South Korea’s Defense Market and the Procurement Procedure

Report created by
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EXECUTIVE SUMMARY

South Korea, officially known as the Republic of Korea (ROK), has become a fully industrialized and democratized nation since the Korean War. The U.S. and South Korea have cooperated to combat regional and global threats and to strengthen the economies based on the U.S.’s continuous support in U.S. Army, Air Force, Navy, and Marine personnel that are stationed in South Korea. With the 60th anniversary of the U.S.-South Korea alliance in 2013, the two countries have coordinated closely on the North Korean nuclear issue and the denuclearization of the Korean Peninsula as well as developed a comprehensive strategic alliance beyond a military alliance. As South Korea’s economy has developed tremendously in the past decade, trade and investment ties have become an increasingly important aspect of the relationship as well.

With the world’s 6th largest military, South Korea has promoted its local development of defense products by utilizing the latest technologies. However, South Korea is still largely dependent on imports as the world’s 7th largest defense importing country, and the U.S. is a strong partner for South Korea’s defense imports. Having the key defense focus in aircrafts, naval vessels, and communication and electronics, South Korea has driven major military projects. There has been an increasing rise in foreign procurement, with the U.S. representing a large part of the partnership.

Accordingly, Korea Business Services, Inc. (KBSI) has conducted in-depth research on South Korea’s defense market as well as its defense procurement system in order to provide Virginia companies with useful information on the market structure and enable them to become potential suppliers in Korea market. KBSI conducted direct contacts, phone interviews, and various in-house research. During the research and the interviews, KBSI observed that there has been an increasing demand in the defense industry and as a result, many U.S. manufacturers and suppliers have their products introduced to Korean customers, having a prominent presence in the market. Relevant information on procurement procedures, any required registration, and the necessary documents for registering and participating in the bidding process are attached in the Appendix of this report.

METHODOLOGY

As an initial approach, the KBSI research team conducted various in-house research by visiting websites of the relevant organizations and obtaining related market data and articles and information on individual companies that are active in the key defense sectors. After searching and reviewing the industry market information, the research team conducted numerous interviews with South Korea’s procurement agency and relevant defense organizations accordingly.

The resources that KBSI referred to include:

» Korea Chamber of Commerce and Industry (www.korcham.net),
» Korea International Trade Association (www.kita.net),
» U.S. Commercial Service (http://www.export.gov/southkorea/index.asp),
» Defense Acquisition Program Administration (DAPA) (http://www.dapa.go.kr/mbshome/mbs/dapa_eng),
» Public Procurement Service (PPS) (http://www.pps.go.kr/eng/index.do),
SOUTH KOREA'S DEFENSE MARKET OVERVIEW

GENERAL ECONOMY OF SOUTH KOREA

South Korea has shown remarkable economic growth over the past 6 decades, rising from the Korean War to take center stage in the world. South Korea had the 15\textsuperscript{th} largest nominal GDP in the world economy in 2014 as a prosperous nation of 50 million people. According to Korea International Trade Association (KITA), South Korea imports totaled $525.5 billion in 2014, a 1.9\% increase from 2013. It is the 7\textsuperscript{th} largest U.S. export market with purchases of $45.3 billion in 2014, a 9.1\% increase from 2013. In fact, the U.S. is the 3\textsuperscript{rd} largest exporter to South Korea after China and Japan, with 8.6\% market share of South Korea’s total imports.

Major industry sectors in South Korea are information and communication technology (ICT), electronics, semiconductor, automobile, shipbuilding, steel, and petrochemical, reported by the Bank of Korea. Furthermore, Korea Trade-Investment Promotion Agency (KOTRA) has reported that Korea’s leading industries include parts and materials, auto parts, displays, semiconductors, aerospace, medical/bio, finance, real estate, fine chemical, logistics and distribution, renewable energy, tourism, leisure, films, and media. With the growing economy based on strong industry sectors, the major economic indices including GDP, export and import are steadily growing as shown in Table 1 Major Economic Index.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>1,114.5</td>
<td>1,129.5</td>
<td>1,197.5</td>
<td>1,449.4</td>
</tr>
<tr>
<td>Export</td>
<td>555.2(19.0)</td>
<td>547.9(-1.3)</td>
<td>559.6(2.1)</td>
<td>572.6(2.3)</td>
</tr>
<tr>
<td>Import</td>
<td>524.4(23.3)</td>
<td>519.6(-0.9)</td>
<td>515.6(-0.8)</td>
<td>525.5(1.9)</td>
</tr>
<tr>
<td>Import from the U.S.</td>
<td>44.6(10.3)</td>
<td>43.3(-2.8)</td>
<td>41.5(-4.2)</td>
<td>45.3(9.1)</td>
</tr>
</tbody>
</table>

\textit{Source: IMF, Korea International Trade Association, 2015}

\textit{※Note: Values inside parenthesis represent the percentage change from the previous year}

DEFENSE MARKET OVERVIEW

After the wartime in 1950, South Korea has become a strong defense country with the world’s 6\textsuperscript{th} largest military, a mandated military service, and strengthened military alliances. According to the IHS Global Defense Trade Report released in March 2015, South Korea is recognized as the world’s 7\textsuperscript{th} largest defense...
importing country, having a strong presence of the U.S. as a top defense exporter in 2014 with $3.7 billion exports during 2009 and 2013. South Korea’s Air Force accounts for 98% of the weapons that are imported from the U.S.; other renowned defense imports from the U.S. are SM-2 missiles, radar AN/TPQ-36/37 by Raytheon, P-3C, F-16, and C-130 by Lockheed Martin, and F-15K, CH-47D, and E-737 by Boeing.

Recently, South Korea has actively encouraged the local development of defense products as well as the exports of these items by promoting innovation and entrepreneurship internally. In alignment with the government’s strong interest in the defense sectors, there are various domestic defense companies that manufacture and distribute a variety of defense products in the market as illustrated in Table 2.

Table 2 The Number of Defense Items and Contractors in 2013

<table>
<thead>
<tr>
<th></th>
<th># of defense items</th>
<th># of defense contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weaponry</td>
<td>189 (12.2)</td>
<td>13 (14.3)</td>
</tr>
<tr>
<td>Ammunitions</td>
<td>315 (20.4)</td>
<td>8 (8.8)</td>
</tr>
<tr>
<td>Engines</td>
<td>154 (10.0)</td>
<td>14 (15.4)</td>
</tr>
<tr>
<td>Aircraft guidance</td>
<td>492 (31.9)</td>
<td>16 (17.6)</td>
</tr>
<tr>
<td>Vessels</td>
<td>159 (10.3)</td>
<td>9 (9.9)</td>
</tr>
<tr>
<td>Communication and electronics</td>
<td>129 (8.40)</td>
<td>16 (17.6)</td>
</tr>
<tr>
<td>CBR warfare</td>
<td>36 (2.3)</td>
<td>3 (3.3)</td>
</tr>
<tr>
<td>Others</td>
<td>69 (4.5)</td>
<td>12 (13.2)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,543 (100%)</strong></td>
<td><strong>91 (100%)</strong></td>
</tr>
</tbody>
</table>

Source: Defense Acquisition Program Administration, 2013

Despite this, South Korea still heavily relies on imports, as its total defense equipment imports were $6.3 billion while defense exports were $3.4 billion in 2013, according to Country Commercial Guide for U.S. Companies, released by U.S. Commercial Service Korea in 2014. Recent major exports include military aircrafts, submarines, vessels, and self-propelled artillery, which are considered as high-technology and significant complete systems rather than traditional parts or components-driven products of the past.

