



# **Request for Proposals (RFP)**

**For**

**FEASIBILITY STUDY INTO THE ESTABLISHMENT OF  
A MANUFACTURING FACILITY FOR  
REFRIGERATION APPLIANCES IN GHANA**

**RE-TENDER**

**AUGUST, 2013**

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Date: 22<sup>nd</sup> August 2013

Dear Sir/Madam,

### **LETTER OF INVITATION FOR PROPOSALS**

Ghana is aiming at increasing the efficiency of refrigerating appliances sold in the country. This goal is supported by the following project: "Promoting Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana," which is financed by the Global Environment Facility (GEF) and executed by the UNDP in partnership with the Energy Commission of Ghana.

With appliances that consume less electricity, Ghanaians are able to save on electricity bills. As important are the corresponding benefits for the environment, most notably the reduction of greenhouse gases and the reduction in the use of Ozone Depleting Substances (ODS), which are pervasive and prevalent in older, inefficient devices. Hence, this project serves the ultimate goals of both the Kyoto and Montreal protocols.

In order to provide an affordable long-term source of affordable, new, and efficient refrigerators, UNDP Ghana, in partnership with the Energy Commission, is calling for a feasibility study to look at the possibility of the establishment of a local manufacturing or assembling facility for refrigerating appliances, in order to promote private sector's investments in this area.

I cordially invite all parties interested in conducting such a feasibility study to send in the appropriate proposals, within the rules, formats, and order as stipulated in this request for proposals (RFP) package.

1. Eligible firms may collect the RFP at **UNDP, Ring Road East, near Ghana National Fire Service Headquarters, Accra** from **22<sup>nd</sup> August 2013 to 23<sup>rd</sup> September 2013** on weekdays only between the hours of 09:30 and 16:00, or requested by email to [paolo.d.stella@undp.org](mailto:paolo.d.stella@undp.org) and [richard.opoku@undp.org](mailto:richard.opoku@undp.org) , and copy [rene.da.silva@undp.org](mailto:rene.da.silva@undp.org)
2. The RFP is **only** open to firms/individuals that are registered companies notable for consultancy services and which have extensive experience in conducting feasibility studies, especially in the manufacturing sector.
3. The RFP is open to all eligible Service Providers who wish to respond to the Request for Proposals Document. Service Providers may associate with each other, either in a joint

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venture, or in a sub-Contract agreement, to complement their respective areas of expertise in order to enhance their capacity to successfully carry out the assignment. **The presence of both national and international expertise in the proposed team is required.**

4. All proposals must be accompanied by the appropriate valid Company Registration Certificate (or equivalent document).
5. Proposals will be evaluated under the QCBS method procedure for which is described in sections of the RFP in accordance with internationally accepted practices. In particular, they will be evaluated on their responsiveness to implementing the requisite feasibility study.
6. The UNDP reserves the right to accept or reject, in part or whole, any or all of the proposals at any time without assigning any reason whatsoever.
7. The costs of preparing the proposals and of negotiating the contract are not reimbursable by the UNDP.
8. Proposals **must** be valid for 120 days from the deadline for submission. The UNDP will make its best effort to select a firm within this period.
9. The UNDP does not bind itself in any way to select the firm offering the lowest prices.
10. You are requested to submit a Proposal for Conducting a Feasibility Study into the Establishment of a Local Manufacturing Facility for Refrigerating Appliances, as per the enclosed Terms of Reference (TOR).
11. To enable you to submit a Proposal, attached are:
  - i. Instructions to Offerors..... (Annex I)
  - ii. Terms of Reference (TOR).....(Annex II)
  - iii. Proposal Submission Form .....(Annex III)
  - iv. Price Schedule .....(Annex IV)
  - v. Performance Security Form.....(Annex V)
  - vi. General Terms & Conditions.....(Annex VI)
12. Your offer, comprising of the Technical Proposal and the Financial Proposal in separate sealed envelopes, should reach the following address no later than **12.00hrs GMT, 23<sup>rd</sup> September 2013.**

Attention:

**DEPUTY COUNTRY DIRECTOR, OPERATIONS  
ROOM 6, UNDP, RING ROAD EAST, NEAR FIRE SERVICE HEADQUARTERS  
TELEPHONE: (233) 3022773890-6  
FAX: (233) 302773899**

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13. If you request additional information, we would endeavour to provide information expeditiously. All clarification requests must be received by **10 September 2013** and response to clarifications will be sent by UNDP by **13 September 2013**. Any delay in providing such information will not be considered a reason for extending the submission date of your Proposal.

