

No. 16446

**UNITED STATES OF AMERICA
and
SAUDI ARABIA**

**Project Agreement for technical co-operation in the acquisition of electrical power equipment (with attachment).
Signed at Riyadh on 23 November 1975**

Authentic text: English.

Registered by the United States of America on 13 February 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
ARABIE SAOUDITE**

Accord relatif à un projet de coopération technique à l'occasion de l'acquisition de matériel nécessaire au secteur de l'électricité (avec document connexe). Signé à Riyad le 23 novembre 1975

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 13 février 1978.

PROJECT AGREEMENT¹ BETWEEN THE MINISTRY OF FINANCE AND NATIONAL ECONOMY AND THE MINISTRY OF INDUSTRY AND ELECTRICITY, GOVERNMENT OF SAUDI ARABIA, AND THE DEPARTMENT OF THE TREASURY, UNITED STATES OF AMERICA, FOR TECHNICAL COOPERATION IN THE ACQUISITION OF ELECTRICAL POWER EQUIPMENT

Article I. This Agreement between the Ministry of Finance and National Economy, and the Ministry of Industry and Electricity, Kingdom of Saudi Arabia (hereinafter referred to as the Ministries) and the Department of the Treasury of the United States (hereinafter referred to as Treasury) defines a Technical Cooperation Project to facilitate the emergency acquisition of certain items of electrical equipment for the electrical power system of the Kingdom of Saudi Arabia.

Article II. This project will be carried out under the auspices of the United States–Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia signed on February 13, 1975,² which is hereby incorporated by reference and becomes a part of this Agreement.

Article III. The Ministries have formally requested that Treasury initiate action to procure as rapidly as possible the electrical equipment listed in attachment A and have deposited 200,000,000 Saudi riyals (\$57,636,887.61) in the Trust Account established by the Technical Cooperation Agreement to defray the costs of procuring, shipping, and transporting this equipment, and the cost of warehouses for the storage of the equipment in Saudi Arabia. Pursuant to this request, and after consultations with and the concurrence of the Ministries, Treasury is entering into an agreement with the General Services Administration (GSA) by the terms of which GSA will procure the requested equipment from U.S. manufacturers and suppliers as authorized agent for Treasury; and Treasury is entering into a contract with Overseas Advisory Associates, Inc. (OAAI), by the terms of which OAAI will provide technical advice to GSA and Treasury and oversee the shipment and warehousing in Saudi Arabia of the equipment.

Article IV. Treasury will facilitate the acquisition by the Ministries of the requested equipment through its agreements with GSA and OAAI, will monitor these agreements, and will disburse funds deposited by the Government of Saudi Arabia pursuant to this Agreement. The responsibilities of Treasury under this Agreement are to assure that the quality of the materials are in accordance with the requirements agreed to with the Ministries and the specifications sent by OAAI; to assure that the equipment is received at the designated warehouses in Saudi Arabia; and to facilitate the planning necessary to establish an adequate warehousing system for the equipment.

Article V. OAAI will furnish general advice and technical guidance to Treasury. OAAI will also furnish general advice and technical guidance to GSA, including the

¹ Came into force on 23 November 1975 by signature, in accordance with article XII.

² United Nations, *Treaty Series*, vol. 998, p. 209.

development of suitable commercial type warranties consistent with those utilized in industrial commerce, the development of appropriate final versions of the specifications to be used by GSA in the procurement of the electrification equipment, and the furnishing of an expert individual or concern to supervise or engage in the testing of equipment at the factory site. In addition, OAAI will arrange transportation for the equipment and materials from the suppliers' plant to the warehouses in Saudi Arabia, arrange for the procurement, transportation and erection in Saudi Arabia of such warehouses for the equipment and materials as requested by the Government of Saudi Arabia, oversee the placement of the equipment and materials in the warehouses, and perform other related services.

Article VI. GSA will solicit and evaluate bids and/or offers, enter into contracts on behalf of Treasury for the purchase of the requested equipment and materials, and perform other services pursuant to these tasks. Unless otherwise directed by Treasury, the purchases will be made from U.S. manufacturers and suppliers in accordance with the Federal Procurement Regulations and the General Services Procurement Regulations. Awards will be made to the offerers submitting the most advantageous offer. U.S. manufacturers and suppliers will be chosen solely on the basis of quality, cost, delivery times of the items, and other appropriate factors.

Article VII. Title to the equipment and related supplies procured pursuant to the Agreement will pass at the supplier's place of business from the supplier to the U.S. Government upon the issuance of appropriate acceptance forms by the U.S. Government. Upon acceptance of the equipment at point of origin by OAAI, acting as agent for the Treasury on behalf of the Government of Saudi Arabia, title to the equipment will pass to the Saudi Arabian Government or an appropriate instrumentality thereof. All warranties and guarantees connected with the equipment and related supplies will be contracted to vest in both the Saudi Arabian Government and the United States Government.

