



REQUEST FOR QUOTATION (RFQ)

Selection of a service provider for distribution of Biomass Modern Biomass Cook stoves and setting up of fuel supply chain for the biomass Modern Biomass Cook stoves	DATE: October 27, 2018
	REFERENCE: RFQ/BIOMASS/2018/33

Dear Sir / Madam:

We kindly request you to submit your quotation for distribution of Biomass Modern Biomass Cook stoves and setting up of fuel supply chain for the biomass Modern Biomass Cook stoves, as detailed in Annex 1 of this RFQ. When preparing your quotation, please be guided by the form attached hereto as Annex 2.

Quotations may be submitted on or before 2pm November 23, 2018 and via ☒ courier mail or ☒ hand delivery to the address below:

United Nations Development Programme
202-204, Bauddhaloka Mawatha Colombo 7 Sri Lanka
Head of Procurement
Procurement.lk@undp.org

It shall remain your responsibility to ensure that your quotation will reach the address above on or before the deadline. Quotations that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Please take note of the following requirements and conditions pertaining to the supply of the abovementioned good/s:

Exact Address/es of Delivery Location/s (identify all, if multiple)	Island wide distribution	
Distribution Schedule	<input checked="" type="checkbox"/> Required	
Packing Requirements	Kindly refer Terms Of reference for wood Chips packing requirement	
Mode of Transport		<input checked="" type="checkbox"/> LAND
Preferred	<input checked="" type="checkbox"/> Local Currency : LKR	

Currency of Quotation ¹					
Value Added Tax on Price Quotation ²	<input checked="" type="checkbox"/> Must be exclusive of VAT and other applicable taxes				
After-sales services required	<input checked="" type="checkbox"/> Technical Support for the Biomass Modern Biomass Cook stoves <input checked="" type="checkbox"/> Others Steady supply of wood chips for the Modern Biomass Cook stoves				
Deadline for the Submission of Quotation	2pm, <i>Friday, November 23, 2018 and Sri Lanka Time</i>				
All documentations, including catalogs, instructions and operating manuals, shall be in this language	<input checked="" type="checkbox"/> English				
Documents to be submitted ³	<input checked="" type="checkbox"/> Duly Accomplished Form as provided in Annex 2, and in accordance with the list of requirements in Annex 1; <input checked="" type="checkbox"/> Latest Business Registration Certificate ; <input checked="" type="checkbox"/> Latest Internal Revenue Certificate / Tax Clearance; <input checked="" type="checkbox"/> Written Self-Declaration of not being included in the UN Security Council 1267/1989 list, UN Procurement Division List or other UN Ineligibility List; <input checked="" type="checkbox"/> Report on the proposed plan for setting up of the supply chain of the fuel product for the Modern Biomass Cook stoves which should cover at least all points in section 2 of the TOR <input checked="" type="checkbox"/> Report on the approach for distributing/marketing 500 Modern Biomass Cook stoves which should at least cover all points in section 1 of the TOR <input checked="" type="checkbox"/>				
Period of Validity of Quotes starting the Submission Date	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Vendor to extend the validity of the Quotation beyond what has been initially indicated in this RFQ. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Quotation.				
Partial Quotes	<input checked="" type="checkbox"/> Not permitted				
Payment Terms ⁴	<table border="1"> <thead> <tr> <th>Milestone</th><th>% based on supply chain set up cost</th></tr> </thead> <tbody> <tr> <td>Establishment of the supply chain to produce fuel for the Modern Biomass Cook stoves</td><td>50%</td></tr> </tbody> </table>	Milestone	% based on supply chain set up cost	Establishment of the supply chain to produce fuel for the Modern Biomass Cook stoves	50%
Milestone	% based on supply chain set up cost				
Establishment of the supply chain to produce fuel for the Modern Biomass Cook stoves	50%				

¹ Local vendors must comply with any applicable laws regarding doing business in other currencies. Conversion of currency into the UNDP preferred currency, if the offer is quoted differently from what is required, shall be based only on UN Operational Exchange Rate prevailing at the time of UNDP's issuance of Purchase Order.