Yours sincerely,

Rene da Silva  
Deputy Country Director (Operations)

## ANNEX I

### Instructions to Offerors

#### A. Introduction

##### 1. General

Ghana is aiming at increasing the efficiency of refrigerating appliances sold in the country. This goal is supported by the following project: “Promoting Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana,” which is financed by the Global Environment Facility (GEF) and executed by the UNDP in partnership with the Energy Commission of Ghana.

With increased energy efficiency, Ghanaians are able to save on electricity bills. There are corresponding benefits for the environment as well, most notably the reduction of greenhouse gases and the reduction in the use of Ozone Depleting Substances (ODS), which are pervasive and prevalent in older, inefficient devices. Hence, this project serves the ultimate goals of both the Kyoto and Montreal protocols.

In order to yield the benefits of the project, the project has implemented a rigorous standards and labelling system. There has also been a concurrent rebate program, which allows consumers to trade in their old but functioning inefficient refrigerators in return for a rebate, at various retail outlets. This rebate (in the form of a coupon) is used exclusively for the purchase of a new, efficient refrigerator.

Ghana instituted a ban on old and inefficient refrigerators since the start of 2013, and the only refrigerators coming into the country are to be new and efficient refrigerators. As Ghana does not have its own local manufacturing capabilities for refrigeration appliances, the only source of refrigerators is through imports.

Because of the lack of cash and capital resources on the part of most Ghanaians, imported refrigerators can present affordability issues. Therefore, establishing one or more local manufacturing/assembling facility(ies) in Ghana has the potential to ensure the affordability of refrigerators in the long-term, and also to generate local employment

In this context, UNDP and the Energy Commission are seeking the services of a local-international consultant team with extensive experience in conducting feasibility studies to conduct a feasibility study of establishing a local manufacturing/assembling facility for refrigerating appliances, which can be used as an “investment promotion” tool, especially to attract private sector’s investments. It is expected that a mixed team of local and international consultants will complement each other by bringing both local knowledge and global expertise to bear on this assignment. The results of the feasibility study will be used by potential investors and entrepreneurs interested in establishing a

refrigerating appliance manufacturing facility in Ghana.

It is within this context and in this spirit that UNDP sends out its requests for proposals.

## 2. Cost of Proposal

The Offeror shall bear all costs associated with the preparation and submission of the Proposal; the UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

## B. Solicitation Documents

### 3. Contents of solicitation documents

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

### 4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring UNDP entity in writing at the organisation's mailing address or fax number indicated in the RFP not later than **10 September 2013**. The procuring UNDP entity will respond in writing to any request for clarification of the Solicitation Documents that it receives will be sent not later than **13 September 2013** prior to the deadline for the submission of Proposals.

Written copies of the organisation's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Offerors that has received the Solicitation Documents.

### 5. Amendments of Solicitation Documents

At any time prior to the deadline for submission of Proposals, the procuring UNDP entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring UNDP entity may, at its discretion, extend the deadline for the submission of Proposals.

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## C. Preparation of Proposals

### 6. Language of the Proposal

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring UNDP entity shall be written in the English language. Any printed literature furnished by the Offeror may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

### 7. Documents comprising the Proposal

The Proposal shall comprise the following components:

### 8. Proposal Submission Form.

- (a) Operational and Technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements in accordance with respective clauses in this RFP.
- (b) Price schedule completed in accordance with clauses 8 and 9.
- (c) Proposal Security as per Annex V.

### 9. Export License

All Bidders/vendors must be aware that the Goods and Services are for the benefit of the Government under UNDP's development assistance framework and goods purchased will normally be transferred to the National Partners, or to an Entity nominated by it, in accordance with UNDP's policies and procedures.

The Bidder/Vendor shall include in their Proposal:

- A statement whether any import or export licenses are required in respect of the goods to be purchased or service to be rendered including any restrictions on the country of origin, use/dual use nature of goods or services, including and disposition to end users;
- Confirmation that he/she has obtained licenses of this nature in the past and have an expectation of obtaining all the necessary licenses should their bid be successful.

### 10. Proposal Form

The Offeror shall structure the Operational and Technical part of its Proposal as follows:

(a) Management Plan

This section should provide corporate orientation to include the year and state/country of incorporation and a brief description of the Offeror's present activities. It should focus on services related to the Proposal.

This section should also describe the organisational unit(s) that will become responsible for the Contract, and the general management approach towards a project of this kind. The Offeror should comment on its experience in similar projects and identify the person(s) representing the Offeror in any future dealing with the procuring UNDP entity.

(b) Resource Plan

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. It should describe the Offeror's current capabilities/facilities and any plans for their expansion.

