

GENERAL AGREEMENT ON

RESTRICTED

GPR/W/84

27 October 1987

TARIFFS AND TRADE

Special Distribution

Committee on Government Procurement

Original: English

PROCEDURES TO INTRODUCE SUPERCOMPUTERS

Information received from the delegation of Japan

The information reproduced below was circulated by the delegation of Japan at the meeting of the Committee on Government Procurement on 16 October 1987.

(Provisional Translation)

Procedures to Introduce Supercomputers

Decision by the 10th Meeting
of the Action Program Promotion Committee

July 16, 1987

Action Program Promotion Committee

Based on the Emergency Economic Measures decided upon on May 29, 1987, the attached "Procedures to Introduce Supercomputers" shall be followed when introducing supercomputers, with a view to providing further transparency in the procedures for the introduction of supercomputers and ensuring non-discriminatory competitive opportunities.

(Provisional Translation)

Procedures to Introduce Supercomputers

In order to provide further transparency in the procedures for the introduction of supercomputers and to ensure non-discriminatory competitive opportunities for the potential suppliers, the following procedures are established. They go into effect as from August 1, 1987.

These procedures will be implemented while ensuring consistency with the requirements of the GATT Government Procurement Code (hereinafter referred to as "the Code"), as amended.

I. Scope and coverage

1. These procedures govern the introduction (purchase, rental and lease) of supercomputers by the entities subject to the Code.
2. Each ministry/agency concerned will give guidance to quasi-governmental agencies within its jurisdiction which are planning to introduce supercomputers to follow procedures in line with the purport of these procedures.
3. Throughout these procedures, the word "supercomputers" is understood to mean, for the time being, those computers with peak performance of 100 MFLOPS (million of floating point operations per second) and over. This definition will be reviewed as necessary.

II. Procedures

Procedures stipulated by the Code, as amended, and the Action Program for Improved Market Access will be followed for all supercomputer procurement. Under the principles of free competition, all procedures will be conducted in a manner which ensures national treatment and non-discrimination. From this viewpoint, an entity which hereafter plans to introduce a supercomputer (hereinafter referred to as "the entity") will follow the procedures outlined below with a view to supplementing the Code procedures and precisely implementing its principles.

1. Procedures for market research

1.1 Invitation to submit material

(1) When an entity has determined that it has needs which may be satisfied by the introduction of a supercomputer, it will draw up its basic need requirements and conduct its market research for the purpose of gathering information and ensuring the development of objective need requirements. In requesting information from a supplier, the entity will not provide information in such a manner as would give any supplier a discriminatory advantage. The entity will not provide advance knowledge concerning a future plan to introduce a supercomputer to any prospective contractor, except according to the procedures described in paragraph (2). Suppliers

who are directly involved in the actual development of the basic need requirements shall be barred from participating in the tendering procedures.

(2) The entity will make an announcement in the Kanpo (hereinafter referred to as "the announcement") of its plan to introduce a supercomputer in accordance with the basic need requirements developed in paragraph (1), and issue an invitation to suppliers for submission of general information material and comments on the basic need requirements (including specifications and other technical information). Simultaneously, supplementing this, the entity will send an invitation letter (hereinafter referred to as "the invitation letter") to those domestic and foreign suppliers based on the information available to it, including the mailing list of those suppliers that have expressed their interest. Equal treatment shall be accorded to those suppliers responding to the announcement and those responding to the invitation letter.

(3) The announcement and the invitation letter mentioned above will be given or sent at least 60 calendar days prior to the last day of the period set for receiving submission of the said material and comments from suppliers.

(4) The announcement and the invitation letter will contain the following.

- (a) the plan to introduce a supercomputer and basic need requirements thereof;
- (b) the deadline for submission of material and comments;
- (c) notice that the introduction documentation will be sent, upon request, to suppliers responding to the announcement or the invitation letter as well as the place where and the period when suppliers can obtain the introduction documentation;
- (d) notice of an explanation session for the introduction of a supercomputer, if held.

