

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
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September 3, 2003

Andris Stals
Director
Liepajas Ras
Rožu iela 6
LV3401 Liepaja, Latvia

Dear Mr. Stals:

*Re: LATVIA: Loan No. 7033-LV
(Liepaja Region Solid Waste Management Project)
Amendment to the Project Agreement*

We refer to the Project Agreement (Liepaja Region Solid Waste Management Project) dated December 19, 2000 between the International Bank for Reconstruction and Development and the Liepajas Ras, Ltd. We also refer to your letter dated July 3, 2003 requesting amendments to the Project Agreement. We are pleased to inform you that the Bank agrees to the following amendments:

1. Part C of Schedule 1 is amended by adding a new section 2 to read as follows:

“ 2. International Shopping

Goods estimated to cost less than \$100,000 equivalent per contract, may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.”

2. The former section “ 2. Procurement of Small Works” is renumbered as section 3.

3. Part D (2) of Schedule 1 is amended by renumbering the first paragraph as “a” and adding a new paragraph “b” to read as follows:

“ 2. Prior Review

(a) With respect to all contracts for Parts B and C1, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

(b) With respect to the first contract to be procured in accordance with the procedures referred to in C (2) above, the following procedures shall apply:

- (i) prior to the selection of any supplier/execution of any contract under shopping procedures, the Borrower shall provide to the Bank a report on the comparison and evaluation of quotations received;

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- (ii) prior to the execution of any contract procured under shopping procedures, the Borrower shall provide to the Bank a copy of the specifications and the draft contract; and
- (iii) the procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

Please confirm your agreement to the foregoing amendment by signing, dating and returning to us the attached copy of this letter. This amendment shall become effective upon our receipt of the countersigned copy of this amendment letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: /s/ Roger Grawe
Country Director Central Europe and the Baltic States
Europe and Central Asia Region

CONFIRMED:
Liepajas RAS

By: /s/ Andris Stals
Authorized Representative
Title: Director
Date: September 10, 2003

Mr. Andris Stals

Cleared with and cc: N. Rukuba-Ngaiza (LEGEC); D. Freese (LOAG1);
K. Mostipan (ECSPS)

cc: Haazen (ECSHD); Tuck, Holt, Halldin, Marc, Kiskis (ECSSD); Dobraja, Grube,
(ECCLV); Hall (ECCU7); Strelkova, Westin, Bhattacharya, Hebert, Ganguli, Warzecha (ECSPS)