(c) Proposed Methodology

This section should demonstrate the Offeror's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

**The Operational and Technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.**

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information which the Offeror considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the text and it will then be treated as such accordingly.

## 11. Prices Proposal

- The Offeror shall indicate on an appropriate Price Schedule, an example of which is contained in these Solicitation Documents, the prices of Services it proposes to supply under the Contract.
- The Price Proposals must clearly and distinctively indicate submissions for Feasibility Study into the Establishment of a Manufacturing Facility for Refrigerating Appliances



in Ghana". **Any Proposals with the Price schedule combined with the Technical Proposals will be rejected.**

***Note: The proposal must indicate price schedule for all the individual systems/documents to be provided the consultant as well as Key Personnel.***

## 12. Proposal Currencies

All prices shall be quoted in Ghana Cedis.

## 13. Period of validity of Proposals

Proposals shall remain valid for **(120) days** after the date of Proposal submission prescribed by the procuring UNDP entity, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the procuring UNDP entity on the grounds that it is non-responsive.

In exceptional circumstances, the procuring UNDP entity may solicit the Offeror's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

## 14. Format and signing of Proposals

The Offeror shall prepare **One (1) original and Five (5) copies** of the Proposal, clearly marking each **"Original Proposal"** and **"Copy of Proposal"** as appropriate. In the event of any discrepancy between them, the original shall govern.

The six (6) copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the Contract. **The letter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.**

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialled by the person or persons signing the Proposal.

## 15. Payment

UNDP shall effect payments to the Service Provider after acceptance by UNDP of the invoices submitted by the Service Provider, upon achievement of the corresponding milestones satisfactorily.

## D. Submission of Proposals

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## 16. Sealing and marking of Proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

- addressed to:

**The Deputy Country Director, Operations  
Room 6, UNDP, Near Fire Service HQ, Ring Road Central, Accra**

and,

a) marked with:

**“RFP for Feasibility Study into the Establishment of a Manufacturing Facility for Refrigerating Appliances in Ghana”**

(b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 9 (*Proposal Form*) above, with the copies duly marked “Original” and “Copy” as appropriate. The second inner envelope shall include the price schedule duly identified as such.

Note: if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal’s misplacement or premature opening.

## 17. Deadline for submission of Proposals

Proposals must be received by the procuring UNDP entity at the address specified under clause *Sealing and marking of Proposals* no later than **12.00hrs GMT on 23<sup>rd</sup> September, 2013.**

The procuring UNDP entity may, at its own discretion, extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause *Amendments of Solicitation Documents*, in which case all rights and obligations of the procuring UNDP entity and Offerors’ previously subject to the deadline will thereafter be subject to the deadline as extended.

## 18. Late Proposals

Any Proposal received by the procuring UNDP entity after the deadline for submission of Proposals, pursuant to clause ***Deadline for the submission of Proposals***, will be rejected.

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## 19. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the procuring UNDP entity prior to the deadline prescribed for submission of Proposals.

The Offeror's withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause Deadline for Submission of Proposals. The withdrawal notice may also be sent by telex or fax but followed by a signed confirmation copy.

No Proposal may be modified subsequent to the deadline for submission of Proposals.

No Proposal may be withdrawn in the Interval between the deadline for submission of Proposals and the expiration of the period of Proposal validity specified by the Offeror on the Proposal Submission Form.

## **E. Opening and Evaluation of Proposals**

### **20. Opening of Proposals**

The procuring entity will open the Proposals in the presence of a Committee formed by the Head of the procuring UNDP entity.

### **21. Clarification of Proposals**

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

### **22. Preliminary examination**

The Purchaser will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

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**Legal Status:** The Bidder should attach a copy of its Letter of Incorporation, or other such document, indicating its legal status, as well as any other document showing that it intends to associate, or it has associated with, the other Members who are submitting a joint proposal.

**Litigation Criteria:** The Bidder shall provide accurate information on any current or past litigation or arbitration resulting from contracts completed, terminated, or under execution by the Service Provider over the last 5 (five) years. A consistent history of awards against the Service Provider or existence of high value dispute, which may threaten the financial standing of the Service Provider, may lead to the rejection of the Proposal.

## 23. Evaluation and comparison of Proposals

A two-stage procedure is utilised in evaluating the Proposals, with evaluation of the Technical Proposal being completed prior to any Price Proposal being opened and compared. The Price Proposal will be opened only for submissions that passed the minimum Technical score of **70%** of the obtainable score of 1000 points in the evaluation of the Technical Proposals.