1.2 Introduction documentation

(1) Suppliers responding to the announcement or the invitation letter will be, upon request, provided with the relevant introduction documentation by the entity.

(2) The introduction documentation will contain, inter alia, the following:

- (a) the place where suppliers' material must be submitted (contact points);
- (b) the place where suppliers' inquiries will be received or additional information can be obtained;

- (c) the deadline for submission of material;
- (d) more detailed requirements on a supercomputer planned to be introduced (required performance, type of operation and others);
- (e) the short summary of the content of material to be requested;
- (f) the date and place of the explanation session for the introduction of a supercomputer if held.

1.3 Explanation session for the introduction of a supercomputer

The entity will hold, as necessary, an explanation session with regard to the introduction documentation. In case the date and place is not contained in the introduction documentation, it will send an invitation to all suppliers responding to the announcement or the invitation letter, while allowing sufficient time for suppliers.

1.4 Inquiries

- (1) The entity will promptly respond to inquiries made by suppliers with respect to the content of the announcement, invitation letter or introduction documentation.
- (2) When the entity makes any amendment to or has any additional information concerning the introduction documentation, it will simultaneously

provide the amendment or additional information to all interested suppliers responding to the announcement or the invitation letter and allow sufficient time for suppliers to submit additional material so that they can consider and respond to such amendment or information.

(3) The entity may ask questions or make inquiries to suppliers with regard to submitted material.

The entity may also, as necessary, conduct research including performance and function verification with respect to submitted material.

(4) The entity shall not disclose or divulge material or information provided by a supplier without its consent to any third party, including other suppliers.

2. Preparation of specifications

2.1 Preparation of specifications

When the entity has completed the market research procedures mentioned above, it will prepare specifications based on the information obtained by the market research. The entity will use performance specifications rather than design specifications wherever practicable. Specifications will contain information necessary for the suppliers to understand the entity's need requirements. Suppliers who are directly involved in the actual development of

specifications will be barred from participating in the tendering procedures.

2.2 Explanation of specifications

The entity will send an invitation to all suppliers responding to the announcement or the invitation letter and explain to them its specifications developed under 2.1. If the entity plans to use single tendering procedures based on the compatibility requirements, Code justifications will be included.

2.3 Inquiries and proposals

The entity will give suppliers at least 80 calendar days after the above explanation thereby providing opportunities for the entity and suppliers to make inquiries, and for suppliers to submit proposals and revise their proposals concerning the specifications.

3. Tendering procedures

With respect to the procurement of supercomputers, the entity will, in view of the special characteristics of supercomputers, follow the basic procedures described in 3.1 and the supplementary procedures described in 3.2 and the following paragraphs.

3.1 Basic procedures

(1) Purchase

Procedures stipulated by the Code and the Action Program for Improved Market Access will be followed.

(2) Rental/Lease

Procedures along the lines of the amended Code will be followed even before the entry into force of the amended Code. Procedures stipulated by the amended Code will be observed after its entry into force.

3.2 Bid deadlines and provision of information

(1) The entity will, when procuring a supercomputer by competitive tendering procedures, ensure that the period for receipt of tenders be at least 40 calendar days from the date of issuance of the invitation to tender.

(2) The entity will, when procuring a supercomputer by single tendering procedures based on the compatibility requirements, provide in the Kanpo information concerning the procurement plan together with the compatibility requirements at least 40 calendar days prior to the conclusion of the contract and after the period mentioned in 2.3. The entity will promptly provide related information to suppliers who make inquiries to it based on the information in the Kanpo.

3.3 Explanation session

The entity will hold, as necessary, an explanation session with respect to the final specifications and requirements. In such a case, identical information will

be provided to all suppliers wishing to participate in the tendering.

3.4 Technical examination

(1) The entity will conduct technical examination to check whether the specifications provided by the supplier will meet the final specifications and requirements prepared by it. In such a case, the entity will implement appropriate tests, including performance testing based on a representative workload, as necessary after the submission of bids.

(2) Suppliers will be given adequate advance notice and adequate time for running the tests to be run. The specification of all criteria to be used in performance testings will be presented beforehand. The tests will not be run under such conditions and terms as would give any supplier a discriminatory advantage.

