evaluate whether it is an equivalent. Such review meeting may invite experts, scholars and the original designers to confirm whether it is an equivalent. It may not be used before it has been evaluated and considered as an equivalent.
- 4.4.(5) “Equivalent” means a subject whose function, performance, standard or characteristic is determined by TASA as not inferior to that required or specified in the tender documents and may be examined and tested. Where the price of the equivalent offered by the Supplier after contract awarding is lower than the price specified or mentioned in the contract, such difference shall be deducted from the contract price; as to the relevant taxes, revenues or charges related to the equivalent, if they are separately listed in a lump-sum manner, they should be deducted in the ratio of the price of the equivalent to the original contract price. Where the price is higher than the price specified in the contract, the price specified in the contract shall prevail and no additional charges will be paid.
- 4.4.(6) When preparing the procurement request form, if there is a need for subsequent expansion, Requesting Unit shall indicate the periods, amounts or quantities of the subsequent expansion on the procurement request form.
- 4.4.(7) For the procurement reaching the Threshold for Publication, if, according to the market practice or the nature of the procurement case, there is no necessity or possibility to require bid bonds or contract bonds, Requesting Unit shall specify such fact on the procurement request form.
- 4.4.(8) In the event that the Requesting Unit agrees to the advance payment without Supplier’s refund bond, as this is an unusual and high-risk procurement payment procedure, the Requesting Unit shall specify the reasons in detail.
- 4.4.(9) Where the procurement case is conducted by means of limited tender, the specific reasons for the procurement request shall be specified in accordance with Article 5 of the Rules.
- 4.5 Where the procurement is conducted by means of limited tender, the following matters should be noted:
  - 4.5.(1) When choosing the provision “where the subject of procurement is exclusively manufactured, distributed or supplied, or is secret consultation, for which there is not any appropriate substitute”, the subject’s functions, benefits, experimental needs, and

- the fact that it cannot be substituted by other products, should be specified as the reasons.
- 4.5.(2) Regarding “exclusively manufactured, distributed or supplied”, it is advisable to require the Supplier to provide the certificates or declarations thereof first; then the Requesting Unit may elaborate further based on its professional opinions.
- 4.5.(3) When choosing the provision “where it is necessary to procure from the original Supplier for subsequent maintenance of the original procurement or the spare parts’ supply, replacement or expansion of the original procurement due to the need for compatibility or interoperability”, in addition to listing the procurement case number of the original procurement case, the Requesting Unit shall also provide specific explanations regarding the compatibility or interoperability with the subject of the original procurement case.
- 4.6 In case of changes in the procurement, the Requesting Personnel should use the electronic form system to apply for changes or use the electronic document system to report to the Director General or the authorized person thereof for approval.
- 4.7 According to Article 5, Paragraph 5, of the Rules, for the procurement valued no more than NT\$ 150,000, Requesting Unit may, by itself, consult with the Suppliers for their written quotations and procure the subject fit for the need; for the procurement valued more than NT\$ 150,000 but no more than NT\$ 300,000, Requesting Unit may, by itself, consult with the Suppliers for their written quotations, and the Procurement Unit may procure the subject fit for the needs.
- 4.8 For a subject supplied by a public utility or a public agency according to a certain rate, in the event that it is supplied exclusively and cannot be conducted through price negotiation, the Requesting Unit may, after submitting documents relating to the rates for the Director General’s or his/her authorized person’s approval, conduct the purchase or signing of the contract for the subject fit for the need without the procedures of invitation to tender, tender opening, evaluation of tender and award of contract.

## **Article 5 Invitation to Tender**

- 5.1 When handling procurement cases, Procurement Personnel shall note the following matters:
- 5.1.(1) The procurement amount and budget should be confirmed before the invitation to tender.
- 5.1.(2) Depending on the subject matter, nature, amount, and size of the procurement case, the appropriate means of tender shall be confirmed.
- 5.1.(3) The degree of heterogeneity of the procurement should be considered so as to confirm which principle is appropriate: the price bid or the evaluation bid.
- 5.1.(4) The qualifications of Suppliers and the reasonableness of technical specifications should be considered.
- 5.1.(5) The tender documents of the procurement shall be kept confidential before publication. However, this shall not apply to those cases where the tender documents are required to be stated publicly or where reference information from Suppliers is solicited

