

Panama Canal Commission

3525.801-76

The authorities of the United States shall notify the authorities of the Republic of Panama whenever the designation of a contractor has been withdrawn. If, within sixty days after notification of the withdrawal of the designation of a contractor who entered the territory of the Republic of Panama in the capacity of a contractor, the authorities of the Republic of Panama require such contractor to leave its territory, the United States shall ensure that the Republic of Panama shall not incur any expense due to the cost of transportation.

(e) *Impact on subcontractors, employees, and dependents.* The provisions of this 3525.801-73 shall similarly apply to the subcontractors and to the employees of the contractors and subcontractors and their dependents who are nationals or residents of the United States. These employees and dependents shall not be subject to the Panamanian Social Security system.

3525.801-74 Panamanian preference.

(a) Article IX of the Agreement in Implementation of Article III of the Treaty provides that:

In procuring supplies and services, the Commission shall give preference to those obtainable in the Republic of Panama. Such preference shall apply to the maximum extent possible when such supplies and services are available as required, and are comparable in quality and price to those which may be obtained from other sources. For the comparison of prices there shall be taken into account the cost of transport to the Republic of Panama, including freight, insurance and handling, of the supplies and services which compete with Panamanian supplies and services. In the acquisition of goods in the Republic of Panama, preference shall be given to goods having a larger percentage of components of Panamanian origin.

(b) Part 3570 provides guidance on the implementation of the Panamanian

preference provisions of the Treaty's Implementing Agreement.

3525.801-75 Customary local business usage.

In acquisitions conducted in the Republic of Panama, customary local business usage, where not inconsistent with the applicable Federal law of the United States, may be followed. When conflicts develop between local business usage and the requirements of the Federal Acquisition Regulation, the matter shall be referred to the Procurement Executive, who shall seek the opinion of legal counsel, as a deviation for processing as required by 3501.405 and FAR 1.405.

3525.801-76 Contract clauses.

As used in this subsection, the term "foreign" means any country other than the United States. The contracting officer shall insert the following clauses in solicitations and contracts, as indicated below:

(a) In lieu of FAR clause 52.225-14, Inconsistency Between English Version and Translation of Contract, the clause at 3552.225-70, Language, whenever foreign offers are anticipated or contracts are awarded to foreign contractors.

(b) The clause at 3552.225-71, Notice of Applicability of United States Federal Law, whenever foreign offers are anticipated or contracts are awarded to foreign contractors.

(c) The clause at 3552.225-72, Designated Contractors, whenever the contract work is to be performed in whole or in part in the Republic of Panama and offers are anticipated from, or contracts are awarded to, U.S. contractors.

(d) The clause at 3552.225-73, Responsibility for Observance of Laws, Orders, and Regulations, whenever the contract work is to be performed in whole or in part in the Republic of Panama.