Table 3 Market Size for Defense Industry in South Korea during 2011 – 2014

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013 (Estimated)</th>
<th>2014 (Projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Size</td>
<td>8,402</td>
<td>8,348</td>
<td>9,127</td>
<td>10,466</td>
</tr>
<tr>
<td>Total Local Production</td>
<td>9,456</td>
<td>8,497</td>
<td>6,266</td>
<td>9,888</td>
</tr>
<tr>
<td>Total Exports</td>
<td>2,382</td>
<td>2,353</td>
<td>3,416</td>
<td>4,204</td>
</tr>
<tr>
<td>Total Imports</td>
<td>1,328</td>
<td>2,204</td>
<td>6,277</td>
<td>4,782</td>
</tr>
<tr>
<td>Imports from the U.S.</td>
<td>1,015</td>
<td>1,887</td>
<td>5,022</td>
<td>3,363</td>
</tr>
<tr>
<td>Exchange Rate: KRW/$</td>
<td>1,108</td>
<td>1,126</td>
<td>1,069</td>
<td>1,050</td>
</tr>
</tbody>
</table>

※Note: Exchange rate is based on each year’s average rate.

After the recent North Korean provocations, such as the attack on the ROK ship Cheonan and the shelling of Yeonpyeongdo Island in 2010, the Ministry of National Defense (MND) has strived to reinforce the defense system by announcing 3 national defense policies in 2015; i) establishing strong security through effective reaction capability, ii) developing various ways to promote trustworthy communication procedure, and iii) continuing intimate diplomatic relations between South and North Korea for peaceful unification and regional stability. In order to accomplish the goals, MND has developed ‘kill chain’, a defense system that detects missile threats and responds in real-time and ‘Korea Air and Missile Defense system (KAMD)’, a defense system designed to intercept missiles or aircraft at low altitude. Two other...
policies largely focus on strengthening the ROK-U.S. military alliance and defense diplomacy and reinforcing military capabilities to be innovated.

In addition, South Korea’s defense budget is the 11th largest in the world at $32.8 billion in 2013, according to MND. The defense budget has grown continually in proportion to increasing GDP over the last 5 years, and is estimated to be $37.5 billion in 2015 in order to support military operational expenses and fund defense capacity improvement projects. 70% of the defense budget is spent on weapons purchases while the rest is mostly used for R&D expenses (2014 Defense Whitepaper, 2014). Table 4 illustrates defense budget during 2012 – 2015 and its breakdown for the force operating costs and force improvement budget.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense budget (changes)</td>
<td>33.0</td>
<td>35.4</td>
<td>35.7</td>
<td>38.5</td>
</tr>
<tr>
<td>Force operating costs (changes)</td>
<td>23.1</td>
<td>24.4</td>
<td>25.2</td>
<td>26.8</td>
</tr>
<tr>
<td>(proportion)</td>
<td>(6.2)</td>
<td>(5.8)</td>
<td>(3.6)</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Force improvement budget (changes)</td>
<td>9.9</td>
<td>11.0</td>
<td>10.5</td>
<td>11.7</td>
</tr>
<tr>
<td>(proportion)</td>
<td>(2.1)</td>
<td>(11.1)</td>
<td>(3.3)</td>
<td>(11.8)</td>
</tr>
</tbody>
</table>

※Note: Exchange rate is based on KRW 1,000 per 1$.

KEY DEFENSE SECTORS

MAJOR FORCE ENHANCEMENT PROJECTS

High technology is the key trend in the defense industry and as a fact; MND is actively utilizing high tech products, communications and services by testing a surveillance patrol robot as well as a laser beam weapon and a high power microwave and electromagnetic pulse bomb in order to enhance South Korea’s defense system against North Korea’s threats. As continuous support in advanced technology, MND announced its Force Improvement Plan (FIP) in 2014. This plan is designed to reinforce the defense system by establishing kill chain and KAMD system; utilizing surveillance, reconnaissance and maneuver weapons, and UAVs; and lastly, developing core capabilities through acquisitions of satellite communication systems, large-sized helicopters, next-generation landing ships, and in-flight refueling tankers during 2015 to 2019. Having a strong focus on command and control, surveillance, maritime patrol/littoral support, and armor, MND’s 4 major Force Enhancement Projects in 2014 are described in Table 5.

<table>
<thead>
<tr>
<th>Weapon Systems</th>
<th>Projects in Progress</th>
<th>New Projects in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>C4ISR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>» (High-altitude) Unmanned Aerial Vehicle (UAV); drone</td>
<td>» Sea Surveillance Control Radar</td>
<td></td>
</tr>
<tr>
<td>» Next-generation thermal surveillance equipment (TOD-III)</td>
<td>» Air Control Radar</td>
<td></td>
</tr>
<tr>
<td>Maneuver and Fire</td>
<td></td>
<td></td>
</tr>
<tr>
<td>» K-2 tank</td>
<td>» Multi-layer Coastal Surveillance System</td>
<td></td>
</tr>
<tr>
<td>» Counter-fire Detection Radar</td>
<td>» Remotely operating Control Fire</td>
<td></td>
</tr>
</tbody>
</table>
In alignment with MND’s current projects, initiatives, and major military supply projects that are based on the advanced technology, key defense sectors, among others, are considered to be aerospace (Aircraft), naval vessels, and communication and electronics.

In the aerospace sector, South Korea’s total U.S. aerospace imports exceeded $3.2 billion or about 68% of South Korea’s total aerospace imports in 2013 as the 11th largest market for U.S. aerospace exports. South Korea is specifically interested in acquiring next-generation fighters, aircraft upgrades including jet fighters, developing and manufacturing locally developed Korean fighters, avionics, aerial refueling tankers, a reconnaissance intelligence collection system, missile defense system, and a space surveillance system. Accordingly, major projects for aerospace include locally developed fighter aircrafts, military helicopters, super-sonic training jets such as the T-50, unmanned aerial vehicle systems (UAVs), environmentally-friendly aircraft; and maintenance, repair and operations (MRO) parts.