- through public solicitation. When handling the invitation to tender, the base price, the name and number of the Suppliers obtaining or submitting the tender, or any other relevant information that may restrict competition or cause unfair competition, may not be disclosed before tender opening.
- 5.2 Procuring Personnel shall use TASA's various templates to prepare the tender documents and submit the same to the Director General or the authorized person thereof for their approval. In principle, all tender documents shall use the templates prescribed by TASA, unless the case is specifically approved. Depending on the nature of specific cases and the actual needs, relevant provisions regarding the management of contract performance may be included.
- 5.3 When the invitation to tender is conducted by means of giving a public notice, the tender period, which is from the publication date or tender invitation date to the deadline for submitting the tender or the date of receipt, shall be a reasonable period prescribed based on procurement amount brackets, and the standards should be:
- 5.3.(1) Where the amount is no less than the Threshold for Publication: The first public notice may not be less than 7 calendar days; the second and subsequent public notices may not be less than 5 calendar days. The same applies to the circumstance that the tender is re-started based on the original tender documents after cancellation of the original tender.
- 5.3.(2) Where the amount does not reach the Threshold for Publication: The first public notice may not be less than 3 calendar days; the same applies to the second and subsequent public notices and the circumstance that the tender is re-started based on the original tender documents after cancellation of the original tender.
- 5.4 The tender documents shall provide that the Suppliers submitting tenders shall deposit bid bonds, and that the winning Supplier shall deposit a contract bond, except in the following circumstances:
- 5.4.(1) where the procurement is for services, the bid bond or contract bond shall be waived in principle;
- 5.4.(2) where the procurement is for construction work or property of a value not reaching the Threshold for Publication, the bid bond or contract bond may be waived;
- 5.4.(3) where the procurement is conducted through price negotiation, the bid bonds may be waived; or
- 5.4.(4) where there is no need or possibility to require a bid bond or contract bond by the business practice or attributes of procurement.
- 5.5 Where bid bonds or contract bonds are required in procurement cases, the amount is as follows:
- 5.5.(1) Bid bonds, in principle, may not exceed 5% of the budget amount, and the amount of bid bonds may not exceed NT\$50 million.
- 5.5.(2) Performance bonds, in principle, may not exceed 10% of the budget amount or the estimated total contract price.
- 5.5.(3) Warranty bonds, in principle, may not exceed 5% of the budget amount or the estimated total contract price.

## Article 6 Tender Opening

- 6.1 Where a base price needs to be decided before tender opening, the estimated amount and the analysis of the base price submitted by the planning, designing, requesting, or using unit shall be examined and reported to the unit supervisor or the authorized person thereof for approval. The base price shall be kept confidential from tender opening until contract awarding, and it shall be made public after contract awarding unless there are special circumstances. TASA may announce the base price in the tender documents based on its actual needs. The bidding documents of the Suppliers shall be kept confidential except for official use or as otherwise provided by law.
- 6.2 Before tender opening, whether the received bidding documents of the Suppliers are delivered to the tender-inviting unit or its designated place by mail or by hand before the deadline for tender submission, and whether they are sealed in the tender envelopes and with the name and address of the Suppliers on the outside of the tender envelopes, should be confirmed. The aforementioned “sealed in the tender envelopes” refers to placing the bidding documents in opaque envelopes or containers and sealing them with paste, glue, tape, staples, string or other similar materials.
- 6.3 Where limited tender is adopted to invite the foreign Supplier to conduct the price negotiation, the price negotiation may be conducted through virtual meetings. Where a foreign Supplier explicitly indicates in writing in advance that it will not reduce the price, the price negotiation may be conducted in writing or by electronic data transmission without inviting the Supplier to the price negotiation meeting.
- 6.4 Where the procurement conducted by means of giving a public notice cannot be proceeded because the number of qualified Suppliers does not meet the minimum threshold, the Procurement Personnel may directly carry out the second and subsequent public notices of procurement.
- 6.5 Before the tender opening, whether there is any reason for recusal and other matter to be handled should be checked in accordance with Article 13 of the Rules.
- 6.6 Before the tender opening, the comptroller (accounting) and other related units should be notified to monitor the procedures in accordance with Article 15 of the Rules.
- 6.7 The chairperson of tender opening may also serve as the tender opening handler. Where the evaluation of tender should be carried out then and there, the person handling the evaluation of tender should be notified to handle and assist in the same.
- 6.8 Where the procurement case satisfies any of the following circumstances, the Requesting Unit should be notified to evaluate the tender together; where it does not satisfy any of the foregoing circumstances, the Requesting Unit may still, depending on the case-specific needs, evaluate the tender together:
- 6.8.(1) where the procurement amount reaches the Threshold for Supervision;
  - 6.8.(2) where the tender documents provide for the basic qualifications related to contract performance capabilities;
  - 6.8.(3) where the tender documents provide for the specific qualifications;
  - 6.8.(4) where the tender documents require the Supplier to provide specifications, such as catalogs; or