4. Post-award information and debriefing of the outcome of the procurement

Consistent with the requirements of Article VI of the amended Code, the entity will publish information on the contract award and, upon request from an unsuccessful supplier who has submitted material, promptly provide such supplier with pertinent information concerning the reasons for not being selected, including the name of the selected system as well as the information on its relative advantages. The information may, however, exclude such as

would prejudice the legitimate commercial interests of particular suppliers or might prejudice fair competition among suppliers.

5. Complaint procedures

(1) Complaints, if any, on the part of suppliers concerning the introduction of supercomputers at any point in the process will be received by the contact point at each entity, which will promptly make notification of the progress made concerning the processing of complaints to the secretariat (Ministry of Foreign Affairs and Ministry of Finance) of the Government Procurement Liaison and Coordination Committee established by the Action Program. The secretariat will, acting as a neutral party, consult with the parties concerned and work to resolve the complaints as necessary.

(2) Complaints will also be received by the O.T.O. (Office of Trade and Investment Ombudsman).

Entities covered
by the GATT Government Procurement Code

House of Representatives

House of Councilors

Supreme Court

Board of Audit

Cabinet

Prime Minister's Office

Fair Trade Commission

National Public Safety Commission
(National Police Agency)

Environmental Disputes Coordination Commission

Imperial Household Agency

Management and Coordination Agency

Hokkaido Development Agency

Defense Agency

Economic Planning Agency

Science and Technology Agency

Environment Agency

Okinawa Development Agency

National Land Agency

Ministry of Justice

Ministry of Foreign Affairs

Ministry of Finance

Ministry of Education

- 2 -

Ministry of Health and Welfare
Ministry of Agriculture, Forestry and Fisheries
Ministry of International Trade and Industry
Ministry of Transport
Ministry of Posts and Telecommunications
Ministry of Labor
Ministry of Construction
Ministry of Home Affairs
Hokkaido Railway Company
East Japan Railway Company
Central Japan Railway Company
West Japan Railway Company
Shikoku Railway Company
Kyushu Railway Company
Japan Freight Railway Company
Japan Tobacco Inc.
Nippon Telegraph and Telephone Corporation
People's Finance Corporation
Housing Loan Corporation
Agriculture, Forestry and
Fisheries Finance Corporation
Small Business Finance Corporaton
Finance Corporation of Local Public Enterprise
Hokkaido-Tohoku Development Corporation
Social Welfare and Medical Service Corporation
Small Business Credit Insurance Corporation

- 3 -

**Environmental Sanitation Business
Financing Corporation**

Okinawa Development Finance Corporation

Japan Development Bank

Export-Import Bank of Japan

Quasi-governmental agencies by jurisdiction

Management and Coordination Agency

Northern Territories Issue Association

Hokkaido Development Agency

Hokkaido-Tohoku Development Corporation

Economic Planning Agency

Overseas Economic Cooperation Fund

Japan Consumers Information Center

Science and Technology Agency

Power Reactor and Nuclear Fuel Development Corporation

Research Development Corporation of Japan

National Space Development Agency of Japan

Japan Atomic Energy Research Institute

Japan Information Center of Science and Technology

Institute of Physical and Chemical Research

Environment Agency

Environmental Pollution Control Service Corporation

Pollution-related Health Damage Compensation
Association

Okinawa Development Agency

Okinawa Development Finance Corporation

National Land Agency

Water Resources Development Public Corporation

Japan Regional Development Corporation

Hokkaido-Tohoku Development Corporation

Fund for the Promotion and Development of the Amami Islands

Ministry of Foreign Affairs

Japan International Cooperation Agency

Japan Foundation

Ministry of Finance

People's Finance Corporation

Japan Development Bank

Export-Import Bank of Japan

Japan Tobacco Inc.