In addition, the government is promoting the local development of naval vessels and next-generation submarine, and maritime defense electronics. According to KIET Defense Statistics and Data in 2014, there has been a growing demand in naval vessels and as a result, the local production in naval vessels reached $1.4 billion, or 12.5% of South Korea’s total weapon production in 2013, due to strong domestic competition and top-class shipbuilding technology. The export of submarines has grown continually as South Korea has obtained the capability to manufacture a completed submarine. The government further supports spin-off business opportunities in sales of submarine parts such as sonar system, fuel battery, and propulsion motor (ROKN, 2015). Other promising areas considered to have opportunity in South Korea are C4ISR1, asymmetric warfare/littoral/coastal surveillance and patrol, anti-cyber terror systems, and support for combat equipment, according to 2014 Country Commercial Guide for U.S. According to KIET Defense Statistics and Data, the local production in the communications and electronics area has maintained steady levels representing $925 million which is about 8.5% of the total weapon production in 2013.

FUTURE GROWTH AREAS

Strong focus in the latest technology, transmitting information and communication is expected to have high growth in the South Korean defense industry. Accordingly, ‘Advanced Defense Information’ strategies have recently been designed to enhance the efficiency for national defense by producing and utilizing object-oriented defense information based on highly advanced information technology. As a result, several developments have been conducted including a Defense Enterprise Architecture (EA), a comprehensive blueprint that lays out the various technologies and tasks for the integrated defense information; a ubiquitous information technology environment for faster and consistent data flow through the defense broadband convergence network; and a Defense Integrated Data Center for the consolidation of all computing centers. Another significant growth area is defense space power and defense science and technology areas that include information gathering, satellite navigation, and communication systems. In addition, South Korea is currently developing advanced technologies for weapon systems, high value-added parts and software, and newer growth areas such as unmanned robots and locally produced parts.

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1C4ISR: Command, Control, Communications, and Computer (C4), Information, Surveillance and Reconnaissance

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for improved integrated logistics support (ILS) through National Defense Research and Development under MND. Defense science and technology developments have benefitted certain private sector industries through the continuous technology sharing and examples of military developments and benefitting private sector applications are described in Table 6.

Table 6 Examples of military developments and benefitting private sector applications

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammunition</td>
<td>Design of shock sensor, piezoelectric shock devices, engine knock sensors for automobiles</td>
</tr>
<tr>
<td>Intelligence</td>
<td>Satellite imagery, satellite image maps, navigation software based on digital map with images</td>
</tr>
<tr>
<td>Communications</td>
<td>Next generation FM radio, Spread Spectrum and synchronization technology, mobile communications</td>
</tr>
<tr>
<td>Chemical, Biological and Radiological Materials</td>
<td>Radiation detector, technology for designing radiation detectors, personal dosimeters and radiation detectors</td>
</tr>
<tr>
<td>Materials</td>
<td>Carbon composites for ultra-high-temperature, basic production technology for composite materials, heat pipes</td>
</tr>
</tbody>
</table>


SOUTH KOREA'S DEFENSE PROCUREMENT SYSTEM

There are mainly two public procurement agencies: Defense Acquisition Program Administration (DAPA) and Public Procurement Service (PPS) which purchase defense related weapon systems and their parts and components and general goods and services on behalf of the national agencies, local government and any publicly held company by managing government-owned goods and properties and assuring price stability and balancing supply and demand. DAPA plays as a sole defense procurement agency where defense procurement in South Korea is primarily conducted.

DEFENSE ACQUISITION PROGRAM ADMINISTRATION (DAPA)

INTRODUCTION

As a special agency for national defense, DAPA has been involved in various functions, ranging from policy planning on military supplies, analysis and evaluation of defense project; defense improvement project management; promotion on defense acquisition; and contract management. Through the close communication with MND, ROK Joint Chiefs of Staff and each armed force, DAPA establishes defense promotion policies and procedures and implements the defense improvement project effectively after reviewing each step from the research to the evaluation for the final execution. On behalf of MND, DAPA controls all formal negotiations on price, technology transfer, local work share, and offset packages as well as manages in authorizing offset credits, dictating terms and conditions, and any revision of delivery schedule (DAPA, 2015). Although the government has strived to base competitive bidding (contract), that was rooted from sole contract based system in 2009, designated companies who have been involved in the contracts for numerous years still exist in the market. However, MND and DAPA have strived to enhance the current procurement system in order to provide new, overseas suppliers with business opportunities.
WEAPON SYSTEM ACQUISITION

Weapon systems involves the integration of combat power weapons including guided weapons, aircraft, naval ships, and other required materials such as facilities, equipment, manpower, and software. Purchase is one of the areas DAPA is involved in and it is generally conducted through domestic purchases or overseas purchases based on request for proposal (RFP), or lease. Overseas purchases include foreign capital purchase (FCP), a purchase through overseas suppliers; and foreign military sales (FMS), or purchase through another government. In case of overseas purchases, it is conducted by evaluating proposal based on request on proposal (RFP), reviewing the equipment options, negotiating the testing and evaluation criteria, and selecting the target equipment to purchase, which is followed by the payment at the end (DAPA, 2015). Figure 1 illustrates the procedure for weapon system acquisition and what DAPA is involved for purchases.

Figure 1 Weapon System Acquisition

<table>
<thead>
<tr>
<th>Requirement military Agency</th>
<th>Requirement request</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>notification of mid-to-long-term force integration requirement</td>
</tr>
<tr>
<td>Joint Chiefs of Staff/ MND</td>
<td>Requirement notification/ decision</td>
</tr>
<tr>
<td></td>
<td>Joint military strategic objectives plan</td>
</tr>
</tbody>
</table>

DAPA

Advanced research

Establishment of basic defense acquisition promotion plan

Establishment of mid-term plan/ Budget formulation

R&D Purchase (domestic/foreign & lease)

Initial production, Field Test

Foreign purchases

- Request for proposal (RFP)
- Proposal registration evaluation
- Target equipment selection
- Negotiation testing and evaluation
- Determination of target machine
A foreign procurement procedure is further illustrated in Table 7.

