



REQUEST FOR QUOTATION (RFQ) (Goods)

UNDP ROMANIA UN House, 48A Primaverii Blvd., 011975, Bucharest, Romania	DATE: September 29, 2015
	REFERENCE: 2015/ROU/EE/02/RFQ Provision of IT Hardware equipments and software licenses for the UNDP-GEF Project 77064 "Improving Energy Efficiency in Low-Income Households and Communities in Romania"

Dear Sir / Madam:

We kindly request you to submit your quotation for **2015/ROU/EE/02/RFQ Provision of IT Hardware equipments and software licenses** for the UNDP-GEF Project 77064 "Improving Energy Efficiency in Low-Income Households and Communities in Romania", as detailed in Annex 1 (Technical specifications of the goods required) of this RFQ. When preparing your quotation, please be guided by the form attached hereto as Annex 2 (Form for submitting supplier's quotation).

Quotations may be submitted **on or before Monday, October 19, 2015, at 16:00 (Bucharest local time)** via courier mail to the address below:

United Nations Development Programme
UN House, 48A Primaverii Blvd., 011975, Bucharest, Romania
Ramona LIPARA, Operations Associate

Your quotation must be expressed in **English language** and valid for a minimum period of **90 days**.

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.

Delivery Terms [INCOTERMS 2010] (Pls. link this to price schedule)	<input type="checkbox"/> FCA <input type="checkbox"/> CPT <input type="checkbox"/> CIP <input type="checkbox"/> DAP <input checked="" type="checkbox"/> DDP	
Customs clearance, if needed, shall be done by:	<input type="checkbox"/> UNDP <input checked="" type="checkbox"/> Supplier/Offeror <input type="checkbox"/> Freight Forwarder	
Exact Address/es of Delivery Location/s (identify all, if multiple)	UNDP Romania, UN House, 48A Primaverii Blvd., 011975, Bucharest, Romania (delivery of all items, <u>except</u> item 2 , Annex 1 – Optical Fiber) Ministry of Regional Development and Internal Affairs 17 Apolodor St, Sector 5, Bucharest, Romania (delivery and installation of item 2 , Annex 1 – Optical Fiber-)	
UNDP Preferred Freight Forwarder, if any	N/A	
Distribution of shipping documents (if using freight forwarder)	N/A	
Latest Expected Delivery Date and Time	16 November 2015	
Delivery Schedule	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Packing Requirements	<input checked="" type="checkbox"/> Standard for IT Equipment	
Mode of Transport	<input type="checkbox"/> AIR	<input checked="" type="checkbox"/> LAND
	<input type="checkbox"/> SEA	<input type="checkbox"/> OTHER
Preferred Currency of Quotation	<input checked="" type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input type="checkbox"/> Local Currency	
Value Added Tax on Price Quotation	<input checked="" type="checkbox"/> Bidders from Romania – price proposal must be inclusive of VAT and other applicable indirect taxes ; <input checked="" type="checkbox"/> Bidders from outside Romania – price proposal must be exclusive of VAT and other applicable indirect taxes Must be inclusive of VAT and other applicable indirect taxes;	
After-sales services required	<input checked="" type="checkbox"/> Warranty on Parts and installation works for a minimum period of 24 months from the date of beneficiary's reception <input type="checkbox"/> Technical Support <input type="checkbox"/> Provision of Service Unit when pulled out for maintenance/ repair <input checked="" type="checkbox"/> Transportation required	
Deadline for the Submission of Quotation	October 19, 2015, 16:00, Bucharest local time	
All documentations, including catalogs, instructions and operating manuals, shall be in this language	<input checked="" type="checkbox"/> English <input type="checkbox"/> French <input type="checkbox"/> Spanish <input type="checkbox"/> Others	