	Introduce fuel product for Modern Biomass Cook stoves to the market	15%
	Completing the distribution 500 Modern Biomass Cook stoves	15%
	Report on customer satisfaction survey	20%
Evaluation Criteria <i>[check as many as applicable]</i>	<input checked="" type="checkbox"/> Technical responsiveness/Full compliance to requirements and lowest price ⁵ Comprehensiveness of after-sales services <input checked="" type="checkbox"/> Full acceptance of the PO/Contract General Terms and Conditions <i>[this is a mandatory criteria and cannot be deleted regardless of the nature of services required]</i>	
UNDP will award to:	<input checked="" type="checkbox"/> One and only one supplier	
Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input checked="" type="checkbox"/> Contract for goods and Services	
Special conditions of Contract	<input checked="" type="checkbox"/> The service provider must provide the fuel packs pro rata to the quantities distributed in the region and the quoted price of the fuel products must be maintained for at least for a period of one year and facilitate aftersales services during the warranty period provided by the manufacturer . <input checked="" type="checkbox"/> The service provider must also arrange service/repair centers in the regions where the Modern Biomass Cook Stoves were distributed.	
Conditions for Release of Payment	<input checked="" type="checkbox"/> Kindly refer the Terms of Reference	

⁵ UNDP reserves the right not to award the contract to the lowest priced offer, if the second lowest price among the responsive offer is found to be significantly more superior, and the price is higher than the lowest priced compliant offer by not more than 10%, and the budget can sufficiently cover the price difference. The term "more superior" as used in this provision shall refer to offers that have exceeded the pre-determined requirements established in the specifications.

Annexes to this RFQ ⁶	<input checked="" type="checkbox"/> Terms of Reference of the Service /Goods Required (Annex 1) <input checked="" type="checkbox"/> Form for Submission of Quotation (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3). Non-acceptance of the terms of the General Terms and Conditions (GTC) shall be grounds for disqualification from this procurement process.
Contact Person for Inquiries (Written inquiries only) ⁷	Mr. Suranga Karavita Technical Coordinator <i>suranga.karavita@undp.org</i> Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.

Goods offered shall be reviewed based on completeness and compliance of the quotation with the minimum specifications described above and any other annexes providing details of UNDP requirements.

The quotation that complies with all of the specifications, requirements and offers the lowest price, as well as all other evaluation criteria indicated, shall be selected. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price (obtained by multiplying the unit price and quantity) shall be re-computed by UNDP. The unit price shall prevail and the total price shall be corrected. If the supplier does not accept the final price based on UNDP's re-computation and correction of errors, its quotation will be rejected.

After UNDP has identified the lowest price offer, UNDP reserves the right to award the contract based only on the prices of the goods in the event that the transportation cost (freight and insurance) is found to be higher than UNDP's own estimated cost if sourced from its own freight forwarder and insurance provider.

At any time during the validity of the quotation, no price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the quotation. At the time of award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Purchase Order that will be issued as a result of this RFQ shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a quotation implies that the vendor accepts without question the General Terms and Conditions of UNDP herein attached as Annex 3.

⁶ Where the information is available in the web, a URL for the information may simply be provided.

⁷ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

UNDP is not bound to accept any quotation, nor award a contract/Purchase Order, nor be responsible for any costs associated with a Supplier's preparation and submission of a quotation, regardless of the outcome or the manner of conducting the selection process.

Please be advised that UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a purchase order or contract in a competitive procurement process. **In the event that** you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

UNDP encourages every prospective Vendor to avoid and prevent conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, specifications, cost estimates, and other information used in this RFQ.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its suppliers to adhere to the UN Supplier Code of Conduct found in this link : http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your quotation.

Sincerely yours,

Nilmini Jayatilake
Procurement Associate
October 27, 2018

Terms of Reference

Distribution of Modern Biomass Modern Biomass Cook Stoves and Setting Up of Fuel Supply Chain for The Modern Biomass Modern Biomass Cook Stoves

Background

The aim of the Biomass energy project 2022 is to make the biomass energy sector a sustainable one and create the necessary environment for the wider adoption of biomass energy throughout the country. The domestic sector accounts for a large portion of the biomass energy usage in the country and promoting improved Modern Biomass Cook Stoves in the domestic sector is one of the approaches taken by the project to achieve its target. Initially 500 improved Modern Biomass Cook Stoves and the necessary fuel supply chain for the cook stove will be piloted to address any issues before promoting on a large scale nationwide.

The project is seeking a service provider to distribute the 500 improved cooks stove and to set up the necessary supply chain and distribute the fuel wood product for the Modern Biomass Cook Stoves.

Partnering with Biomass energy project 2022

The project has procured the 500 Modern Biomass Cook Stoves and will be transferred at no cost to the service provider for distribution. The service provider may however distribute the cook stove at a minimal price to cover any costs incurred for marketing and other associated costs. As this is a pilot to determine the acceptance of the improved cook stove and find solutions for any issues for larger scale adoption, it is expected that the service provider will adopt a cost effective channel for distribution.