**Table 7 Foreign Procurement Procedure**

<table>
<thead>
<tr>
<th>Overall Procurement Flow</th>
<th>Competitive Bidding (Military Equipment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Plan (through major newspapers) → E-bidding → Review Technology → Contract → Open L/C → Payment</td>
<td>Procurement Plan → Review Documents (price &amp; spec analysis) → Review Technology → Contract / Payment → Open L/C → Payment</td>
</tr>
<tr>
<td>※ If reviewing technology is unsuccessful, negotiation is added between contract and open L/C.</td>
<td>※ If reviewing technology is unsuccessful, bidding and negotiation are added between review technology and contract/payment.</td>
</tr>
</tbody>
</table>

*Source: Defense Acquisition Program Administration*

※Note: Procurement plan or bidding information is announced through daily newspapers (Seoul Economic Daily Newspaper) or on the Internet (Bid Announcement Bulletin, http://www.dapa.go.kr)

Korea’s large defense exports are a result of DAPA’s defense offset program, which is the conditional trade where the supplier agrees to purchase products from the buyers through counter-purchase, but not limited to technology transfer, manufacturing parts or export of the parts. The offset is used for purchasing equipment and conducted from the issuing RFP once the offset requirements that are subject to a certain program are set. After screening and evaluating the proposal, negotiation takes place. Overseas acquisition programs are worth equal to or more than $10 million (DAPA, 2015). According to DAPA’s new guidelines regarding the utilization of commissioned agents, DAPA is now able to work directly with foreign prime contractors for major acquisition programs that are over $2 million under Force Improvement Programs (FIP), without a commissioned agent (U.S. Commercial Service Korea, 2014). While FIP includes purchases, development, upgrades, and associated installations, the project values matter since smaller value FIP projects and sustainment projects are not affected.

**REGISTRATION PROCEDURES AT DAPA**

Any U.S. company is able to participate in the bidding as a supplier to DAPA either through its own or domestic suppliers including a local commission agent or its local branch office in Korea. Qualified bidders are manufacturers or a supplier who have registered with the DAPA before the specified expiry date of the bid application. In order to meet pre-requirements for the supplier of Defense Electronic Procurement,
a certificate issued by Certification Authority is required to be submitted. After the submission, supplier registration with Public Procurement Service (PPS) (www.g2b.go.kr) is mandatory and user registration with Defense Electronic Procurement (www.d2b.go.kr) is followed in order to participate in the bidding for foreign procurement.

Upon the participation of the bid, the U.S. company needs to register at DAPA by submitting necessary forms to the foreign procurement officer at ‘Customer Service Team’ under DAPA by submitting required documents below (attached in Appendix):

» One Original Copy of Foreign Procurement Bid Application (Appendix I)
» One Original Copy of Pledge for Security (Appendix II)
» One Copy of Notarized Business Registration Certificate
» One English Copy of D&B BIR (www.dnb.com or www.dnbkorea.com)

※Note: The documents are applied to a foreign company that registers by July 1. After that, the required documents will be changed and announced through DAPA’s website.

Since the original documents should be secured at DAPA’s internal system, DAPA does not accept online registration. Accordingly, the original paper documents are to be mailed for DAPA’s review to the following address:

Foreign Procurement Officer
Acquisition Planning Bureau,
Defense Acquisition Program Administration
#2-15 Yongsan-dong 2ga, Yongsan-gu,
Seoul 140-833, Republic of Korea

It is strongly recommended that a U.S. company sends the necessary documents for DAPA’s internal review by email or direct visit to the foreign procurement office, since DAPA returns documents directly if any error or omission is found. Customer Support Officer at International Contract Consultation under DAPA is a point of contact for the review. After conducting numerous phone interviews with customer support officer at DAPA, it is easier for a U.S. company to have a local agent or representative, since some bidding accepts paper documents only and it may take some time to evaluate and select a bidder. Once received a full set of the documents, the officer inputs all necessary information in the system.

The registration should be completed at least five business days prior to the bid opening date. If U.S. company desires to participate in the bidding directly, it is advised to refer to the Korea Defense Online E-Procurement System www.d2b.go.kr operated by DAPA. In case of the registration through the domestic suppliers, who are qualified and eligible to receive a contract according to the applicable laws, the domestic suppliers should go through the security measurement and background check in advance. This qualified domestic supplier has to register at Korea ON-line E-Procurement System www.g2b.go.kr, operated by PPS (PPS, 2015).

During the preparation of the bid, the bidder should follow the guidelines set by DAPA and use the designated forms through the Korea ON-line E-Procurement System www.g2b.go.kr. Any bid documents under the Invitation for Bid (IFB) should be prepared either in Korean or English. In regards to the documents for the bid submission, the bidder has to submit the following documents to the DAPA.

For general:
» Foreign Procurement Bid Application (Appendix I)
» Letter of Pledge for the Integrity Performance of the Contract (Appendix II)
» Certificate of Manufacturer: One notarized original document (Appendix III)
» Manufacturer’s Information (Appendix IV)
» Other documents required in the IFB
For the foreign company (including the case when a local commission agent is bidding):
  » Bid Bond Receipt or Payment Memorandum (Appendix V)
  » Cosign Agreement of Commission Agent in Korea (Appendix VI)
  » Power of Attorney (Appendix VII)
  » Supplier’s Certificate: One notarized original document, can be waived if identical with the manufacturer (Appendix VIII)

For the domestic supplier:
  » Bid Bond Receipt or Payment Memorandum (Appendix V)
  » Supplier’s Information (Appendix IX)

※Note: Above documents are all electronic, which are considered as original and a foreign company should provide the documents in actual writing and submit to DAPA.

The required documents at the time of the contract are as follows:

For general:
  » One copy of the Contract Cover Sheet (Appendix X)
  » One copy of the Commodity description and price list (Appendix XI)
  » One copy of the General Terms and Conditions and Special Conditions (including Letter of Pledge for the Integrity Performance of the Contract)
  » One copy of the Manufacturer’s Certificate (Appendix III)
  » One copy of Certificate of Seal Registration (Online personal signature certification)

For foreign company:
  » One copy of Power of Attorney (Appendix VII)
  » One copy of Supplier’s Certificate (Can be waived when manufacturer is directly bidding) (Appendix VII)
  » One copy of the Collective Guarantee Letter (Appendix XII)
  » One copy of Company registration of commission agent in Korea

For domestic supplier:
  » One copy of Supplier’s Information (Appendix IX)
  » One copy of Banknote
  » One copy of Business License

※Note: Above documents are all electronic, which are considered as original, except the copy of company registration of commission agent, and DAPA has the right to cancel the bid when artificially modified or deleted the submitted document.

According to a representative from International Parts Contracts Team at DAPA, competitive bidding is the rule of thumb for foreign procurement and online (electronic) bidding is often conducted. In case for certain parts or products which are manufactured only by a specific manufacturer, sole-source contract is used and Basic Ordering Agreement (BOA) contract, where the amount limit is set to purchase from a contracted company within a certain period, is often conducted.