Housing Loan Corporation

Agriculture, Forestry and Fisheries Finance Corporation

Small Business Finance Corporation

Finance Corporation of Local Public Enterprise

Hokkaido-Tohoku Development Corporation

Environmental Sanitation Business Financing Corporation

Small Business Credit Insurance Corporation

Okinawa Development Finance Corporation

Shoko Chukin Bank

Fund for the Promotion and Development of the Amami Islands

- 3 -

Ministry of Education

Japan Scholarship Foundation

Japan Private School Promotion Foundation

Japan Society for the Promotion of Science

National Theater of Japan

Mutual Aid Association of Private School Personnel

National Education Center

University of the Air

National Stadium and School Health Center

Ministry of Health and Welfare

Environmental Sanitation Business Financing Corporation

Social Welfare and Medical Service Corporation

Pension Welfare Service Public Corporation

Social Insurance Medical Fee Payment Fund

Social Development Research Institute

Association for Welfare of the Mentally and Physically Handicapped

Farmer Pension Fund

Water Resources Development Public Corporation

Ministry of Agriculture, Forestry and Fisheries

Japan Agricultural Land Development Agency

Forest Development Corporation

Water Resources Development Public Corporation

Livestock Industry Promotion Corporation

Japan Raw Silk and Sugar Price Stabilization Agency

Agriculture, Forestry and Fisheries Finance Corporation

Japan Racing Association

Japan Regional Public Racing Association

Mutual Aid Associations of Agriculture, Forestry and Fishery Corporation Personnel

Forestry Credit Fund Corporation

Farmer's Pension Fund

Japan International Cooperation Agency

Northern Territories Issue Association

Ministry of International Trade and Industry

Japan National Oil Corporation

Small Business Finance Corporation

Small Business Credit Insurance Corporation

Japan Small Business Corporation

Metal Mining Agency of Japan

Coal Mine Damage Corporation

Shoko Chukin Bank

Electric Power Development Co., Ltd.

Okinawa Electric Power Co., Ltd.

Japan External Trade Organization

Institute of Developing Economies

Japan Bicycle Racing Association

Japan Motorcycle Racing Organization

New Energy Development Organization

Pollution-related Health Damage Compensation Association

- 5 -

Water Resources Development Public Corporation
Japan Regional Development Corporation
Japan International Cooperation Agency

Ministry of Transport

JNR Settlement Corporation
Hokkaido Railway Company
East Japan Railway Company
Central Japan Railway Company
West Japan Railway Company
Shikoku Railway Company
Kyushu Railway Company
Japan Freight Railway Company
Shinkansen Unit Holding Organization
Maritime Credit Corporation
Japan Railway Construction Public Corporation
New Tokyo International Airport Authority
Teito Rapid Transit Authority
Japan National Tourist Organization
Japan Shipbuilding Industry Foundation
Japan Air Lines Company Limited
Kansai International Airport Corporation Limited
Honshu-Shikoku Bridge Authority
Housing and Urban Development Corporation
Japan Atomic Energy Research Institute
National Space Development Agency of Japan

Ministry of Posts and Telecommunications

Post Office Life Insurance and Annuities Welfare Corporation

Kokusai Denshin Denwa Co., Ltd.

Nippon Telephone and Telegraph Co., Ltd.

Japan Broadcasting Corporation (NHK)

University of the Air

National Space Development Agency of Japan

Ministry of Labor

Employment Promotion Project Corporation

Smaller Enterprise Retirement Allowance Mutual Aid Association

Labor Welfare Projects Corporation

Japan Institute of Labor

Construction, the Sake Brewing Industry and Forestry Retirement Allowance Mutual Aid Association

Ministry of Construction

Japan Highway Public Corporation

Metropolitan Expressway Public Corporation

Hanshin Expressway Public Corporation

Honshu-Shikoku Bridge Authority

Housing and Urban Development Corporation

Housing Loan Corporation

Japan Workers' Housing Association

Teito Rapid Transit Authority

Water Resources Development Public Corporation

Japan Regional Development Corporation

- 7 -

Ministry of Home Affairs

Finance Corporation of Local Public Enterprise

**Mutual Aid Fund for Official Casualties and
Retirement of Volunteer Firemen**

Flowchart
(Procedures to Introduce Supercomputers)