The service provider must also develop the fuel supply chain for the Modern Biomass Cook Stoves and distribute the fuel in the form of wood chips in packs of 2kg, 5kg and 10 kg packages. The capital investment required for setting up of the fuel supply chain will be provided by the project. As such it is expected in pricing the fuel needed for the Modern Biomass Cook Stoves this benefit is passed on to the end user and the service provider will only take into account the operational cost in pricing the fuel

Expected Services

1. Distribution of Modern Biomass Cook stoves
 - a. Quantity – 500 Modern Biomass Cook stoves
 - b. Period for distribution – The distribution of 500 Modern Biomass Cook stoves must be completed within two months
 - c. Distribution region – The Modern Biomass Cook Stoves should be made available throughout the island
 - d. Marketing strategy - The service provider should carry out a cost effective marketing campaign to promote the product.

- e. Data collection – An effective customer satisfaction survey should be carried out with the aim of overcoming barriers for large scale adoption. This survey should provide insight to the day to day operations, fuel supply network and pricing of the product
 - f. Price per cook stove - The 500 Modern Biomass Cook Stoves have been procured by the project and will be transferred to the service provider at no cost. The Modern Biomass Cook Stoves should be minimally priced to only cover any marketing and other costs incurred to distribute the product and provide aftersales services during the product warranty period.
 - g. It is the duty of the service provide to transport the batch of improved Modern Biomass Cook Stoves from the UNDP storage facility in Colombo to the premises of the service provider. The weight of the cook stove is 3.6 kgs and has dimensions of 38 cm by 25cm by 25 cm
 - h. The service provider must also facilitate any repairs and adjustment services during the warranty period provided by the manufacturer. The project will provide the necessary coordination between the manufacturer and successful service provider to provide the necessary services during and after the warranty period to the customers
 - i. The service provider must also arrange after sales service/repair centers in the regions where the Modern Biomass Cook Stoves were distributed
2. Setting up of supply chain of the fuel for the Modern Biomass Cook Stoves
- a. Supply chain for wood chips - A supply chain for the fuel product for the improved Modern Biomass Cook Stoves must be established. The supply chain must be able to produce wood chips in readily portable 2kg, 5kg and 10 kg packs. The wood chips must be less than 2 inches in size.
 - b. Packaging - The packaging of fuel product must be combustible and made of ecofriendly materials (preferred paper packaging)
 - c. Branding- The fuel product can be branded under the brand name of the service provider
 - d. Output capacity of the supply chain - The supply chain should be able to produce at least 800 kg of wood chips on a daily basis for the Modern Biomass Cook Stoves.
 - e. Introduce/launch the fuel product for the cook stove to the market - The fuel should be made available in the market in packages of 2 kg, 5 kg and 10 kg and available in regions where the Modern Biomass Cook Stoves were distributed. The service provider must provide the fuel packs pro rata to the quantities distributed in the region.
 - f. The service provider should also be involved in the distribution of the fuel product for the cook stove
 - g. Pricing of the fuel product: The service provider should price the fuel products based on a long term operation and take into account only the operational costs. Capital cost for setting up of the supply chain will be provided by UNDP. The price of the fuel products must be maintained for at least one year

3. Deliverables

The following must be submitted by the successful service provider

Deliverable	Target Date
Report on the proposed plan for setting up of the supply chain of the fuel product for the Modern Biomass Cook Stoves which should cover at least all points in section 2	at submission of quotation
Report on the approach for distributing/marketing 500 Modern Biomass Cook Stoves which should at least cover all points in section 1	at submission of quotation
Report on completion of setting up of the supply chain of the fuel product for the Modern Biomass Cook Stoves	08 th December 2018
Report on introducing of the fuel product for the Modern Biomass Cook Stoves	15 th December 2018
Report on completing the distribution of the 500 Modern Biomass Cook Stoves	25 th December 2018
Report on customer satisfaction survey	31 st January 2019

Payment Milestones

Milestone	Amount	Target Date
Establishment of the supply chain to produce fuel for the Modern Biomass Cook Stoves	50%	10 th December 2018
Introduce fuel product for Modern Biomass Cook Stoves to the market	15%	20 th December 2018
Completing the distribution 500 Modern Biomass Cook Stoves	15%	30 th December 2018
Report on customer satisfaction survey	20%	31 st January 2019

Pricing

The following must be provided by the service provider with detailed breakdown.

- Price of single unit of Modern Biomass Cook Stove
- Cost to set up the supply chain of the fuel for the Modern Biomass Cook Stoves
- Price of 2kg, 5kg and 10 kg fuel packages respectively. The price of the fuel packages must be maintained for at least one year.