- 6.8.(5) where the tender documents allow the Supplier to provide the equivalent.
- 6.9 When handling the invitations to tender pursuant to this Handbook, tenders may not be opened or awarded if any of the following circumstances occurs:
- 6.9.(1) where the content of tender documents is amended or supplemented;
  - 6.9.(2) where illegal or improper activities that may impair the fairness of the procurement are found;
  - 6.9.(3) where the Supplier raises an objection, and TASA stays the procurement procedures because it believes that the objection is justified after considering the reasons therefor;
  - 6.9.(4) where there is an emergency;
  - 6.9.(5) where the plan for procurement is changed or cancelled; or
  - 6.9.(6) for any other special circumstances as determined by the Superior Agency.
- 6.10 In case that any of the following circumstances occurs to a bidding Supplier, the tender submitted by the Supplier may not be opened when such circumstance is found by TASA before tender opening; the contract may not be awarded to the Supplier when such circumstance is found after tender opening:
- 6.10.(1) The submission of tender does not comply with the requirements of the tender documents;
  - 6.10.(2) The content of the bidding documents is inconsistent with the requirements of the tender documents;
  - 6.10.(3) The Supplier borrows or assumes any other's name or certificate to submit a tender;
  - 6.10.(4) The Supplier submits a tender with untrue documents;
  - 6.10.(5) The contents of the bidding documents submitted by different bidding Suppliers show a substantial and unusual connection;
  - 6.10.(6) It has been approved by the Director General or the authorized person thereof and published on TASA's official global website that the Supplier is prohibited from participating in tendering or being awarded the contract; or
  - 6.10.(7) There are any other activities in breach of laws or regulations which impair the fairness of the procurement.

When any of the circumstances of the winning Supplier referred to above occurs before the award of contract but is found after award or signing of the contract, the award shall be revoked, the contract shall be terminated or rescinded, and the damages may be claimed; where the circumstance causes the procurement procedures unable to continue, TASA may declare that the procurement is cancelled. However, the foregoing should not apply to the case where, subject to the approval of the Director General or the authorized person thereof, the revocation of the award or the termination or rescission of the contract is against public interests.

Where the foregoing circumstances of not opening the tender or not awarding a contract causes the procurement procedures unable to continue, TASA may declare that the procurement is cancelled.

- 6.11 Where the revocation of the award or the rescission of the contract has been conducted in accordance with the foregoing provision, the procedures may be proceeded in accordance with one of the following means:
- 6.11.(1) the tender may be re-started;
  - 6.11.(2) where the price bid is the originally-adopted contract awarding principle, based on the original contract awarding value, it may contact other Suppliers, who does not win the tender but does meet the requirements set out in the tender documents, in ascending order of the different bidding Suppliers' tender prices set before the contract awarding, and ask the Supplier to reduce its price to the said original contract awarding value to award the contract. In the event that no Suppliers reduces its price to the said original contract awarding value, the contract awarding may be conducted pursuant to Article 11 of the Rules and the contract awarding principle specified in the tender documents; or
  - 6.11.(3) where the evaluation bid is the originally adopted contract awarding principle, a meeting of evaluation committee may be convened to conduct a re-evaluation pursuant to the requirements specified in the tender documents; the price negotiation in order of ranking may also be conducted.

The foregoing provisions shall apply mutatis mutandis to the circumstances where the revocation of the award or the rescission of the contract is due to a winning Supplier's waiving of an award, or refusing to execute or perform the contract, to deposit the contract bond, or to provide the guarantee.

- 6.12 In TASA's procurement, if any of the following circumstances occurs, TASA may, in accordance with the provisions of Article 6.10.(5) of this Handbook "The contents of the bidding documents submitted by different bidding Suppliers show a substantial and unusual connection" and the facts of conduct, determine whether there is any such circumstance set out in the said provision, and address the case:
- 6.12.(1) The contents of different bidding documents were written or prepared by the same person or Supplier.
  - 6.12.(2) The bid bonds of different Suppliers were deposited or requested for refund by the same person or Supplier.
  - 6.12.(3) The serial numbers of tender envelopes or notification letters are consecutive, which apparently were done by the same person or Supplier.
  - 6.12.(4) The addresses, phone numbers, fax numbers, contact persons or email addresses of different Suppliers are the same.
  - 6.12.(5) Any other circumstances that tenders were apparently prepared by the same person or Supplier.
- 6.13 Opening the envelopes of Suppliers' bidding documents and announcing the names, codes or number of the Suppliers and other matters provided in the tender documents shall be conducted in accordance with the applicable rules. Where there is a tender price, it should be announced. Where the tender opening of procurement adopts a step by step procedure, it may be in the sequence of qualification, specification, and price, of which the **【qualification and specification】** can be combined into one step, and the **【specification and price】** can also be combined into one step.



**Article 7 Evaluation of Tender and Award of Contract**

7.1 Whether the Supplier has paid the bid bond according to the tender documents and whether the amount satisfies the requirements of the tender documents should be reviewed. Where the procurement allows the foreign Suppliers to participate in and pay the bid bonds and contract bonds with the equivalent in foreign currency, the types of foreign currencies and the ways of payment should be prescribed in the tender documents. The foregoing "the equivalent in foreign currency", unless otherwise specified in the tender documents, it should be converted at the closing spot bid rate of the Bank of Taiwan's foreign exchange trading on the previous business day before the date of payment.