The Technical Proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

In the Second Stage, the Price Proposal of all Service Providers, who have attained minimum **70% score** in the technical evaluation, will be compared and evaluated through the cumulative analysis scheme. The maximum number of **30 points** assigned to the financial proposal is allocated to the lowest price proposal. All other price proposals receive points in inverse proportion.

The total score will be obtained upon the combination of weighted technical and financial attributes:

- Technical weight: 70%
- Financial weight: 30%

The Contract will be awarded to the proposal obtaining the overall highest score after adding the score of the technical proposal and the financial proposal.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

### ***Technical Evaluation Criteria***

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Summary of Technical Proposal Evaluation	Score Weight	Points	Company / Other Entity
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Forms			Obtainable	A	B	C	D	E
1.	Expertise of Firm / Organisation submitting Proposal	20%	200					
2.	Proposed Work Plan and Approach	50%	500					
3.	Personnel	30%	300					
<b>Total</b>			<b>1000</b>					

Evaluation forms for Technical Proposals follow on the next two pages. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

**Form 1:** Expertise of Firm / Organisation Submitting Proposal

**Form 2:** Proposed Work Plan and Approach

**Form 3:** Personnel

Note: The score weights and points obtainable in the evaluation sheet are tentative and should be changed depending on the need or major attributes of technical Proposal.

Technical Proposal Evaluation Form 1		Points obtainable	Company / Other Entity				
			A	B	C	D	E
Expertise of firm / organisation submitting Proposal							
1.1	Reputation of Organisation and Staff (Competence / Reliability)	25					
1.2	Litigation and Arbitration history	15					
1.3	General Organisational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organisation, strength of project management support e.g. project financing capacity and project management controls)	25					
1.4	Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialised skills.	15					
1.5	Quality assurance procedures, warranty	20					
1.6	Relevance of: - Specialised Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region Work for UNDP/ major multilateral/ or bilateral programmes	100					12
		200					

Technical Proposal Evaluation Form 2		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
Proposed Work Plan and Approach							
2.1	To what degree does the Offeror understand the task?	30					
2.2	Have the important aspects of the task been addressed in sufficient detail?	30					
2.3	Are the different components of the project adequately weighted relative to one another?	20					
2.4	Is the Proposal based on a survey of the project environment and was this data input properly used in the preparation of the Proposal?	50					
2.5	Is the conceptual framework adopted appropriate for the task?	80					
2.6	Is the scope of task well defined and does it correspond to the TOR?	160					
2.7	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	130					
		500					

Technical Proposal Evaluation Form 3			Points Obtainable					Company / Other Entity				
								A	B	C	D	E
3.1	Key Personnel/Qualification	300										
	Sub-Score											
	- International Experience	80										
	- Experience in feasibility studies or similar assignments	90										
	- Experience in / knowledge of the refrigeration sector	70										
	- Knowledge of the local economy and industry sector in Ghana	50										
	- Language Qualifications	10										
	<b>Total Part 3</b>	300										

## F. Award of Contract

### 24. Award criteria, award of Contract

The procuring UNDP entity reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of Contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors' of the grounds for the Purchaser's action.

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Prior to expiration of the period of Proposal validity, the procuring UNDP entity will award the Contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organisation and activity concerned.

## 25. Purchaser's right to vary requirements at time of award

The Purchaser reserves the right at the time of award of Contract to vary the quantity of Services and Goods specified in the RFP without any change in price or other terms and conditions. Award of Multiple Lots is at the discretion of the UNDP procuring Unit.

## 26. Signing of the Contract

Within Thirty (30) days of receipt of the Contract the successful Offeror shall sign and date the Contract and return it to the Purchaser.

## 27. Performance Security

Within Thirty (30) days of the receipt of the Contract from the Purchaser, the successful Offeror shall provide the Performance Security on the Performance Security Form provided in the Solicitation Documents and in accordance with the Special Conditions of Contract.

Failure of the successful Offeror to comply with the requirement of Clause 24 or Clause 25 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Proposal security if any, in which event the Purchaser may make the award to the next lowest evaluated Offeror or call for new Proposals.

## 28. Vendor protest

Our vendor protest procedure is intended to afford an opportunity to appeal to persons or firms not awarded a purchase order or Contract in a competitive procurement process. **It is not available to non-responsive or non-timely Proposers/Bidders or when all Proposals/Bids are rejected. 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/procurement/protest.shtml>.

