



Annex IV

CONTRACT (DRAFT)

Date

Dear Sir/Madam,

Ref.: ITB UNDP GNB 01-19 Construction of a new medical warehouse in Bissau.

The United Nations Development Programme (hereinafter referred to as "UNDP"), wishes to engage [ENTER CONTRACTOR NAME] in order to perform the Construction of a new medical warehouse in Bissau in accordance with the following Contract:

1. Contract Documents

- 1.1 This Contract is subject to the UNDP General Conditions for Civil Works, REV. Oct, 2000], attached hereto as Annex I(A). The provisions of such Annex shall control the interpretation of this Contract and in no way shall be deemed to have been derogated by the contents of this letter and any other Annexes, unless otherwise expressly stated under section 4 of this letter, entitled "Special Conditions".
- 1.2 The Contractor and UNDP also agree to be bound by the provisions contained in the following documents, which shall take precedence over one another in case of conflict in the following order:
 - a) this letter;
 - b) the Technical Specifications, Site Geotechnical Survey Report, Site Topographical Survey drawing and Preliminary Concept Drawings dated [Enter date] attached hereto as Annex II;
 - c) the Contractor's Tender dated [enter date] including the Priced Bill of Quantities, as clarified by the [MINUTES OF MEETING DATED] not attached hereto but known to and in the possession of both parties.
- 1.3 All the above shall form the Contract between the Contractor and UNDP, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Contract. The Contractors' address and contact details being:

[ENTER DETAILS OF CONTRACTOR'S ADDRESS]

2. Obligations of the Contractor

- 2.1 The Contractor shall commence work within 45 (fortyfive) days from the date on which he shall have been given access to the Site and received the notice to commence from the Project Manager, and shall perform and substantially complete the Works by[STATE AGREED COMPLETION DATE], in accordance with the Contract. The Contractor shall provide all materials, supplies, labour and other services necessary to that end.
- 2.2 The Contractor shall submit to the Project Manager the Programme of Work referred to in Clause 13 of the General Conditions by [STATED DATE].

2.3 The Contractor represents and warrants the accuracy of any information or data provided to UNDP for the purpose of entering into this Contract, as well as the quality of the Works foreseen under this Contract in accordance with the highest industrial and professional standards.

3. Price and Payment

3.1 In full consideration of the complete and satisfactory performance of the Works under this Contract, UNDP shall pay the Contractor a fixed contract price of [ENTER SUM in figures] United States Dollars [ENTER SUM IN LETTERS]

3.2 The price of this contract is fixed lump sum and not subject to any adjustments or revision because of price or currency fluctuation or the actual cost incurred by the contractor. The contractor shall have total responsibility on the performance of the Design and Build contract without exceeding the contract lump sum amount of USD [ENTER SUM in figures followed by SUM in letters]

3.3 Invoices shall be submitted by the Contractor to the Project Manager upon achievement of the corresponding milestones and for the following amounts:

PROPOSED PAYMENT SCHEDULE

Table 1: Payment schedule

Draft figures (to be finalized and completed at time of award of contract)

No.	MILESTONE ACTIVITY	SHARE	EXPECTED PAYMENT DATE
1	Advance Payment	10% max against bank guarantee	Within 15 days after receipt of bank guarantee
2	Site establishment, conduction of earthworks and structure (foundations and super-structure) (BoQ items 1-3)	20%	Within thirty (30) days, after receipt of invoice and certification of acceptance of goods and/or services issued by the proper authority in UNDP with direct supervision of the Contractor.
3	First agreed construction milestone to take place after certified completion of masonry and partitioning, roofing and ceiling works (BoQ items 4, 7 and 8)	20%	Within thirty (30) days, after receipt of invoice and certification of acceptance of goods and/or services issued by the proper authority in UNDP with direct supervision of the Contractor.
4	Second agreed construction milestone to take place after certified completion of carpentry and joinery, metallic joinery, wall covering, internal floors, plumbing, electrical, fire protection, waterproofing and miscellaneous works (BoQ items 5-6, 9-15)	30%	Within thirty (30) days, after receipt of invoice and certification of acceptance of goods and/or services issued by the proper authority in UNDP with direct supervision of the Contractor.
5	Fourth agreed construction milestone to take place after certified completion of external area and site clean-up works (BoQ items 16-17) and first retention release	10%	Within thirty (30) days, after receipt of invoice and certification of acceptance of goods and/or services issued by the proper authority in UNDP with direct supervision of the Contractor.
6	Final completion (Release of last Retention/Performance security)	10%	Within seven (7) days from the date of Issuance of a Certificate of Substantial Completion of works, the UNDP will return to the Supplier the Performance Security and after the Contractor, at his own cost and expense furnishes to the UNDP a Maintenance Guarantee in an amount equal to (5%) of the Contract Price to be valid until the end of the Warranty / Defects Liability Period;
	Total Contract Amount	TBD	TBD