Procedures for online bidding are as follows:
  » User Log-In, Confirm Bid Announcement / My Bid Registration
  » Prepare and Submit Bid Application Form / Evaluation
  » Prepare and Submit Bid Proposal
  » Bidding / Check Bid Result

Source: DAPA, 2015

Virginia Economic Development Partnership – International Trade Market and Procurement Procedure  South Korea’s Defense Market and Procurement Procedure
For online bidding, all the documents should be submitted electronically till the time indicated in DAPA’s website (www.d2b.go.kr) and for document bidding, a full set of original bid documents initialed on the bottom left corner of each page should be mailed to the DAPA till the time indicated on the designated bidding date in the IFB. Any document requiring a notary has to be witnessed by the registered Notary Public in the business place of the bidder. After submitting the bid, a ‘performance capability evaluation’ is completed to assess and ultimately determine a successful bidder. The evaluation of bidders proceeds in the order of the lowest price bidders and are less than the price targeted (DAPA, 2015).

Determination of successful bidder is illustrated in Table 8.

Table 8 Determination of successful bidder

<table>
<thead>
<tr>
<th>Classification</th>
<th>Content</th>
<th>Commercials (manufactured/purchased) under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest bidder award</td>
<td>By the lowest price</td>
<td>210 billion KRW (equivalent of 210K USD)</td>
</tr>
<tr>
<td>Qualification based award</td>
<td>By the lowest price</td>
<td>Commodities (manufactured/purchased) under</td>
</tr>
<tr>
<td></td>
<td>By considering performance capability,</td>
<td>210 million KRW (equivalent of 210K USD)</td>
</tr>
<tr>
<td></td>
<td>bid price, and reliability</td>
<td></td>
</tr>
</tbody>
</table>

Source: Defense Acquisition Program Administration

UPCOMING PROJECTS

When visiting to the DAPA’s website, the website allows the public to view the list of bid announcements under ‘Bid Announcement’ in Electronic Bid function as seen in Figure 2. The announcements are categorized by initial announcement or renewal, urgent or re-announcement (re-posting). Announcing Period for the first announcement is for over 40 days, while other announcements are for over 10 days.

Figure 2 Bid Announcement List and Announcement Details captured from DAPA website

Source: Screened captured from DAPA website, 2015
Detailed information is available per each bid by clicking. Under the announcement details, there are useful information regarding the specification of the certain product, qualification of bidder, the official document of the announcement both in Korean and English, etc.

After submitting the bid, the bidding procedure with Performance Capability Evaluation for the National Contract Law and the commodities is followed to determine a successful bidder. The evaluation takes place by the order of bidders who propose the lowest price that is less than the price targeted.

According to DAPA and MND, key recent projects include the Korea fighter (KF-X), light helicopter development, aerial tanker procurement, introduction of PAC-3 missiles, TAURUS KEPD 350K, THX (Basic Flight Training Helicopters), Marine Operation Helicopter, Maritime surveillance Aircraft, KF-16 Avionics Upgrades which are in alignment with the key defense sectors.

PUBLIC PROCUREMENT SERVICE (PPS)

INTRODUCTION

The Public Procurement Service (PPS) is generally involved in purchasing goods on behalf of national agencies, local governments, and any publicly held company by managing government-owned goods and properties and assuring price stability and balancing supply and demand. The activities are currently being conducted through the Korea On-line E-Procurement System (KONEPS) operated by PPS. Any U.S. company with interest in Korean government procurement needs to register with PPS one business day prior to the date of an opening bid. Failure to register constitutes cause for rejection of the bid (PPS, 2015).

REGISTRATION PROCEDURE AT PPS

South Korea’s procurement system is structured to be introduced to any U.S. company with the interest. Whether the company registers through the local agency or its own, PPS and DAPA offers extensive services by describing its procurement procedure in detail and establishing relevant teams to support the company with necessary forms under the government’s strong support in securing defense equipment.

After conducting extensive phone interviews with a representative who is in charge of company registration at Business Management Department under PPS, the research team discovered that officers in the department may not be fluent in English. Although a foreign company can access and check bidding opportunities listed on its English website, it is strongly advised to be represented by a local partner or representative because the communication with PPS is mostly conducted in Korean. Since there could be any communication issue between PPS and a foreign company, it is recommended for a foreign company to designate an intermediary that can be either a company or an individual in Korea except in the case that there is a fluent Korean speaker at a foreign company. In order to register at PPS, original copies of the following documents should be mailed to the office of PPS (see attached):

» One Original Copy of Application for Certification Service (Appendix XIII)
» One Original Copy of Application for Registration (Appendix XIV)
» One Original Copy of Korean-Notarized Business Registration Certificate

※Note: the application forms must be filled out in Korean. When the original documents are in a language other than Korea, they must be accompanied by a notarized Korean translation.
RELEVANT RESOURCES AND GOVERNMENT CONTACTS

South Korea’s relevant trade shows, resources, government contacts, business associations, and research institutes are as follows:

Relevant South Korean trade shows:
» Seoul ADEX (Seoul International Aerospace & Defense Exhibition) http://www.seouladex.com
  A biannual international aerospace and defense exhibition
  Period: October 20 - 25, 2015 (6 days)
» Naval & Defense 2015 http://marineweek.org/
» DX KOREA http://www.dx-korea.com/

Other relevant contacts:
» Defense Acquisition Program Administration (DAPA): http://www.dapa.go.kr/mbshome/mbs/dapa_eng
» Public Procurement Service (PPS): http://www.pps.go.kr/eng/index.do
» Korea Aerospace Industries Association (KAIA): http://www.aerospace.or.kr/
» Korea Aerospace Research Institute (KARI): http://eng.kari.re.kr/
» Republic of Korea Air Force: http://www.airforce.mil.kr
» Republic of Korea Naval Academy: http://www.navy.ac.kr/

SUGGESTIONS

With the strong ties between South Korea and U.S. in the defense sector over 60 years, U.S. companies are actively involved in foreign procurement as South Korea is largely dependent on U.S. imports for key defense areas. This intimate business relationship will be expected to continue and grow further as South Korea has taken active initiatives to enhance the defense system and reinforce the defense security against North Korea’s threats by strengthening military capabilities and encouraging the high tech products, communications and services. As a key exporter for U.S. defense market, South Korea has already provided easy access for overseas suppliers with various business opportunities in the major military projects. With the government’s support in South Korea’s defense industry’s growth, it is expected to be more business opportunities with Virginia companies.
REFERENCES


## Application for Registration

To: The Commissioner of the Defense Acquisition Program Administration, Republic of Korea