7.2 After award of contract, the bid bond deposited by unsuccessful Suppliers shall be returned without interest. The same shall also apply if the tender is cancelled. Where the Supplier satisfy any of the following circumstances, the bid bond deposited may not be returned; where the Supplier has not deposited the bid bond according to the tender documents or where the bid bond has been returned, the bid bond should be recovered:

- 7.2.(1) the Supplier used false or untrue documents to submit a tender;
- 7.2.(2) the Supplier borrowed the name or certificate of another to submit tender, or allowed any others to borrow its name or certificate to participate in a tender;
- 7.2.(3) the Supplier assumed the name or certificate of another to submit a tender;
- 7.2.(4) after being awarded, the Supplier refused to execute a contract;
- 7.2.(5) after being awarded, the Supplier failed to deposit sufficient contract bond or to provide other guarantees sufficiently within a prescribed time-limit;
- 7.2.(6) the Supplier offered, promised, or delivered improper benefit to the personnel in relation to procurement; or
- 7.2.(7) there are other conducts in violation of laws and regulations found by TASA affecting the fairness of the procurement.

Of the circumstances of recovery of bid bond referred to in the preceding Subparagraph, the amount of recovery shall be determined by the amount specified in the tender documents when the Supplier fails to deposit the bid bond according to the tender documents; and for a bid bond determined by a fixed proportion of the tender price and there is no tender price for calculation, the tender price shall be substituted by the budget amount.

Notes: the "circumstances of found by TASA" are as follows:

- (1) Illegal or improper conducts which could affect the fairness of the procurement are found; or
- (2) The contents of the bidding documents submitted by different bidding Suppliers show a substantial and unusual connection.

7.3 Whether the bidding Supplier has attached qualification documents or technical specification documents in accordance with the requirements of the tender documents and whether they are in compliance with the requirements of the tender documents shall be examined, and the authenticity of the documents shall also be checked.

- 7.4 The bidding Supplier's price documents shall be examined in accordance with the tender documents, and the price quoted by each Supplier shall be recorded in the tender opening record sheet; If the Supplier offering the lowest tender price has the any of situations including that the tender price is so low that it evidently appears to be unreasonable, and the quality of performance is likely to be impaired or the contract is not likely to be performed in good faith, and that there is any other extraordinary situations, the Supplier may be informed to provide explanations or guarantees within a time limit. If such Supplier fails to submit a reasonable explanation or a guarantee before the time limit set forth by TASA, the contract may not be awarded to the Supplier, and the Supplier offering the second lowest tender price shall then be deemed as the Supplier offering the lowest tender price.
- 7.5 The foregoing "the tender price is so low" means any of the following circumstances:
- 7.5.(1) where a base price is set, the tender price is less than the amount of 80% of the base price; or
  - 7.5.(2) where no base price is set, the tender price is less than the amount of 70% of the budget amount or of the estimated procurement value. Where the budgetary bill is pending for legislative procedure, the estimated procurement value shall govern.
- 7.6 Where the price reductions or the result of evaluation conducted in accordance with Article 11 of the Rules satisfies any of the following, contract should be awarded; where there is no Supplier to which the contract can be awarded, the tender should be cancelled:
- 7.6.(1) where a base price is set for the procurement, a tenderer whose tender meets the requirements set forth in the tender documentation and is the lowest tender within the base price shall be awarded;
  - 7.6.(2) the tenderer whose tender meets the requirements set forth in the tender documentation and is the most advantageous one shall be the winning tenderer; or
  - 7.6.(3) to adopt multiple award. TASA may prescribe in the tender documents that contracts may be awarded to different Suppliers by different items or different quantities, but the spirit of competition as to the price proposal or the evaluation proposal shall be respected.
- 7.7 Where the price bid is adopted and there are two or more Suppliers that can be awarded proposing the same tender price, the award shall be made by drawing lots provided that price reduction and comparison has reached the three-time upper limit set out Articles 11, Paragraph 2 of the Rules. Where there are Suppliers proposing the same tender price as prescribed above, and the price reduction and comparison has not reached three times, there shall be a one-time price reduction and comparison among these Suppliers to determine the lowest price for award. In the event that the price is still the same after the price reduction and comparison, the award shall be made by drawing lots.
- 7.8 Where the tender documents permit a tender price by two or more currencies, the unit should select one of them or use New Taiwan Dollar as the base currency to convert the total price in equivalent so as to rank the tender prices and compare the tender prices with the base price. The foregoing "total price in equivalent" shall be calculated by the closing spot bid rate of the Bank of Taiwan's foreign exchange trading on the previous business day before the contract awarding date.