Documents to be submitted	<p><input checked="" type="checkbox"/> Duly Accomplished Forms as provided in Annex 2, and in accordance with the list of requirements in Annex 1;</p> <p><input checked="" type="checkbox"/> Business Registration Certificate (in original language),</p> <p><input checked="" type="checkbox"/> Certificate issued by the National Trade Register Office (in original language) to prove:</p> <ol style="list-style-type: none"> Activity field (i.e. CAEN code, as per Romanian legislation) relevant for the products delivered/services rendered; That there are no mentions regarding criminal convictions, declarations of liquidation or insolvency, bankruptcy or judiciary reorganization ; <p><input checked="" type="checkbox"/> References:</p> <ol style="list-style-type: none"> List of at least 3 relevant clients, with contact details; should offers be submitted by a consortium, each of the partners needs to provide 3 references pertaining to the products/services contributed into the present quotation; Brief description of similar assignments undertaken by your company; Minimum 2 letters of recommendation for similar services, issued in the past 2 years, including contact details of the recommending clients; <p><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;</p>
Period of Validity of Quotes starting the Submission Date	<p><input type="checkbox"/> 60 days</p> <p><input checked="" type="checkbox"/> 90 days</p> <p><input type="checkbox"/> 120 days</p> <p>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.</p>
Partial Quotes	<p><input checked="" type="checkbox"/> Not permitted</p> <p><input type="checkbox"/> Permitted <i>[pls. provide conditions for partial quotes, and ensure that requirements are properly listed to allow partial quotes (e.g., in lots, etc.)]</i></p>
Payment Terms	<p>One single payment tranche (full contractual amount) within thirty (30) days from the date of meeting the following conditions:</p> <ol style="list-style-type: none"> UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and Receipt of invoice from the Service Provider

Liquidated Damages	If the delivered products are not in conformity with the technical specifications, the supplier will bear all responsibility for caused damages and will replace free of charge the items which are found to be non-responsive with an equal quantity of goods, as soon as possible.
Evaluation Criteria	<input checked="" type="checkbox"/> Technical responsiveness/Full compliance to requirements and lowest price 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"/> Professional Services Contracts
Conditions for Release of Payment	<input checked="" type="checkbox"/> Written Acceptance of Goods based on full compliance with RFQ requirements
Annexes to this RFQ	<input checked="" type="checkbox"/> Technical specifications of the Goods Required (Annex 1) <input checked="" type="checkbox"/> Form for Submission of Quotation (Annex 2) <input checked="" type="checkbox"/> General Terms and 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)	<i>Ramona LIPARA</i> <i>Operations Associate</i> ramona.lipara@undp.org ; 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.

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,

Anca Stoica
ODA Project Manager,
29 September 2015

Technical Specifications Of the Goods Required

No.	Description	UM	Quantity	Description/ Specifications of Goods	Tentative delivery date
IT&C Hardware					
1.	Server	pcs	2	<ul style="list-style-type: none"> 2 x Intel Xeon E5-2430v2 6 core 48GB RAM (total installed) 2 x HD SAS 6G 1TB 7.2K 2 x HDD SAS, 6 Gb/s, 450 GB, 15K 2 x 1 GBit Ethernet Controller 1 x DVD-RW SATA 1 x SAS/SATA RAID Controller 2 x modular Power Supply Module , hot plug Rack mountable, including rack mount kit if necessary Pre-installed operating- and database management system 	16 November 2015
2.	Optical fiber	ml	500	<ul style="list-style-type: none"> For outdoor usage (weather and water proofed, resistant to UV radiation and rodents), a minim 6x2 fibers, MFD (mode field diameter), 1310nm/1550nm. Including mounting and welding into exiting ODFs SC-type connectors, between two wings over the top terrace of a major administrative building in Bucharest. 	16 November 2015
Software licenses					
3.	Operating System	pcs	2	Microsoft Windows Server 2012 Standard	16 November 2015
4.	Database Management System	pcs	4	Microsoft Sql Server 2014 Standard, 2core	
5.	Certificate	pcs	1	SSL trusted (minimum validity: 3 years)	
6.	Client Access License	users	2	Core CAL	
7.	External connector	pcs	2	Windows Server External Connector	

FORM FOR SUBMITTING SUPPLIER'S QUOTATION¹

(This Form must be submitted only using the Supplier's Official Letterhead/Stationery²)

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 dated:

TABLE 1 : Offer to Supply Goods Compliant with Technical Specifications and Requirements