### 1. General Information

<table>
<thead>
<tr>
<th><em>Legal Business Name</em></th>
<th><em>Country</em></th>
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<tbody>
<tr>
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<table>
<thead>
<tr>
<th><em>DUNS Number</em></th>
<th>CAGE CODE</th>
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<table>
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<tr>
<th><em>TAX ID</em></th>
<th>Division Name</th>
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<table>
<thead>
<tr>
<th><em>Address</em></th>
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<table>
<thead>
<tr>
<th><em>Phone Number</em></th>
<th><em>Fax Number</em></th>
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</thead>
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</tbody>
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<table>
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<tr>
<th><em>Type of Business</em></th>
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<th>Supplier</th>
<th>Vendor</th>
<th>Distributor</th>
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<tbody>
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<table>
<thead>
<tr>
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<th>Fiscal Year Close Date</th>
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<table>
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<tr>
<th><em>Number of Employees</em></th>
<th>Annual Sales</th>
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<table>
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<tr>
<th><em>Business Status</em></th>
<th>Individual</th>
<th>Partnership</th>
<th>Non-profit Organization</th>
<th>State-owned</th>
<th>Joint-Venture</th>
<th>Corporation incorporated</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2. *FSC Codes (Federal Supply Classification Codes)*


### 3. *SIC Codes (Standard Industrial Classification Codes)*


### 4. *Mailing Address Information*

Name

Address

City, State, Zip/Postal

### 5. *Internet Home Page Information*

Main Title
6. **Registration Acknowledgement and Point of contact information**

<table>
<thead>
<tr>
<th>Registrant</th>
<th>E-Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone Number</td>
<td>Fax Number</td>
</tr>
</tbody>
</table>

7. **Alternate contact Information**

<table>
<thead>
<tr>
<th>Name</th>
<th>E-Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone Number</td>
<td>Fax Number</td>
</tr>
</tbody>
</table>

8. **Representative (or Owner) Information**

<table>
<thead>
<tr>
<th>Name/Nationality</th>
<th>SOCIAL Security NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone/Fax Number</td>
<td>E-Mail</td>
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</tbody>
</table>

9. **An agent in Korea**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address</th>
<th>Phone/Fax Number</th>
<th>E-Mail</th>
</tr>
</thead>
</table>

10. **Authorized Person(s) to sign any Documents**

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Title</th>
<th>Name</th>
</tr>
</thead>
</table>

11. **Major Customers**

<table>
<thead>
<tr>
<th>Country</th>
<th>Name of Company</th>
<th>Address</th>
<th>Item(s) sold</th>
</tr>
</thead>
</table>

I, as legally authorized representative of the applicant, certify that the above information is true and correct.

- Date:
- Representative
- Full Name: Signature:

**Attachments:**
1. Business Registration Certificate
2. Pledge for Security (Notary Public)
3. Business Information Report (Dun & Bradstreet)
APPENDIX II. PLEDGE FOR SECURITY

Pledge for Security

DATE:

To: The Commissioner of the Defense Acquisition Program Administration, Republic of Korea

I hereby certify and/or guarantee the followings are in compliance with the laws and regulations of the R.O.K.

(1) All matters concerning the procurement shall be held and preserved as “confidential matters of the R.O.K" in compliance with the Military Security Protection Act and its enforcement decree and regulation.

(2) Any of the information related to the Korean Defense Procurement projects shall not be released to any other unauthorized person or corporation.

(3) I understand that I am fully liable for consequences caused by a violation of this pledge, regardless of whether it is intentional or unintentional.

FIRM NAME: 
JOB TITLE: 
NAME: 
SIGNATURE OR SEAL: 

(Notary)
APPENDIX III. MANUFACTURER’S CERTIFICATE

○ From:                                  Date:

○ Address:

○ Telephone:

○ Facsimile:

○ E-Mail:

○ To: Defense Acquisition Program Administration

Republic of Korea

MANUFACTURER’S CERTIFICATE

(INVITATION No.            P.R. NO.:             )

We, as manufacturer of the commodity requested under the above-mentioned solicitation, will take full responsibility and obligation for accomplishment of the contract in accordance with the Terms and Conditions and other contract documents.

(Signature)

(Name and Title)

*Notary Public's Certificate
The above Manufacturer’s Information covers all item(by P.R. No.) that the Seller enters into a contract with, and we clearly certify the delivery of the goods after manufacturer’s inspection for quality assurance by the same manufacturer of the item.

Accepted by the Seller ____________________
APPENDIX V. BID BOND RECEIPT OR PAYMENT MEMORANDUM

LETTER OF GUARANTEE FOR PAYMENT OF BID BOND

- REFERENCE:
- IFB NO.:
- P.R.NO.:
- AMOUNT OF BID BOND: US$
- NAME AND ADDRESS OF BENEFICIARY:

Defense Acquisition Program Administration, Republic of Korea, 54–99 Du-teopbawi-ro, Yongsan-Gu, Seoul, Korea (whom the solicitation defines as the "DAPA" or the "Buyer")

We, , the bidder of the above referenced solicitation, have been informed of the eligibility for an exemption from establishing a bid bond, pursuant to the relevant Laws and Regulations of the Republic of Korea.

In consideration of the DAPA granting the above mentioned exemption, we hereby irrevocably and unconditionally guarantee to pay DAPA US$, the amount which would have otherwise been established as the bid bond, within 30 days upon receiving DAPA’s notice of payment. We undertake to pay the guaranteed amount if we fail to execute the contract with DAPA after the bid is awarded to us or we do not respond timely to the evaluation formalities of the bidder’s qualification if we are designated as an eligible bidder.

We further agree that the DAPA is hereby authorized to deduct from any money due to us if we fail to make payment of such guaranteed amount.

Date: ___________________ Signature: ___________________

Name and Title:

Company Name:
APPENDIX VI. COSIGN AGREEMENT OF COMMISSION AGENT IN KOREA
(FOR DOMESTIC SUPPLIER’S USE ONLY)

입찰 보증금 연대보증서
(국외업체가 입찰자인 경우 무역대리점용)

ㅇ 입찰공고번호:
ㅇ P.R.NO.:
ㅇ 입찰보증금: US$
ㅇ 국외업체:

본인은 국외업체가 낙찰 후 계약을 체결하지 아니하거나 적격심사 대상자로 선정된 후 서류제출의 기피 등 적격심사에 응하지 아니하여 귀청으로부터 상기 입찰보증금을 한도로 해당품목 입찰보증금액의 납입을 요청 받은 해외업체가 입찰보증금을 납부하지 않을 경우 조건 없이 30일 이내 납부할 것을 서약합니다.

20 년 월 일

ㅇ 연대보증
  · 업체명:
  · 주 소:
  · 전화번호/팩스/E-Mail:
  · 대표자: (인)

방위사업청 계약관 귀하
APPENDIX VII. POWER OF ATTORNEY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT the undersigned (hereinafter referred to as the "Company") does hereby nominate, constitute and appoint_______________________________________________ as its true and lawful attorney in fact, for the Company in its name, and stead, and for its use and benefit:

1. To submit the bid documents and establish bid bond to Defense Acquisition Program Administration, the Republic of Korea (hereinafter referred to as the "DAPA") in the name of the Company and to all other necessary or appropriate actions on behalf of the Company in connection with the DAPA’s 입찰년도 bid.