- 7.9 Where there is only one Supplier meeting the requirements of the tender documents or it is a procurement conducted by means of price negotiation, if there shall be a limited number of times for price reduction, the Supplier shall be notified in advance.
- 7.10 When reviewing the Supplier's bidding documents, ff there is any doubt in the contents, TASA may notify the bidding Supplier for clarification in order to confirm the correct contents of the documents. If there are obvious typing or writing errors in the bidding documents, which are not related to the tender price, TASA may allow the Supplier to correct them.
- 7.11 In the event of discrepancy between the text and the number of the amount specified in the price documents of the tender, the text shall prevail; in the event of discrepancy between the total tender price expressed in several times in text, the lowest amount shall prevail.
- 7.12 Procuring Personnel shall keep the records of tender opening, price negotiation, price comparison and contract awarding, which shall also be signed by the person handling the tender opening for validation; where there is Monitoring Personnel, they shall also sign it for validation. Where the tender cannot be proceeded with, the records shall be kept, and reasons therefor shall be specified. The same applies to the circumstance that the contract cannot be awarded. Where the contract awarding value specified in the contract awarding record is in foreign currency, the type of foreign currency, the exchange rate and the converted total amount in New Taiwan Dollar shall be specified.
- 7.13 Regarding the publication of the result of tender, unless there are other special circumstances, the notice of contract awarding should be published within 30 days after contract awarding. If the contract cannot be awarded, a non-award notice should be published. The foregoing special circumstances should mean any of the following:
- 7.13.(1) subject to the supervisor of the unit or the authorized person thereof, where the procurement is for commercial resale, or used in manufacturing products or providing services for the purpose of resale, and where the contract awarding value involves trade secrets;
  - 7.13.(2) where it is confidential or highly confidential procurement; or
  - 7.13.(3) where there are other circumstances determined by the Superior Agency.
- 7.14 Contract documentation should be prepared according to the result of contract awarding.
- 7.15 Where the tender opening cannot be conducted, the reasons should be reviewed; necessary and reasonable changes should be made before re-starting the tender, or the procurement should be ceased.
- 7.16 Where the means of evaluation is adopted in accordance with Article 8 of the Rules, the evaluation committee meeting shall be attended by at least one-half of the total number of members, and its resolution shall be approved by a majority of the members present.

## **Article 8 Inspection and Acceptance of Contract Performance**

- 8.1 The winning Supplier shall perform the contract of construction work or services by itself and may not assign the contract to others. This same applies to the circumstance where the Supplier needs to perform the contract of property which requires certain performance process and the property thereof to be supplied is not readily available.

- 8.2 TASA may effect an inspection by segment during the Supplier's performance of the contract, and the outcome of such inspection may be used as a basis for the inspection and acceptance.
- 8.3 When conducting procurement of construction works, property and services, inspection and acceptance shall be conducted within a time-limit, and partial inspection and acceptance may also be conducted.
- 8.4 The inspection and acceptance shall be conducted by an appropriate chief inspector, which is appointed by the Director General or the authorized person thereof, and, based on the case-specific nature, the Requesting Unit or the unit using the procurement shall be informed to accompany the chief inspector for inspection and acceptance; the quality assurance unit shall also be informed to assist in the inspection and acceptance.
- 8.5 Personnel of TASA's Procuring Unit (i.e., the lowest level of procurement case handlers of TASA) shall not act as a chief inspector or an inspector for samples or materials of the procurement conducted by the Unit.
- 8.6 For the following procurements of construction work, property and services, the unit handling the procurement may prepare the written certificates and documents and conduct the inspection and acceptance by examining the documents instead of conducting the on-site inspection:
- 8.6.(1) where a property is supplied by a public utility according to a certain rate;
  - 8.6.(2) where an object procured is put into use instantly or within a very short period of time, thus making an on-site inspection difficult;
  - 8.6.(3) where the amount of the procurement is no more than NT\$ 300,000;
  - 8.6.(4) where it is an inspection and acceptance by segment or part, and the value of it is no more than NT\$ 300,000;
  - 8.6.(5) where the procurement has been inspected by a government agency or an impartial third party, and the relevant certificates of quality or quantity have been provided; or
  - 8.6.(6) where there is any other circumstance as prescribed by the Superior Agency.

For the inspection and acceptance by examining the documents of the foregoing procurements of construction work, property and services, it may be conducted by the Procuring Unit together with the Assistant Inspector to conduct detailed inspections and attach the certificates of completion of the contract performance; the Assistant Inspector shall sign on the reimbursement certificate form for the purpose of validation, and the reimbursement certificate form may be regarded as the record of inspection and acceptance.

- 8.7 For the Small Procurement valued no more than NT\$ 150,000, the Requesting Unit shall, together with the Assistant Inspector, conduct detailed inspections and attach the certificates of completion of the contract performance; the Assistant Inspector shall sign on the reimbursement certificate form for the purpose of validation.
- 8.8 For procurement of services, an inspection and acceptance may be conducted by examining the documents or by convening an evaluation meeting; the written documents or meeting records of the evaluation meeting may be regarded as the record of inspection and acceptance.