## **ANNEX II**

### **Terms of Reference**

# **Terms of Reference for a Feasibility Study into the Establishment of a Refrigerating Manufacturing Facility in Ghana**

## **1. BACKGROUND & CONTEXT**

Ghana has embarked on a project aimed at transforming the refrigerating appliance market from one of inefficient appliances to one of efficient appliances guided by performance standards and a rigorous labelling regime. This project, “Promoting Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana” is supported by the Global Environment Facility (GEF). The ultimate objective of the project is to reduce energy waste and environmental damage by introducing market transformation strategies and incentives so as to shift the Ghanaian market toward efficient refrigerating technologies; this is achieved through the effective implementation of mandatory standards and an accelerated phase-out of inefficient, obsolete and/or inappropriate refrigerating appliances. The Energy Commission of Ghana is the implementing agency whilst UNDP Country Office (CO) is operating as the Executing Agency.

Currently, there is no local manufacturer of refrigeration appliances in Ghana, and there are no incentives to encourage local entrepreneurs to establish a manufacturing facility for refrigeration appliances that could compete with the current international trend of energy efficient household equipment. Local entrepreneurs are generally unaware that the manufacture of energy efficient refrigeration appliances is possible with minimal investment, and they also do not see a possible market for this category of appliances yet.

As part of the project, a refrigerator rebate and exchange scheme is being implemented in the country to substitute energy wasting refrigerating appliances with new energy efficient ones. The Government of Ghana is funding a discount on purchases of new refrigerators; the discount is issued via coupons for customers who voluntarily surrender their old but functioning inefficient refrigerators. It is expected that the reduced prices will make such purchases more affordable. In the long-term, in order to keep prices affordable for Ghanaians, UNDP believes that a manufacturing facility based in Ghana is an important option.

Given the potential of a manufacturing facility for refrigerating appliances based directly in Ghana, UNDP and the Energy Commission are seeking the services of a local-international consulting team, with extensive experience in conducting feasibility studies, to conduct a feasibility study into establishing a local manufacturing facility for refrigerating appliances. It is expected that a mixed<sup>15</sup> team of local and international consultants will complement each other by bringing both local knowledge and global expertise to bear on this assignment. The results of the feasibility study will



be used by potential investors and entrepreneurs interested in establishing manufacturing facility for household refrigerating appliances in Ghana.

UNDP's development objective is to improve the living conditions of the people in Ghana through enhanced access and affordability to energy efficient refrigerating appliances, and the creation of jobs.

## 2. TASKS OF CONSULTANTS

The objective of the contract is to conduct a feasibility study for the local manufacture of refrigerating appliances in Ghana. In doing so, the consultant/firm will work under the oversight of UNDP Ghana and the supervision of the Executive Secretary of the Energy Commission and Project Coordinator.

### General Requirements

1. Have interactions with the Energy Commission, UNDP, and Industry Players for a good understanding of the project and for necessary coordination/resource mobilization.
2. Where appropriate, obtain the necessary data and information from UNDP, the Energy Commission or other partners.

### Requirements of the Feasibility Report

The Feasibility Report should include, but is not limited to, the following:

3. Explore Ghana's history with regards to refrigeration manufacturing; perform procedures to determine when refrigeration manufacturing occurred in Ghana, the reasons for its subsequent collapse, and outline the lessons learnt.
4. Provide, in sufficient breadth and depth, an understanding of the current market distribution system in the country for refrigerating appliances; this should touch on import countries, distribution channels, major players and projections.
5. Suggest potential areas and sites for the construction of the manufacturing facility.
6. Carry out a detailed market research study & analysis. This should include:
  - a. Outlining the relevant parameters of the market – e.g. size, scope, growth, segments
  - b. Clearly describe the competition in the industry; for example, the following points would be useful to consider:
    - i) What is the extent of industry concentration?
    - ii) Who are the major competitors? E.g. what is the extent of competition from importers?
    - iii) Does a local manufacturing facility have a price advantage? In the short term? Over the long term?
    - iv) Barriers to entry to the industry? E.g. is it easy for another manufacturing facility to be set up in Ghana? Are there legal barriers to entry?
  - c. If relevant, assess potential market share captured by local manufacturing facility