2. To enter into any negotiation and to sign any contracts of agreements, arising of or in connection with the DAPA's 입찰년도 bid, on behalf of the Company.

3. Giving and granting to its attorney in fact full power and authority to do and perform every acts necessary or appropriate to be done in furtherance of the foregoing as fully as the Company might or could do, with full power of substitution and revocation, here ratifying and confirming that its attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

4. This power of attorney shall remain in full force and be effect until revoked in writing or until ________________________ whichever occurs first.

IN WITNESS WHEREOF, the Company has caused this power of attorney to be executed by its duly authorized officers as of                   , 입찰년도.

Signature

(Notary Public's Certificate)

President:
Name of Company:
Place of business:
SUPPLIER'S CERTIFICATE

We, as supplier of the commodity requested under the above-mentioned solicitation, will take full responsibility and obligation for accomplishment of the contract in accordance with the Terms and Conditions and other contract documents.

(Signature)

(Name and Title)

*Notary Public's Certificate
공급자 정보 명세서
(국내 계약업체용)

○공고번호/계약번호:

<table>
<thead>
<tr>
<th>구매요청번호</th>
<th>재고번호</th>
<th>부품번호</th>
<th>품명</th>
<th>해외 공급업체 정보현황</th>
<th>비고</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>업체명</td>
<td>업체 주소</td>
</tr>
</tbody>
</table>

본인은 상기 언급된 품목의 공급자로서, 계약일반조건 및 입찰(계약)서류에 따라 상기 해외 공급업체로부터 최상의 품질로 납품할 것을 서약합니다.

년 월 일

업체명:
주소:
전화번호:
대표자: (인)

방위사업청 계약관 귀하
APPENDIX X. CONTRACT COVER SHEET

DEFENSE ACQUISITION PROGRAM ADMINISTRATION

REPUBLIC OF KOREA (R.O.K.)

(54-99 Duteopbawi-ro, Yongsan-gu, Seoul, Korea.

TEL: 82-2-2079-0000, FAX: 82-2-773-7587)

INVITATION NO.:  

DATE OF BID:  

P.R NO.:  

CONTRACT NO:  

CONTRACT COVER SHEET

The Defense Acquisition Program Administration hereby agrees to buy and hereby agrees to sell in compliance with the Terms and Conditions of the contract attached hereto.

Signed at: ______________________   Signed at: ______________________

This _____ day of     , 계약년도   This ______ day of     , 계약년도

DEFENSE ACQUISITION

PROGRAM ADMINISTRATION

REPUBLIC OF KOREA

___________________________________        ______________________________
COMMODITY DESCRIPTION AND PRICE LIST

Schedule 1, 2 (Commodity, Description and Contract Price)
1. Contract No. : KFX-DAPA-
2. Invitation No. / Date of Bid : EFD- / , 20
3. P.R. No. / Group No. :
4. Name of Project :

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Stock &amp; Part No./ Nomenclature</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>As attached</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grand Total | FCA

※ Commodity price lists are subject to COMMODITY PRICE LIST (Attachment 1.)

Schedule 3 (Delivery Conditions & Schedule)
1. Delivery
   (a) Budget Code 12 :
   (b) Budget Code 16 :
   (c) Budget Code 1A :
2. Type of Delivery : □ Ocean Freight □ Air Freight
3. Origin :
4. Shipping port :
5. Discharging port : □ Busan Seaport □ Kimhae Airport

Schedule 4 (Payment Schedule & Conditions)
1. Performance Bond : □ Surety Bond □ Stand-by Letter of Credit □ Cash
2. Payment Condition : □ Cash Against Certificate of Receipt □ at sight
   (As specified in Article 6 in Section I Terms and Conditions)
3. Type of Payment: □ T/T □ Letter of Credit □ etc. ( )
4. Accounting Information
   (a) Beneficiary :
   (b) Payment Bank :
   (c) Account No. :
   (d) Swift Code :
   (e) Bank Code (Transit No.) :
      (* Bank Code; Europe : IBAN Code, USA : ABAN Code)
   (f) Bank Tel/Fax:
   (g) Social Security No. :
5. Required Documents
(a) One (1) original and Two (2) copies of non-negotiable seaway bill (or Airway bill) consigned to “Defense Transportation Command, Busan, Republic of Korea,” marked “Freight Collect” and notify “Defense Acquisition Program Administration”, which are issued by the carrier [Freight Forwarder] nominated by the Buyer [in Letter of Credit
(b) One (1) original and Two (2) copies of signed Seller’s detailed Commercial Invoice of the commodity or any part thereof shipped.
(c) One (1) original and Two (2) copies of Seller’s signed packing list representing packing detail.
(d) One (1) original and Two (2) duly signed copies of Manufacturer’s Inspection Certificate issued by each manufacturer stipulated in this contract.

※ Upon the request of payment, the Seller shall send public letter to the Buyer with above documents.

- Schedule 5 (Commodity Specification) : Blank
- Schedule 6 (Painting and Protective Coating) : Blank
- Schedule 7 (Inspection)
  1. Manufacturer’s inspection before shipment is to be final in accordance with Quality Assurance Level by items
  2. Special terms and Conditions 10.

- Schedule 8 (Partial Performance)
  - Not Allowed
  - ( ) times Allowed

- Schedule 9 (Warranty Period)
  - 12 months
  - 24 months

- Designated Carrier
  1. Name Carrier :
  2. Address :
  3. Telephone No. :
  4. Fax No. :

- Name of Contractor
  1. Company Name :
  2. Address :
  3. Telephone No. / Fax No. :
  4. Representative
     . Name and Title:
     . Signature:
계약이행 연대 보증서

(무역대리점이 계약이행 연대보증시)

○ 계약번호 : KFX-DAPA-
○ 계약금액 :
○ 계약내용 :
○ 계약업체명 :
○ 계약업체 주소 :
○ 계약업체 대표 :

본인은 상기 계약과 관련하여 아래와 같이 서약합니다.

가. 상기 계약에 관하여 계약업체의 계약 불이행시 계약업체와 연대하여 책임을 진다.
나. 특히, 계약업체의 계약이행에 하자가 있고, 계약업체가 하자발생 통보 후 6개월 이내에 하자 치유를 하지 않을 경우에는 연대보증인 즉시 방위사업청에 현금으로 손해 배상한다.