- 8.9 For procurement valued no less than NT\$5 million, where a closing evaluation meeting will be held to confirm whether the subject of contract performance meets the requirements, the evaluation should be conducted in accordance with the “Guidelines for the Closing Evaluation Committee’s Practice”.
- 8.10 For procurement of property or services, unless otherwise provided in the contract, the Requesting Unit shall, within 30 calendar days starting from the date that the Supplier completes the contract performance, conduct the inspection based on contract, drawings or samples, submit the records thereof after the Requesting Unit’s supervisor’s approval, and completes the inspection (i.e., the procedure which enables the inspection and acceptance to be conducted); where the Supplier does not follow TASA’s notice to appoint any representative to attend the above, it may still be ascertained. Where there is any special circumstance for which the foregoing time limit needs to be extended, it shall be approved by the Director General or the authorized person thereof.
- 8.11 For procurement of construction works, unless otherwise provided in the contract, the Requesting Unit shall, accompanied by the construction supervising unit and the Supplier and within 7 days from the date of receipt of the Supplier’s written notification of completion, check the completed items and quantities with the requirements specified in the contract, drawings or samples to ascertain whether the construction work is completed; where the Supplier does not follow TASA’s notice to appoint any representative to attend the above, it may still be ascertained. Where there is any special circumstance for which the foregoing time limit needs to be extended, it shall be approved by the Director General or the authorized person thereof.
- 8.12 Where there is a preliminary inspection procedure, the Requesting Unit shall conduct the preliminary inspection and make a record within 30 days from the date of receipt of all of the documents submitted by the construction supervising unit. Where there is any special circumstance for which the foregoing time limit needs to be extended, it shall be approved by the Director General or the authorized person thereof.
- 8.13 Where a preliminary inspection is adopted and passed, within 20 days (unless otherwise specified in the contract), the inspection and acceptance shall be conducted, and the record thereof shall be made. Where no preliminary inspection is adopted, the inspection and acceptance and the record thereof shall be made within 30 days (unless otherwise specified in the contract) after either receiving a ready-for-inspection notification from the Supplier or completing the prior procedures for inspection and acceptance. Where there is any special circumstance for which the foregoing time limit needs to be extended, it shall be approved by the Director General or the authorized person thereof.
- 8.14 When conducting the inspection and acceptance, a record thereof shall be prepared and signed jointly by the participating personnel for validation. For any item found not in conformity with the requirements specified in the contract, drawings and/or samples after inspection and acceptance, the Supplier shall be required, by a notice, to make improvement, to remove, to re-do, to recall or to replace the said item within a time-limit. Where the result of the inspection and acceptance indicates that the non-conforming item is not material and the remaining items can be used, and TASA deems that it is necessary to use such remaining items before the said non-conformity is corrected, a partial acceptance may be conducted for the remaining items, and the contract price thereof may be paid partially, subject to the approval by the Director General or the authorized person thereof.
- 8.15 Where the result of inspection and acceptance indicates any non-conformity with the contractual requirements, but the non-conformity neither hinders the safety or use required

nor decreases the general function or the function designated by the contract, if necessary, an acceptance with price-reduction may be conducted under conditions that TASA has determined that there is no need or it is difficult to make replacement. Before conducting the foregoing, the foregoing is subject to the Superior Agency's approval if the value of the procurement reaches the Threshold for Supervision, or to the approval of the Director General or the authorized person thereof if the value of the procurement does not reach the Threshold for Supervision. The way of calculation of acceptance with price-reduction shall be subject to the requirements of the contract. Where no requirement is specified in the contract, price reduction of the non-conformities may be calculated based on contract price, market price, additional charge, damages suffered, punitive penalties, etc.

- 8.16 For procurement of construction work, property or service whose value reaches the Threshold for Publication, a certificate of settlement and acceptance or the similar shall be prepared, except for where a property is supplied by a public utility according to a certain rate, or where there are other circumstances as prescribed by the Superior Agency. For procurement of construction work or property whose value does not reach the Threshold for Publication, a certificate of settlement and acceptance may be prepared where necessary.
- 8.17 The certificate of settlement and acceptance or the similar shall be prepared within 15 days after completion of inspection and acceptance, and it shall be signed by the chief inspector and by the procurement supervision personnel for validation. Where the time-limit needs to be extended due to special circumstances, it shall be subject to the approval of the Director General or the authorized person thereof.

## **Article 9 Dispute Resolution**

- 9.1 Where a Supplier files a written objection with TASA pursuant to Article 16 of the Rules, the Supplier shall submit to TASA the objection in Chinese with the following particulars and affix its signature or seal to the objection. Where documents in foreign languages are attached, the Chinese translation of the part related to the objection shall be submitted while that of the other parts shall also be submitted upon TASA's notification, if necessary.
- 9.1.(1) The name, address, telephone number and name of the responsible person of the Supplier;
  - 9.1.(2) The name, gender, date of birth, occupation, telephone number, and domicile or residence of the agent, if there shall be one;
  - 9.1.(3) The facts and reasons of the objection;
  - 9.1.(4) The department by which the objection will be handled; and
  - 9.1.(5) Year, month and day of the objection.
- 9.2 Where the Supplier does not have a domicile, office, or business office in this nation, the objection shall be filed by an agent having a domicile, office, or business office in this nation.
- 9.3 Where an objection does not meet the requirements of the preceding two Subparagraphs, TASA may reject it. However, if the aforementioned errors or omissions can be corrected, the objecting Supplier shall be allowed to make correction within a specified time-limit. Failure to make the correction within the time-limit shall render the objection rejected.