Selection of service provider

Quotations will be evaluated on the following basis. The following pricing is only for evaluation purposes to select the service provide and not for calculating the financial support by the project. The table below must be completed

	Price (LKR)	Quantity	Total (LKR)
Selling price of Modern Biomass Cook Stoves		500	
Setting up of Supply chain for fuel packages for the Modern Biomass Cook Stoves		1	
Price of 2kg fuel package		235	
Price of 5 kg fuel package		47	
Price of 10 kg fuel packages		10	
Grand total			

The successful service provider will be one who achieves the minimum grand total on the above evaluation and will be provided the capital investment to set up the supply chain for the fuel packages for the Modern Biomass Cook Stoves

Annex 2

FORM FOR SUBMITTING SUPPLIER'S QUOTATION⁸

(This Form must be submitted only using the Supplier's Official Letterhead/Stationery⁹)

We, the undersigned, hereby accept in full the UNDP General Terms and Conditions, and hereby offer to supply the items listed below in conformity with the specification and requirements of UNDP as per RFQ Reference No. **RFQ/BIOMASS/2018/33**:

TABLE 1 : Offer to Provide Goods and services Compliant with Terms of Reference

	Unit Price LKR	Quantity	Total price LKR
*Selling Price of Modern Biomass Cook stove		500	
Capital Investment to establish supply chain for fuel packages for the Modern Biomass Cook stoves (UNDP will pay only this amount)		1	
*Price of 2kg fuel package		235	
*Price of 5 kg fuel package		47	
*Price of 10 kg fuel packages		10	
Grand total for evaluation and selection			

UNDP will be provided only the capital investment to set up the supply chain for the fuel packages for the Modern Biomass Cook stoves

The pricing of items with * marks are only for evaluation purposes to select the service provider and not for calculating the financial support by the project.

TABLE 2 : Offer to Comply with Other Conditions and Related Requirements

Other Information pertaining to our Quotation are as follows :	Your Responses		
	<i>Yes, we will comply</i>	<i>No, we cannot comply</i>	<i>If you cannot comply, pls. indicate counter proposal</i>
Cook Stove Distribution Time			
Provide the fuel packs pro rata to the quantities distributed in the region			
The quoted price of the fuel products will be maintained for at least for a period of one year			

⁸ This serves as a guide to the Supplier in preparing the quotation and price schedule.

⁹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

Establishment of after sales service/repair centers in the regions where the Modern Biomass Cook stoves were distributed			
Validity of Quotation			
All Provisions of the UNDP General Terms and Conditions			

All other information that we have not provided automatically implies our full compliance with the requirements, terms and conditions of the RFQ.

[Name and Signature of the Supplier's Authorized Person]
[Designation]
[Date]

DEAD LINE EXTENDED

General Terms and Conditions

1. ACCEPTANCE OF THE PURCHASE ORDER

This Purchase Order may only be accepted by the Supplier's signing and returning an acknowledgement copy of it or by timely delivery of the goods in accordance with the terms of this Purchase Order, as herein specified. Acceptance of this Purchase Order shall effect a contract between the Parties under which the rights and obligations of the Parties shall be governed solely by the terms and conditions of this Purchase Order, including these General Conditions. No additional or inconsistent provisions proposed by the Supplier shall bind UNDP unless agreed to in writing by a duly authorized official of UNDP.

2. PAYMENT

- 2.1 UNDP shall, on fulfillment of the Delivery Terms, unless otherwise provided in this Purchase Order, make payment within 30 days of receipt of the Supplier's invoice for the goods and copies of the shipping documents specified in this Purchase Order.
- 2.2 Payment against the invoice referred to above will reflect any discount shown under the payment terms of this Purchase Order, provided payment is made within the period required by such payment terms.
- 2.3 Unless authorized by UNDP, the Supplier shall submit one invoice in respect of this Purchase Order, and such invoice must indicate the Purchase Order's identification number.
- 2.4 The prices shown in this Purchase Order may not be increased except by express written agreement of UNDP.

3. TAX EXEMPTION

- 3.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for utilities services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize UNDP's exemption from such taxes, duties or charges, the Supplier shall immediately consult with UNDP to determine a mutually acceptable procedure.
- 3.2 Accordingly, the Supplier authorizes UNDP to deduct from the Supplier's invoice any amount representing such taxes, duties or charges, unless the Supplier has consulted with UNDP before the payment thereof and UNDP has, in each instance, specifically authorized the Supplier to pay such taxes, duties or charges under protest. In that event, the Supplier shall provide UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

4. RISK OF LOSS

Risk of loss, damage to or destruction of the goods shall be governed in accordance with Incoterms 2010, unless otherwise agreed upon by the Parties on the front side of this Purchase Order.