Article VIII. The Office of the Joint Economic Commission in Riyadh will serve as the point of contact for communications between the Ministries and Treasury concerning this project and will facilitate activities under this Agreement.

Article IX. The Ministries shall, either directly or through other Saudi Arabian agencies, support this technical cooperation project by:

- A. Designating a Ministry Project Director;
- B. Identifying and providing appropriate personnel from the Ministries and elsewhere to work with Treasury, GSA, and OAAI advisers in the performance of their responsibilities;
- C. Providing all available data and other information which may be needed by Treasury, GSA, or OAAI;
- D. Assuming responsibility for assuring: (1) the prompt docking and offloading of any vessel carrying all or part of this equipment, (2) obtaining clearances through customs, and (3) providing inland transportation and other services, as required by Treasury and OAAI in expeditiously moving the equipment;
- E. Providing interpreter and translator services as needed; and
- F. Providing other related support as may be appropriate to the conduct by the Treasury, GSA, and OAAI employees of their official duties.

Article X. If any of the Parties to this Agreement is rendered unable because of *force majeure* to perform its responsibilities under this Agreement, these responsibili-

ties shall be suspended during the period of continuance of such inability. The term “*force majeure*” as used herein means acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by nor within the control of either party, and includes any such similar acts or events which render GSA or OAAI unable to perform their responsibilities to Treasury. During the period of suspension of performance caused by *force majeure*, Treasury may continue to expend funds advanced by the Government of Saudi Arabia to cover past or necessary continuing expenses of GSA and OAAI under their agreements with Treasury. In the event of suspension of a Party’s duties because of *force majeure*, the Parties shall consult and endeavor jointly to resolve any attendant difficulties.

Article XI. The cost for the acquisition of the equipment initially ordered was tentatively estimated to be \$57,636,887.61. Attachment A is an expanded order which has not yet been fully priced. The initial estimate covers the cost of the items initially ordered for purchase, sea freight, insurance, transportation to warehouses, warehouse procurement and the technical advisory services of Treasury, GSA, and OAAI. A detailed estimate of the revised and higher costs for the expanded order will be provided by Treasury to the Ministries after technical specifications for all the equipment and methods of shipping have been decided. Final costs for services will cover only actual services provided, including all direct and indirect costs of Treasury, GSA, and OAAI.

Article XII. This Agreement shall become effective after signature by representatives of the Parties and shall remain in effect until the termination of the Technical Cooperation Agreement, or the acquisition of all items in attachment A, whichever shall occur first.

Article XIII. This Agreement may be amended as mutually agreed by the Parties.

Article XIV. Treasury and the Ministries shall consult, upon request of any Party, regarding any matter relating to the terms of this Agreement and shall endeavor jointly in a spirit of cooperation and mutual trust to resolve any difficulties that may arise.

DATED this 23rd day of November, 1975.

[Signed]

GERALD L. PARSKY

Assistant Secretary

Department of the Treasury
United States of America

[Signed]

MANSOOR AL-TURKI

Saudi Coordinator

Saudi Arabian–United States Joint
Commission on Economic Cooperation
for the Ministry of Finance and
National Economy, Government of
Saudi Arabia

[Signed]

MAHMUD TAYBA

Deputy Minister

Ministry of Industry and Electricity
Government of Saudi Arabia

ATTACHMENT A

THE MINISTRY OF INDUSTRY AND ELECTRICITY
ELECTRIC SERVICES DEPARTMENT RIYADH, SAUDI ARABIA

LIST OF REQUIREMENTS FOR URGENT PROCUREMENT

<i>Item no.</i>	<i>Quantity</i>	<i>Unit</i>	<i>Description</i>
101	30	Each	500 KW diesel engine generator
102*	22	Each	1000 KW diesel engine generator
103****	15	Each	5 MW gas turbine generator
104****	5	Each	15 MW gas turbine generator
105****	3	Each	25 MW gas turbine generator
207	85	Each	1000 KVA power station transformer
208**	17	Each	7500 KVA power station transformer
209	200	Each	25 KVA distribution transformer
210	800	Each	50 KVA distribution transformer
211	380	Each	75 KVA distribution transformer
212	350	Each	225 KVA distribution transformer
215***	600	KM.	50 mm ² all aluminum stranded bare conductor
216***	200	KM.	100 mm ² all aluminum stranded bare conductor
223***	50	KM.	185 mm ² single conductor underground cable 15 KV
224***	100	KM.	300 mm ² single conductor underground cable 1000 volt
307***	700	KM.	50 mm ² all aluminum PVC insulated conductor
308***	250	KM.	100 mm ² all aluminum PVC insulated conductor
401	5	Each	Warehouses (details to be provided)

NOTES. *If 1000 KW not available, 800 KW is acceptable.

**If generator voltage for item 103 is 13,800, item 208 will not be procured.

***Prefer equivalent current carrying capacity in copper conductor if cost is equivalent.

****Desire package "skid" mounted with view to minimum time of installation or mobile. Choice will be based on time availability and cost.