3.4 UNDP shall effect payment of the invoices after receipt of the certificate of payment issued by the Project Manager, approving the amount contained in the invoice. The Project Manager may make corrections to that amount, in which case UNDP may effect payment for the amount so corrected. The Project Manager may also withhold invoices if the work is not performed at any time in accordance with the terms of the Contract or if the necessary insurance policies or performance security are not valid and/or in order. The Project Manager shall process the invoices submitted by the Contractor within 15 days of their receipt.

- 3.5 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Works.
- 3.6 Payment of the final invoice shall be effected by UNDP after issuance of the Certificate of Final Completion by the Project Manager.
4. Special conditions
- 4.1 The advance payment to be made upon signature of the contract by both parties is contingent upon receipt and acceptance by UNDP of a bank guarantee for the full amount of the advance payment issued by a Bank and in a form acceptable to UNDP.
- 4.2 a) The amounts of the payments referred to under section 3.3 Table 1 Nr. 2 – 7 and 12 above shall be subject to a deduction of 10% (Ten percent) of the amount accepted for payment until the cumulative amount of the deductions so effected shall equal the amount of the advance payment, as stated on page 32, under ITB section 3, part A2 – General: Payment Terms, item (b).
- b) At the completion and acceptance of the works 50 (fifty) % of the retention deduction or 5 (five) % of the total contractual amount will be released. The remaining 5 (five) % will be released at the end of the defect liability period (one year after the practical completion of the works), as stated on page 32, under ITB section 3, part A2 – General: Payment Terms, item (c).
- 4.3 The Performance guarantee referred to in Clause 10 of the General Conditions shall be submitted by the Contractor for an amount of 10% (Ten percent) of the Contract Amount.
- 4.4 The Contractor may submit invoices for materials and plant stored at the Site, provided they are necessary and adequate for the performance of the Works and they are protected from weather conditions and duly insured as per the instructions of the Project Manager.
- 4.5 The liability insurance referred to in Clause 23 of the General Conditions shall be taken out by the Contractor for an amount equivalent to 300% (hundred percent) of the contract sum.
- 4.6 According to Clause 45 of the General Conditions, the liquidated damages for delay shall be USD1,500.00 (One Thousand Five Hundred Dollars) /day of delay, up to a maximum of 10% of the final price of the Contract.
- 4.7 The General Conditions of Contract for Civil Works are supplemented with the Special Conditions of Contract, attached hereto as Annex III (the "Special Conditions"). For the avoidance of doubt, and unless expressly stated otherwise, the Special Conditions shall prevail in case of any inconsistency over the General Conditions.
5. Submission of invoices
- 5.1 One original and one copy of every invoice shall be submitted by mail by the Contractor for each payment under the Contract to the Project Manager's address specified in clause 8.2.
- 5.2 Invoices submitted by fax shall not be accepted by UNDP.
6. Time and manner of payment

6.1 Invoices shall be paid within fourteen (14) days of the date of their receipt and acceptance by UNDP.

6.2 All payments shall be made by UNDP to the following Bank account of the Contractor:

[ENTER BANK NAME, ADDRESS AND BANK ACCOUNT]

7. Modifications

7.1 Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representatives of the Contractor and UNDP.

8. Notifications

8.1 For the purpose of notifications under the Contract, the addresses of UNDP and the Contractor are as follows:

For the Contractor:

[ENTER CONTRACTOR NAME AND CONTACT DETAILS]

8.2 For the purposes of communications with the Project Manager, the address of the Project Manager shall be as follows:

[ENTER DETAILS OF PROJECT MANAGER]

If the above terms and conditions meet with your agreement as typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

For United Nations Development Programme

Agreed and Accepted:

Signature _____

Name

Title

Date

Witnessed by:

Signature _____

Name
Title
Date

For [ENTER CONTRACTOR NAME]

Agreed and Accepted:

Signature _____

Name
Title
Date

Witnessed by:

Signature _____

Name
Title
Date