5. EXPORT LICENCES

Notwithstanding any INCOTERM 2010 used in this Purchase Order, the Supplier shall obtain any export licences required for the goods.

6. FITNESS OF GOODS/PACKAGING

The Supplier warrants that the goods, including packaging, conform to the specifications for the goods ordered under this Purchase Order and are fit for the purposes for which such goods are ordinarily used and for purposes

expressly made known to the Supplier by UNDP, and are free from defects in workmanship and materials. The Supplier also warrants that the goods are contained or packaged adequately to protect the goods.

7. INSPECTION

7.1 UNDP shall have a reasonable time after delivery of the goods to inspect them and to reject and refuse acceptance of goods not conforming to this Purchase Order; payment for goods pursuant to this Purchase Order shall not be deemed an acceptance of the goods.

7.2 Inspection prior to shipment does not relieve the Supplier from any of its contractual obligations.

8. INTELLECTUAL PROPERTY INFRINGEMENT

The Supplier warrants that the use or supply by UNDP of the goods sold under this Purchase Order does not infringe any patent, design, trade-name or trade-mark. In addition, the Supplier shall, pursuant to this warranty, indemnify, defend and hold UNDP and the United Nations harmless from any actions or claims brought against UNDP or the United Nations pertaining to the alleged infringement of a patent, design, trade-name or trade-mark arising in connection with the goods sold under this Purchase Order.

9. RIGHTS OF UNDP

In case of failure by the Supplier to fulfil its obligations under the terms and conditions of this Purchase Order, including but not limited to failure to obtain necessary export licences, or to make delivery of all or part of the goods by the agreed delivery date or dates, UNDP may, after giving the Supplier reasonable notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:

- 9.1 Procure all or part of the goods from other sources, in which event UNDP may hold the Supplier responsible for any excess cost occasioned thereby.
- 9.2 Refuse to accept delivery of all or part of the goods.
- 9.3 Cancel this Purchase Order without any liability for termination charges or any other liability of any kind of UNDP.

10. LATE DELIVERY

Without limiting any other rights or obligations of the parties hereunder, if the Supplier will be unable to deliver the goods by the delivery date(s) stipulated in this Purchase Order, the Supplier shall (i) immediately consult with UNDP to determine the most expeditious means for delivering the goods and (ii) use an expedited means of delivery, at the Supplier's cost (unless the delay is due to Force Majeure), if reasonably so requested by UNDP.

11. ASSIGNMENT AND INSOLVENCY

- 11.1. The Supplier shall not, except after obtaining the written consent of UNDP, assign, transfer, pledge or make other disposition of this Purchase Order, or any part thereof, or any of the Supplier's rights or obligations under this Purchase Order.
- 11.2. Should the Supplier become insolvent or should control of the Supplier change by virtue of insolvency, UNDP may, without prejudice to any other rights or remedies, immediately terminate this Purchase Order by giving the Supplier written notice of termination.

12. USE OF UNDP OR UNITED NATIONS NAME OR EMBLEM

The Supplier shall not use the name, emblem or official seal of UNDP or the United Nations for any purpose.

13. PROHIBITION ON ADVERTISING

The Supplier shall not advertise or otherwise make public that it is furnishing goods or services to UNDP without specific permission of UNDP in each instance.

14. CHILD LABOUR

The Supplier represents and warrants that neither it nor any of its affiliates is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

Any breach of this representation and warranty shall entitle UNDP to terminate this Purchase Order immediately upon notice to the Supplier, without any liability for termination charges or any other liability of any kind of UNDP.

15. MINES

The Supplier represents and warrants that neither it nor any of its affiliates is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

Any breach of this representation and warranty shall entitle UNDP to terminate this Purchase Order immediately upon notice to the Supplier, without any liability for termination charges or any other liability of any kind of UNDP.

16. SETTLEMENT OF DISPUTES

16.1 Amicable Settlement. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Purchase Order or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.

16.2 Arbitration. Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Purchase Order or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Section within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

17. PRIVILEGES AND IMMUNITIES

Nothing in or related to these General Terms and Conditions or this Purchase Order shall be deemed a waiver of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18. SEXUAL EXPLOITATION:

18.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods,

services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

- 18.2 UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

19.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

20. AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possess the authority to agree on behalf of UNDP to any modification of or change in this Agreement, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Agreement signed by the Contractor and jointly by the UNDP Authorized Official.