(c) in cases where an intended procurement specifies the need for or provides for the possibility of option clauses, the basis for valuation shall be the maximum total value of the procurement, inclusive of optional purchases.

2. In the case of procurement by lease, rental, or hire purchase of goods or services, or procurement for which a total price is not specified, the basis for valuation shall be:

(a) in the case of a fixed-term contract:

(i) where the term of the contract is 12 months or less, the total estimated maximum value for its duration; or

(ii) where the term of the contract exceeds 12 months, the total estimated maximum value, including any estimated residual value;

(b) where the contract is for an indefinite period, the estimated monthly instalment multiplied by 48; and

(c) where it is not certain whether the contract is to be a fixed-term contract, subparagraph (b) shall be used.

Article 17.6
Prohibition of Offsets

With regard to covered procurement, a Party, including its procuring entities, shall not seek, take account of, impose or enforce any offset. The term “offset” means any condition or undertaking that encourages local development or improves a Party’s balance-of-payments accounts, such as the use of domestic content, the licensing of technology, investment, counter-trade and similar actions or requirements.

Article 17.7
Technical Specifications

1. Technical specifications shall not be prepared, adopted, or applied with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.

2. Requirements relating to conformity assessment procedures shall not be prescribed with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.

3. For the purposes of this Article, the term “technical specification” means a tendering requirement that sets out:

(a) the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or

(b) terminology, symbols, packaging, marking and labelling requirements, as they apply to goods or services.

4. Technical specifications prescribed by procuring entities shall, where appropriate:

(a) be specified in terms of performance and functional requirements, rather than design or descriptive characteristics; and

(b) be based on international standards, where such exist; otherwise, on national technical regulations, recognised national standards, or building codes.

5. There shall be no requirement or reference to a particular trademark or trade name, patent, copyright, design or type, specific origin or producer or supplier, unless there is no sufficiently precise or intelligible way of describing the procurement requirements and provided that words such as “or equivalent” are included in the tender documentation.