No.	Description	UM	Quantity	Description/ Specifications of Goods	Delivery date	Unit Price (USD)	VAT (USD)	Total Price per Item (incl VAT) (USD)
IT&C Hardware								
1.	Server	pcs	2	<ul style="list-style-type: none"> 2 x Intel Xeon E5-2430v2 6 core 48GB RAM (total installed) 2 x HD SAS 6G 1TB 7.2K 2 x HDD SAS, 6 Gb/s, 450 GB, 15K 2 x 1 GBit Ethernet Controller 1 x DVD-RW SATA 1 x SAS/SATA RAID Controller 2 x modular Power Supply Module , hot plug Rack mountable, including rack mount kit if necessary Pre-installed operating and database management system 				
2.	Optical fiber	ml	500	<ul style="list-style-type: none"> For outdoor usage (weather and water proofed, resistant to UV radiation and rodents), a minim 6x2 fibers, MFD (mode field diameter), 1310nm/1550nm. Including mounting and welding into exiting ODFs SC-type connectors, between two wings over the top terrace of a major administrative building in Bucharest. 				

¹This serves as a guide to the Supplier in preparing the quotation and price schedule.

² Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

No.	Description	UM	Quantity	Description/ Specifications of Goods	Delivery date	Unit Price (USD)	VAT (USD)	Total Price per Item (incl VAT) (USD)
Software licenses								
3.	Operating System	pcs	2	Microsoft Windows Server 2012 Standard				
4.	Database Management System	pcs	4	Microsoft Sql Server 2014 Standard, 2core				
5.	Certificate	pcs	1	SSL trusted (minimum validity: 3 years)				
6.	Client Access License	users	2	Core CAL				
7.	External connector	pcs	2	Windows Server External Connector				

Total Prices of Goods (USD incl VAT)		
Add: Cost of Transportation		
Add: Cost of Insurance		
Add: Cost of Installation of the 500 ml Optical Fiber requested, if not already included in the quotation of item 2, Annex 2		
Add: Other Charges (pls. specify)		
Total and All-Inclusive Price Quotation		

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]



GENERAL CONDITIONS OF CONTRACT CONTRACTS FOR THE PROVISION OF GOODS AND SERVICES

1. LEGAL STATUS OF THE PARTIES: The United Nations Development Programme (“UNDP”) and the Contractor shall also each be referred to as a “Party” hereunder, and:

1.1 Pursuant, *inter alia*, to the Charter of the United Nations and the Convention on the Privileges and Immunities of the United Nations, the United Nations, including its subsidiary organs, has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfillment of its purposes.

1.2 The Contractor shall have the legal status of an independent contractor *vis-à-vis* UNDP, and nothing contained in or relating to the Contract shall be construed as establishing or creating between the Parties the relationship of employer and employee or of principal and agent. The officials, representatives, employees, or subcontractors of each of the Parties shall not be considered in any respect as being the employees or agents of the other Party, and each Party shall be solely responsible for all claims arising out of or relating to its engagement of such persons or entities.

2. RESPONSIBILITY FOR EMPLOYEES: To the extent that the Contract involves the provision of any services to UNDP by the Contractor’s officials, employees, agents, servants, subcontractors and other representatives (collectively, the Contractor’s “personnel”), the following provisions shall apply:

2.1 The Contractor shall be responsible for the professional and technical competence of the personnel it assigns to perform work under the Contract and will select reliable and competent individuals who will be able to effectively perform the obligations under the Contract and who, while doing so, will respect the local laws and customs and conform to a high standard of moral and ethical conduct.

2.2 Such Contractor personnel shall be professionally qualified and, if required to work with officials or staff of UNDP, shall be able to do so effectively. The qualifications of any personnel whom the Contractor may assign or may propose to assign to perform any obligations under the Contract shall be substantially the same, or better, as the qualifications of any personnel originally proposed by the Contractor.

2.3 At the option of and in the sole discretion of UNDP:

2.3.1 the qualifications of personnel proposed by the Contractor (*e.g.*, a curriculum vitae) may be reviewed by UNDP prior to such personnel's performing any obligations under the Contract;

2.3.2 any personnel proposed by the Contractor to perform obligations under the Contract may be interviewed by qualified staff or officials of UNDP prior to such personnel's performing any obligations under the Contract; and,

2.3.3 in cases in which, pursuant to Article 2.3.1 or 2.3.2, above, UNDP has reviewed the qualifications of such Contractor's personnel, UNDP may reasonably refuse to accept any such personnel.

