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| **The main reasons for failure to deliver LC commitments include, but are not limited to, the following:**   * Incorrect implementation of LC calculation by CONTRACTORS according to the Unified Methodology of LC calculation by organizations during preparation of the tender proposal; * During the tendering process when determining the target LC level, the CONTRACTOR makes inaccurate forecast for the following reasons: (a) CONTRACTORS indicate the estimated LC share in the GOODS when the scope of supply includes various categories of GOODS and there is no exact definition of which GOODs are subject to localization and are CT-KZ certified, (b) the CONTRACTORS, in their contracts for delivery of GOODs, include the costs for rendered SERVICEs (logistics, storage, etc.) in the cost of GOODs; * Failure to submit the LC quarterly report, as well as submission of the LC quarterly report after the reporting period, i.e. late submission of reports.   **Suggested ways to improve (recommendations to Potential Tenderers):**   * To increase responsibility for the delivery of the LC commitments, KPO b.v. implemented a revised Schedule F "Local Content Statement" to the contract *(refer to section “In country value (local content calculation)”).* * To arrive at the correct forecast of the target LC indicators by the CONTRACTORS during preparation of the tender proposal, KPO b.v. placed a detailed Presentation (training video) for CONTRACTORS on KPO b.v. official website with the specific examples of LC calculation according to the Unified Methodology for LC calculation by organizations when procuring GOODs and SERVICEs *(refer to section “In country value (local content calculation)”* |