20 년 월 일

연대보증인: 업 체 명:

주 소:

전화번호/팩스/E-Mail:

대표자: (인)

방위사업청 계약관 귀하
APPENDIX XIII. APPLICATION FOR CERTIFICATION SERVICE

Application for Certification Service

(국외소재업체 인증서 신청서)

<table>
<thead>
<tr>
<th>수신 : 대한민국 조달청장 (To: Administrator, PPS)</th>
<th>도스번호 (DUNS Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*상 사 명 (Name of Firm)</td>
<td>사업자등록번호 (Taxpayer ID No.)</td>
</tr>
<tr>
<td>*대표자명 (Name of Chief Executive)</td>
<td>*E-mail</td>
</tr>
<tr>
<td>*상사주소 (Address of Firm)</td>
<td>*전화번호 (Tel. No.)</td>
</tr>
<tr>
<td></td>
<td>*Fax 번호 (Fax No.)</td>
</tr>
</tbody>
</table>

인증기관
한국정보인증 주식회사

**한국내 대리점, 대리인, 연락처등을 기재하십시오.**
(Please list all of your Korean agents, representative, or contact points.)

<table>
<thead>
<tr>
<th>이름 (Name)</th>
<th>주소 (Address)</th>
</tr>
</thead>
<tbody>
<tr>
<td>전화번호 (Tel. No.)</td>
<td>팩스번호 (Fax No.)</td>
</tr>
</tbody>
</table>

I, as a legal representative of the firm whose name appears above, hereby apply for electronic certification service. I also hereby affirm that, in application for certification service and use of the certificate, I will abide by the responsibilities and liabilities of subscribers and rules relating to the use of certificate in accordance with Certification Practice Statement and Terms of Use for Certification Service established by the certification agency (KICA Inc.)

*날짜 (Date)

*서명 또는 증명인감 (Signature or Seal)

*신청자의 성명 및 직위 (Name & Title of Applicant)
Agreement on Collection and Use of Personal Information and Provision to Third Party

* I agree to the following terms of collection and use of personal information □: I, the applicant(s) whose name(s) appears above, hereby agree that the Administrator of Public Procurement Service retain and use my personal information contained in this application until my certificate expires (including termination), for the purpose of certificate issuance and management. I will not object to or challenge the denial of certificate issuance on the basis of my non-agreement to this terms of collection and use of personal information.

* I agree to the following terms of provision personal information to third party □: I, the applicant(s) whose name(s) appears above, hereby agree that the Administrator of Public Procurement Service provide my personal information contained in this application, until my certificate expires (including termination), to KICA Inc., for the purpose of certificate issuance and management. I will not object to or challenge the denial of certificate issuance on the basis of my non-agreement to this terms of collection and use of personal information.

※ Please check the boxes to confirm your Agreement on Collection and Use of Personal Information and Provision to Third Party

Fields marked with asterisks (*) are required fields
## Application for Registration

(국외소재업체등록신청서)

<table>
<thead>
<tr>
<th>수신: 대한민국 조달청장 (To: Administrator, PPS)</th>
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<tbody>
<tr>
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<tr>
<td><strong>상 사 주 소</strong> (Address of Firm)</td>
<td><strong>Fax 번호</strong> (Fax No.)</td>
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</table>

<table>
<thead>
<tr>
<th>업 태 (Type of Firm)</th>
<th>○ 개인 / 법인 (Private Firm / Corporation)</th>
<th><strong>소재국</strong> (Country in which Firm is registered)</th>
<th><strong>법인설립일</strong> (Date of incorporation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>업 태 (Type of Firm)</td>
<td>○ 개인 / 법인 (Private Firm / Corporation)</td>
<td>자본금 (Capital of Firm)</td>
<td>종업원수 (Number of Employees)</td>
</tr>
<tr>
<td>업 태 (Type of Firm)</td>
<td>○ 개인 / 법인 (Private Firm / Corporation)</td>
<td><strong>최근 3년간 매출액</strong> (Sales Records for past 3 years)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>입찰 및 계약 서명권자 (Persons authorized to sign bids &amp; contracts)</th>
<th>직 위 (Job Title)</th>
<th>성 명 (Name)</th>
<th>서명 또는 사용인감 (Signature or Seal)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>입찰참가 희망품류 (Products to be offered)</td>
</tr>
<tr>
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</tr>
<tr>
<td>신용정보 : Credit Rating Information</td>
<td>신용등급 (Credit Rating)</td>
<td>신용평가사 (Credit Rating Agency)</td>
<td>신용평가일자 (Date of Credit Rating)</td>
</tr>
</tbody>
</table>
대리점, 대리인, 연락처등을 기재하십시오.

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<tr>
<td>이메일 (E-mail)</td>
<td></td>
</tr>
</tbody>
</table>

| 제출서류 (Required Documents) | 0 사업자등록증 또는 점포소유 증명서 (Certificate of Taxpayer's ID No. or Office Ownership) |

본인은 상기회사의 합법적인 대표자로서 위의 모든 사항에 대하여 틀림없음을 확인하는 동시에 경쟁입찰참가자격 등록을 신청합니다.

(I, as the legally authorized representative of the Firm, duly state that all of the above information is true and correct and hereby duly apply for registration.)

※1. 제출서류는 신청자 소재국의 관할행정관서나 유관사업당국이 발행 또는 확인한 서류이어야 하며, 만일 관할행정관서나 유관사업당국에서 발행 또는 확인할 수 없는 서류는 공증을 받아 제출하여야 함.

(1. Documents to be submitted must be issued or authenticated by Government Agency or concerned authority of the Applicant’s country. Documents that cannot be issued or authenticated as such must be certified by notary public.)

※2. 모든 기재사항은 한국어로 작성되어야 하며, 제출서류의 원본이 한국어 이외의 언어로 작성된 경우에는 원본에 한국어 번역문을 공증받아 제출하여야 함.

(2. This application form must be filled out in Korean. When the original documents are in a language other than Korean, they must be accompanied by a notarized Korean translation.)
Agreement on Collection and Use of Personal Information and Provision to Third Party

* I agree to the following terms of collection and use of personal information: I, the applicant(s) whose name(s) appears above, hereby agree that the Administrator of Public Procurement Service retain and use my personal information contained in this application until my registration is terminated or cancelled, for the purpose of registration of firm and "procurement tasks" provided for in Article 2 Paragraph 3 of Act on the Use and Promotion of Electronic Public Procurement. I will not object to or challenge the denial of registration by Public Procurement Service on the basis of my non-agreement to this terms of collection and use of personal information.

* I agree to the following terms of provision of personal information to third party: I, the applicant(s) whose name(s) appears above, hereby agree that the Administrator of Public Procurement Service provide my personal information contained in this application, until my registration is terminated or cancelled, to “procuring entities” provided for in Article 2 Paragraph 1 of Act on the Use and Promotion of Electronic Public Procurement, for the purpose of “procurement tasks” provided for in Article 2 Paragraph 3 of the same Act. I will not object to or challenge the denial of registration by Public Procurement Service on the basis of my non-agreement to this terms of provision of personal information to third party.

※ Please check the boxes to confirm your Agreement on Collection and Use of Personal Information and Provision to Third Party

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