- 9.4 When TASA handles an objection, it may inform the objecting Supplier to present its opinions orally at a designated place.

#### Article 10 Miscellaneous

- 10.1 Where TASA finds that a Supplier has any of the following circumstances, after the Director General's approval, TASA shall notify the Supplier of the facts and reasons related thereto and indicate with a note in the notice that it will be published on TASA's official global website if the Supplier does not file an objection:
- 10.1.(1) where the Supplier allows any others to borrow its name or certificate to participate in a tender;
  - 10.1.(2) where the Supplier borrows or assumes any other's name or certificate to participate in a tender;
  - 10.1.(3) where the Supplier has substantially reduced the work or materials without obtaining a prior approval;
  - 10.1.(4) where the Supplier uses false or untrue documents to tendering, contracting, or performing a contract, particularly material thereof;
  - 10.1.(5) where the Supplier participates in tendering during the period when its business operation has been suspended by a disciplinary action;
  - 10.1.(6) where the Supplier refuses to execute a contract without due cause after award;
  - 10.1.(7) where an inspection indicates any material non-conformity with the contractual requirements;
  - 10.1.(8) where the Supplier does not fulfill its obligation of guarantee after inspection and acceptance, particularly material thereof;
  - 10.1.(9) where the time-limit for contract performance is materially delayed due to causes attributable to the Supplier;
  - 10.1.(10) where the Supplier does not perform the contract itself and assigns (i.e., arrangement under which a contractor makes another Supplier perform all or the major part of the contract for it) the same to any other person; and the term "major part" refers to the part indicated as a major part in the tender documents or the part which should be carried out by the winning Supplier itself;
  - 10.1.(11) where a contract is rescinded or terminated for causes attributable to the Supplier, particularly material thereof;
  - 10.1.(12) where the Supplier is under the procedure of bankruptcy;
  - 10.1.(13) where the Supplier discriminates gender, aborigines, physically or mentally disabled, or personnel of disadvantaged groups, particularly material thereof; or
  - 10.1.(14) where the Supplier offered, promised, or delivered improper benefits to the personnel in relation to procurement.

With regard to whether the circumstance is a "material" circumstance as specified in the foregoing, TASA shall take the gravity of damages suffered, the extent of liability attributable

to the Supplier, and the actual remedial or compensatory measures taken by the Supplier into account.

Where there is a Supplier who shares the liability with the contractor jointly and severally, and such Supplier has been notified by TASA of performing such joint and several liability, the preceding Subparagraph shall apply.

- 10.2 If, after notifying the Supplier in accordance with the preceding Subparagraph, the Supplier does not raise any objection within ten days from the next day of receipt of the notification, or if the results of TASA's review indicate that the relevant fact is not untrue, TASA may publish the name of the Supplier and the relevant information on TASA's official global website.
- 10.3 Any Supplier published on TASA's official global website in accordance with the preceding Subparagraph may not participate in tendering, be awarded the contract, be subcontracted, or be the seller for one year from the day following the date of publishing. However, if TASA's procurement is approved by the Director General due to special needs, the above provisions are not applicable.

**Article 11** This Handbook shall be implemented after the approval of the Director General; the same applies to any amendments.



Annex 1: Table of the provisions for approval/monitoring/recordation regarding the amendments to or price increase and reduction of the procurement contract

Item	Situations of amendments to or price increase and reduction of the contract	Provisions for approval	Provisions for monitoring	Provisions for recordation
1	Where the cumulative amount of the amended part of the contract amendment does not reach the Threshold for Publication, regardless of the amount of original contract;	<ol style="list-style-type: none"> <li>1. TASA grants the approval itself.</li> <li>2. Where the “Acceptance with Price-reduction” set out in Article 8.15 of this Handbook occurs, the said Article shall apply.</li> </ol>	The monitoring provision set out in Article 15, Paragraph 1, of the Rules.	<p>In case of the procurement reaches the Threshold for Supervision, the documents related to the results of processing should be submitted to the Superior Agency for recordation; the Superior Agency may also waive the above.</p> <p>The same applies to the circumstance where the amended contract price of procurement reaches the Threshold for Supervision, excluding the item 4 of this table.</p>
2	Where the cumulative amount of the amended part of the contract amendment reaches the Threshold for Publication, but is not up to the Threshold for Supervision, starting from the time when the cumulative amount reaches the Threshold for Publication; in the event that the cumulative amount of the price increase reaches the Threshold for Publication, any of the circumstances set out in Article 5, Paragraph 3, of the	<ol style="list-style-type: none"> <li>1. TASA grants the approval itself.</li> <li>2. Where the “Acceptance with Price-reduction” set out in Article 8.15 of this Handbook occurs, the said Article shall apply.</li> </ol>	The monitoring provision set out in Article 15, Paragraph 1, of the Rules.	<p>In case of the procurement reaches the Threshold for Supervision, the documents related to the results of processing should be submitted to the Superior Agency for recordation; the Superior Agency may also waive the above.</p> <p>The same applies to the circumstance where the amended contract price of procurement reaches the Threshold for Supervision,</p>