- d. Analyze the refrigerating appliance market in West Africa and gauge the potential to sell to neighboring countries under the Export Free Zones Enclave
7. Carry out a detailed technical feasibility study. This includes, but is not limited to, an assessment of the following:
  - i) Supplies & Raw Materials: can supplies be procured at a reasonable cost?
  - ii) Are services such as fuel, utility etc. at a reasonable cost?
  - iii) Are there sufficient skilled labour and human resources, at reasonable cost, for the purpose of the manufacturing facility?
  - iv) Are distribution channels well established for newly manufactured refrigerators (e.g. is there enough warehouse capacity?)
  - v) Is there ability to attract qualified management personnel?
  - vi) Estimate the size and type of production facilities and equipment
  - vii) List out the equipment and materials in detail needed for a typical manufacturing facility.
  - viii) Investigate and compare technology providers e.g. manufacturing robots etc.
8. Carry out a study of financial feasibility of the manufacturing plant, stating all assumptions clearly and unambiguously:
  - i) Provide an estimate of capital requirements needed
  - ii) Provide an estimate of working capital needed
  - iii) Provide an estimate of startup costs
  - iv) Estimate contingent capital requirements, if relevant
  - v) Estimate the expected revenue, cost of goods sold, operating expenses, net profits
  - vi) Provide an estimate of the break-even point in terms of quantity and/or revenues
  - vii) Consider the preparation of scenario analysis – consider “best,” “typical,” or “worst” scenarios
  - viii) Consider the calculation of projected cash flows in the first few periods of operation
9. Consider other aspects of feasibility such as legal, organizational/managerial, and schedule feasibilities.
13. Clearly consider the qualitative aspects of going with a decision to establish a manufacturing facility in Ghana e.g. risks and opportunities.
14. Consider the various options for establishing a manufacturing facility: local entrepreneur vis-à-vis subsidiary of foreign firm; explore the quantitative and qualitative aspects of various options.
10. Research the investment options required for this and explore the various investment mixes required for the establishment of the manufacturing facility.
11. Explore opportunities to leverage the project for carbon financing.
12. Identify potential bilateral cooperation with countries or companies that could result in a development of the facility in Ghana.
13. Provide suggestions for a study-tour to selected countries - both developed and

developing - to understand local refrigerator markets and manufacturing operations. A separate budget will be allocated for this activity. The Consultant will only facilitate this activity.

16. State clearly all assumptions made in any analysis performed in the feasibility report; also clearly document any restraints/constraints/limitations in any analysis conducted. Clearly state the approach and methodologies taken in the feasibility study.
17. Where any evaluation has been made, clearly state all evaluation criteria.
18. Data and externally retrieved information should be clearly referenced to source materials and documents.
19. Provide a comprehensive, well-supported, overall conclusion and/or recommendation as to the feasibility of the establishment of a local manufacturing facility for refrigeration appliances, from an investor's point of view. Metrics such as Return on Investment (ROI) will be useful to potential investors.

The report should be written concisely, in a logical and coherent manner, and in a format and language accessible to all potential users.

### 3. DELIVERABLES

The deliverables will include:

1. **Inception report**— An inception report should be prepared before going into a full-fledged exercise. It will detail the understanding of the task and objectives, showing how each of the objective will be met, proposed methods, proposed sources of data, data collection procedures, a detailed work plan, and implementation schedule. It will include a proposed schedule of tasks, activities and deliverables, designating a team member with the lead responsibility for each task or product. The inception report will give all parties involved in this exercise an opportunity to verify whether they share the same understanding about the exercise and clarify any misunderstanding at the outset.
2. **Draft Report** covering all the aspects elaborated under tasks of consultants (see previous sections). The Draft Report must be a substantially completed version of the Final Report. The purpose of the Draft Report is for preliminary review and commentary by UNDP.
3. **Final Report** addressing all the comments and requested adjustments from UNDP. After completion of work, three (3) original copies of the reports together with an electronic copy in CD shall be submitted to UNDP

### 4. QUALIFICATIONS OF CONSULTANT/CONSULTING FIRM

The consulting firm must be a national (Ghanaian) or international firm, or a team of national and international consultancy firms. In this second case, the partnering/partnership agreement shall be<sup>18</sup>

attached to the submission. Irrespective of the provenience of the bidding company, the proposed team for the assignment must comprise of both national and international expertise.

UNDP will engage the consultants under one consultancy contract/package. The consultant firm will be joint firms or organizations, which will be selected and recruited as indicated in the Request for Proposals. The consulting team will consist of (3) to (5) members. It is compulsory for all teams to have a 1) Team Leader, 2) Refrigeration/Industry Management Specialist (International Expert is preferred) and 3) Feasibility Study/Business Expert. It is necessary that the consulting team is able to cover all aspects of the value chain for an integrated refrigerating appliance market, including Manufacturing, Distribution and Sales. Therefore, prospective bidders may propose additional members (national and international experts, as appropriate) who have thematic expertise that complement the thematic expertise of the Team Leader and other members. Close coordination amongst all consultants is required and will be the responsibility of the Team Leader.

