

REPUBLIC OF TURKEY

July 26, 2002

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 4671-TU
(Second Basic Education Project)
Paragraph 1, Part C of Section I of
Schedule 4 to the Loan Agreement:
Acceptability of National Competitive Bidding Procedures

Dear Sirs and Mesdames:

In reference to the provisions regarding national competitive bidding procedures set forth in paragraph 1 of Part C, Section I of Schedule 4 to the Loan Agreement of even date herewith between the Republic of Turkey (the Borrower) and the International Bank for Reconstruction and Development (the Bank), and in furtherance of the Borrower's undertaking to review and modify such procedures in form and substance acceptable to the Bank, this is to confirm that the Borrower shall apply the following provisions in the carrying out of national competitive bidding procedures under the Project when:

- I. Falling under the Legal Framework Governed by the Borrower's Procurement Law No. 2886 dated September 3, 1983:
 1. Bid preparation time shall consist of at least thirty (30) days.
 2. The prequalification procedure shall not be applied.
 3. The estimated contract price shall not be disclosed to the bidders.
 4. Only those government-owned enterprises in the Borrower's country which meet the criteria set forth in paragraph 1.8 (c) of the Guidelines may be allowed to participate.
 5. Bids shall be opened immediately after the deadline for bid submission.
 6. Bid evaluation criteria shall all be quantified in monetary terms in the bidding documents and the award shall be made to the lowest evaluated bidder.
 7. Postqualification shall be applied.

II. Falling under the Legal Framework Governed by the Borrower's Procurement Law No. 4734 dated January 4, 2002:

1. No local preference shall be provided or allowed in the evaluation of bids.
2. No restriction shall be applied to foreign firms wishing to participate.
3. Only those government-owned enterprises in the Borrower's country which meet the criteria set forth in paragraph 1.8 (c) of the Guidelines may be allowed to participate.

Very truly yours,

REPUBLIC OF TURKEY

By /s/ Faik Öztürk
Authorized Representative

AGREED AND CONFIRMED:

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Ajay Chhibber
Country Director
Turkey
Europe and Central Asia Region