	Rules should also be satisfied;.			excluding the item 4 of this table.
3	Where the cumulative amount of the amended part of the contract amendment reaches the Threshold for Supervision, starting from the time when the cumulative amount reaches the Threshold for Supervision; in the event that the cumulative amount of the price increase reaches the Threshold for Publication, any of the circumstances set out in Article 5, Paragraph 3, of the Rules should also be satisfied;.	<ol style="list-style-type: none"> <li>1. TASA grants the approval itself.</li> <li>2. Where the “Acceptance with Price-reduction” set out in Article 8.15 of this Handbook occurs, the said Article shall apply.</li> </ol>	<ol style="list-style-type: none"> <li>1. The monitoring provision set out in Article 15, Paragraph 2, of the Rules.</li> <li>2. The monitoring provision set out in Article 15, Paragraph 1, of the Rules.</li> </ol>	
4	for a specific contract amendment, where the original “procurement price” does not reach the Threshold for Supervision but the amended contract price does reach the Threshold for Supervision after the said contract amendment;	TASA grants the approval itself.	The monitoring provision set out in Article 15, Paragraph 1, of the Rules.	Documents related to the results of processing should be submitted to the Superior Agency for recordation.
5	Where the contract amendment does not change the contract price;	<ol style="list-style-type: none"> <li>1. TASA grants the approval itself.</li> <li>2. Regarding the amendments about “TBR” or “TBD”, the Review Meeting grants the approval by itself.</li> </ol>		
6	Where TASA decides to increase the procurement and has specified in the original tender notices and documents the	Where Article 5, Paragraph 3, Subparagraph 6, of the Rules is applicable, TASA grants the approval itself.	Where the cumulative amount of the increased part of the procurement does not reach the	In case of the procurement reaches the Threshold for Supervision, the documents related to the results of

	<p>periods, quantities or amounts which TASA may decide to increase, and the increase is, regardless of the amount of the original contract price, within the scope of the said periods, quantities or amounts and handled in accordance with the original tender documents and the contract;</p>		<p>Threshold for Supervision, the monitoring provision set out in Article 15, Paragraph 1, of the Rules shall apply; where the cumulative amount reaches the Threshold for Supervision, the monitoring provision set out in Article 15, Paragraphs 1 and 2, of the Rules shall apply.</p>	<p>processing should be submitted to the Superior Agency for recordation; the Superior Agency may also waive the above.          Where the Superior Agency has other regulations, such regulations shall apply.</p>
7	<p>Where the original tender documents specify the quantities or amounts which TASA or the Supplier may reduce from the original procurement, and where, regardless of the amount of the original contract price, within the scope of the said quantities or amounts which can be reduced in procurement or in supply, the price reduction is made in accordance with the price calculation listed in the original tender documents and contract;</p>	<ol style="list-style-type: none"> <li>1. Where TASA decides to reduce the original procurement itself, TASA grants the approval itself.</li> <li>2. Where the Supplier decides to reduce the supplied quantities or amounts, and where TASA’s prior approval is not needed, there is no approval procedure.</li> </ol>		<p>In case of the procurement reaches the Threshold for Supervision, the documents related to the results of processing should be submitted to the Superior Agency for recordation; the Superior Agency may also waive the above.          Where the Superior Agency has other regulations, such regulations shall apply.</p>

Notes:

- (1) Contract amendment refers to the amendment to the specifications, prices, quantities or conditions of the original contract subject, including the newly-added work items beyond the scope of the contract; such amendment may be made in accordance with any of the circumstances set out in Article 5, Paragraph 3, of the Rules, but the cumulative amount of the amended part shall be totalled.
- (2) Cumulative amount of the amended part refers to the cumulative amount of the sum of “price increase” and “absolute value of price reduction”.

- (3) The provisions for the procurement reaching the Threshold for Supervision shall be applicable to all contract amendments following a specific contract amendment of which the amended contract price reaches the Threshold for Supervision.
- (4) The column “Provisions for approval” refers to the rules for approval concerning handling contract amendments or price increase and reduction; whether to grant the approval should take the legality and appropriateness of the contract amendments, the price increase and reduction, and the adoption of limited tender into account. Such “approval” shall be granted by the Director General or the authorized person thereof.
- (5) For TASA’s procurement, after the contract awarding value is published in accordance with Article 6, Paragraph 3, of the Rules, in case of contract amendment or price increase and reduction which leads to an increase in the original contract awarding value, such increase shall also be published in accordance with the foregoing provision.
- (6) For TASA’s procurement of construction work, where a contract amendment is needed and it adds the work items which are not included in the original contract’s quantity list (except the items which are omitted), the unit prices of such new work items should be based on the relevant price analysis of the original budget and the market price fluctuations. The decision of the base prices thereof should also comply with Article 9 of the Rules.