The **Team Leader** will be responsible for the overall delivery of all outputs under this assignment with reference to international best practices. S/he will (i) prepare a task matrix for consultants; (ii) supervise the inputs of the consultants; (iii) ensure the quality of and consolidate their outputs to complete the deliverables of this assignment; the Team Leader will be an experienced international expert that has conducted various feasibility studies in the past, preferably in a manufacturing setting and preferably with experience of ventures in developing countries. Experience in managing inter-disciplinary and international teams is preferred.

The **Refrigeration/Industry Management Specialist** will be a specialist that has at least 10 years of experience in the refrigeration appliance industry. Ideally, s/he will possess knowledge of the operations and manufacture of refrigeration appliances. International experience and strong depth of knowledge of industry preferable. S/he will (i) work closely with the team, under the supervision of the team leader, (ii) provide technical advice related to the technical feasibility, financial, and other relevant feasibility aspects of the study (iii) liaise with the Energy Commission/UNDP and other relevant individuals to obtain understanding of local conditions of refrigeration market.

**Feasibility Study and Business Expert** will be an individual who has a strong technical basis in feasibility studies. The expert must have core knowledge of finance, and have sound business competencies and knowledge. The expert will (i) work with the team leader to conduct a logically sound financial feasibility study, which may involve net present value/cash flow calculations/break even analysis (ii) work with the team leader to conduct a comprehensive and useful market research study, evaluating various aspects such as barriers to entry, industry concentration and market structure (iii) conduct scenario analyses (iv) explore options for financing (investment mix) including equity, debt, venture capitalists etc. (v) explore options for carbon financing. The feasibility study and expert must have prior experience in conducting feasibility studies, especially in the manufacturing sector, and should possess a degree (undergraduate or postgraduate) in finance, economics, business or related fields.

## 5. TIMEFRAME

The duration of this assignment is 4 months with the following milestones:

Deliverable	Deadline
Submission of inception report	Within 1 weeks from contract signing
Submission of draft report	Within 13 weeks from contract signing 19
Submission of final report , with response to comments in draft report	Within 16 weeks from contract signing

## 7. TECHNICAL FORMS TO BE SUBMITTED:

### Form 1: Expertise of the Firm / Organisation submitting the Proposals

*The proposal must demonstrate that the Firm has the organisational capability and experience to provide the necessary administrative and technical ability to deliver the Services efficiently. The Proposal shall further demonstrate that the Service Provider has the capacity to field and provide experienced replacement Personnel at short notice.*

*The Proposal must demonstrate that the Firm has a proven track record of successful experience in executing Services similar in substance, complexity, value, duration, and volume of services sought in this procurement. Provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment.*

### Form 2: Team Composition and Task Assigned

Key Professional Personnel				
Name of Staff	Organisation	Area of Expertise	Position Assigned	Task Assigned

b) Curriculum Vitae (CV) for Proposed Key Professional Personnel

1. Proposed Position [only one candidate shall be nominated for each position]:
2. Name of Firm [Insert name of firm proposing the staff]:
3. Name of Staff [Insert full name]:
4. Date of Birth                      Nationality
5. Education [Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment].
6. Membership of Professional Associations
7. Other Training [Indicate appropriate postgraduate training since degrees under 5 - Education were obtained]:
8. Countries of Work Experience                      [List countries where staff has worked in the last ten years]:
9. Languages [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]:

Language	Speaking	Reading	Writing
----------	----------	---------	---------
10. Years with current employer
11. Employment Record [Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:

From:                      To:

Employer:

Position held:

12. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]                      Work undertaken that best illustrates capability to handle to tasks assigned:

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 12.]

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Name of assignment or project

Year

Location

Client

Main project features

Position held

Activities performed

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

I, the undersigned, hereby declare that I agree to participate exclusively with the [Firm] in the above-mentioned Request for Proposal. I further declare that I am able and willing to work

- for the period(s) foreseen in the Specific Terms of reference attached to the above referenced Request for Proposal for the position for which my CV has been included in the offer of the framework Service Provider; and
- within the execution period of the specific contract.

Furthermore, should this offer be accepted, I am fully aware that if I am not available at the expected start date of my services for reasons other than ill-health or force majeure, I may be subject to exclusion from other procurement procedures and contracts funded by the UNDP and that the notification of award of specific contract to the Service Provider may be rendered null and void.

Signature of Key Personnel

If this form has NOT been signed by the Key Personnel, then in signing below the Authorised Representative of the Service Provider is making the following declaration.

“In due consideration of my signing herewith below, if the Key Personnel has NOT signed this CV then I declare that the facts contained therein are, to the best of my knowledge and belief a true and fair statement and that I confirm that I have approached the said Key Personnel and obtained his assurance that he will maintain his availability for this assignment if the Contract is agreed with the validity period of the RFP.”

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Signature of Authorised Representative of the Company

Day / month/ year

Full name of authorised representative

### **Form 3: Description of Approach, Methodology and Work Plan for Performing the Assignment**

*In this section, the Firm should provide a comprehensive description of how it will provide the required Services in accordance with the Terms of Reference. Information provided must be sufficient to convey to the PEP that the Firm has an understanding of the challenges in performing the required services and that it has an approach, methodology and work plan to overcome those challenges.*

#### **7. SUBMISSION OF PROPOSAL**

As specified in Annex I, section D.

#### **8. TERMS OF PAYMENT**

Payment shall be made according to the following schedule; however, it may be changed according to the contract agreement:

20% after submission of inception report

35% after submission of the draft report

45% after submission and acceptance of the final report

#### **9. CONFIDENTIALITY AND AVOIDANCE OF CONFLICT OF INTEREST**

##### **Confidentiality:**

The Offeror/Contractor undertakes to maintain confidentiality on all information that is not in the public domain and shall not be involved in another assignment that represents a conflict of interest to the prevailing assignment.



## ANNEX III

# PROPOSAL SUBMISSION FORM

Dear Sir / Madam,

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide Professional Consulting services (profession/activity for Project/programme/office) for the sum as may be ascertained in accordance with the Price Schedule attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to commence and complete delivery of all services specified in the Contract within the time frame stipulated.

We agree to abide by this Proposal for a period of 120 days from the date fixed for opening of  
Proposals in the Invitation for Proposal, and it shall remain binding upon us and may be  
accepted at any time before the expiration of that period.

We understand that you are not bound to accept any Proposal you may receive.

Dated this day /month of year

### B. Signature

(In the capacity of)

Duly authorised to sign Proposal for and on behalf of

## ANNEX IV

### PRICE SCHEDULE

The Service Provider is asked to prepare the Price Schedule as a separate envelope from the rest of the RFP response as indicated in Section D paragraph 14 (b) of the Instruction to Offerors.

All prices/rates quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in Section II, Clause 18. (**HOWEVER ALL BID PRICES MUST INCLUDE VAT&NHIL**).

The Price Schedule must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Estimates for cost-reimbursable items, if any, such as travel, and out of pocket expenses should be listed separately.

In case of an equipment component to the service provided, the Price Schedule should include figures for both purchase and lease/rent options. The UNDP reserves the option to either lease/rent or purchase outright the equipment through the Service Provider.

The format shown on the following pages should be used in preparing the price schedule. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

In addition to the hard copy, if possible please also provide the information on a CD.

Price Schedule: Request for Proposals for Services				
Description of Activity/Item		Number of Staff	Monthly Rate	Estimated Amount
<b>1.</b>	<b>Remuneration</b>			
1.1	Services in Home office			
1.2	Services in Field			
<b>2.</b>	<b>Out of Pocket Expenses</b>			
2.1	Travel			
2.2	Per Diem Allowances			
2.3	Communications			
2.4	Reproduction and Reports			
2.5	Equipment and other items			

## ANNEX V

### PERFORMANCE SECURITY FORM

Not required to be submitted as part of RFP

To: UNDP

WHEREAS [*name and address of Service Provider*] (hereinafter called “the Service Provider”) has undertaken, in pursuance of Contract No. .... dated ....., to execute Services .....

(hereinafter called “the Contract”):

AND WHEREAS it has been stipulated by you in the said Contract that the Service Provider shall furnish you with a Bank Guarantee by a recognised bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract:

AND WHEREAS we have agreed to give the Service Provider such a Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Service Provider, up to a total of [*amount of guarantee*] [*in words*], such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of [*amount of guarantee as aforesaid*] without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

The guarantee shall be valid until a date 30 days from the date of issue of a satisfactory certificate of inspection and testing by the procuring UN entity.

#### C. SIGNATURE AND SEAL OF THE GUARANTOR

Date .....

Name of Bank .....

Address .....

## **ANNEX VI**

### **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**

- 2.1.1 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.
- 2.1.2 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.
- 2.1.3 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.
- 2.1.4 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,<sup>27</sup> 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 DDU Incoterms 2000, unless otherwise agreed upon by the Parties on the front side of this Purchase Order.

#### **5. EXPORT LICENCES**

Notwithstanding any INCOTERM 2000 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**

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.

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

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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:

- a) 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.
- b) Refuse to accept delivery of all or part of the goods.
- c) 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<sup>29</sup> 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**

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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.