2.4 Requirements specified in the Contract regarding the number or qualifications of the Contractor's personnel may change during the course of performance of the Contract. Any such change shall be made only following written notice of such proposed change and upon written agreement between the Parties regarding such change, subject to the following:

2.4.1 UNDP may, at any time, request, in writing, the withdrawal or replacement of any of the Contractor's personnel, and such request shall not be unreasonably refused by the Contractor.

2.4.2 Any of the Contractor's personnel assigned to perform obligations under the Contract shall not be withdrawn or replaced without the prior written consent of UNDP, which shall not be unreasonably withheld.

2.4.3 The withdrawal or replacement of the Contractor's personnel shall be carried out as quickly as possible and in a manner that will not adversely affect the performance of obligations under the Contract.

2.4.4 All expenses related to the withdrawal or replacement of the Contractor's personnel shall, in all cases, be borne exclusively by the Contractor.

2.4.5 Any request by UNDP for the withdrawal or replacement of the Contractor's personnel shall not be considered to be a termination, in whole or in part, of the Contract, and UNDP shall not bear any liability in respect of such withdrawn or replaced personnel.

2.4.6 If a request for the withdrawal or replacement of the Contractor's personnel is *not* based upon a default by or failure on the part of the Contractor to perform its obligations in accordance with the Contract, the misconduct of the personnel, or the inability of such personnel to reasonably work together with UNDP officials and staff, then the Contractor shall not be liable by reason of any such request for the withdrawal or replacement of the Contractor's personnel for any delay in the performance by the Contractor of its obligations under the Contract that is substantially the result of such personnel's being withdrawn or replaced.

2.5 Nothing in Articles 2.2, 2.3 and 2.4, above, shall be construed to create any obligations on the part of UNDP with respect to the Contractor's personnel assigned to perform work under the Contract, and such personnel shall remain the sole responsibility of the Contractor.

2.6 The Contractor shall be responsible for requiring that all personnel assigned by it to perform any obligations under the Contract and who may have access to any premises or other property of UNDP shall:

2.6.1 undergo or comply with security screening requirements made known to the Contractor by UNDP, including but not limited to, a review of any criminal history;

2.6.2 when within UNDP premises or on UNDP property, display such identification as may be approved and furnished by UNDP security officials, and that upon the withdrawal or replacement of any such personnel or upon termination or completion of the Contract, such personnel shall immediately return any such identification to UNDP for cancellation.

2.7 Within one working day after learning that any of Contractor's personnel who have access to any UNDP premises have been charged by law enforcement authorities with an offense other than a minor traffic offense, the Contractor shall provide written notice to inform UNDP about the particulars of the charges then known and shall continue to inform UNDP concerning all substantial developments regarding the disposition of such charges.

2.8 All operations of the Contractor, including without limitation, storage of equipment, materials, supplies and parts, within UNDP premises or on UNDP property shall be confined to areas authorized or approved by UNDP. The Contractor's personnel shall not enter or pass through and shall not store or dispose of any of its equipment or materials in any areas within UNDP premises or on UNDP property without appropriate authorization from UNDP.

3. ASSIGNMENT:

3.1 Except as provided in Article 3.2, below, the Contractor may not assign, transfer, pledge or make any other disposition of the Contract, of any part of the Contract, or of any of the rights, claims or obligations under the Contract except with the prior written authorization of UNDP. Any such unauthorized assignment, transfer, pledge or other disposition, or any attempt to do so, shall not be binding on UNDP. Except as permitted with respect to any approved subcontractors, the Contractor shall not delegate any of its obligations under this Contract, except with the prior written consent of UNDP. Any such unauthorized delegation, or attempt to do so, shall not be binding on UNDP.

3.2 The Contractor may assign or otherwise transfer the Contract to the surviving entity resulting from a reorganization of the Contractor's operations, *provided that:*

3.2.1 such reorganization is not the result of any bankruptcy, receivership or other similar proceedings; *and,*

3.2.2 such reorganization arises from a sale, merger, or acquisition of all or substantially all of the Contractor's assets or ownership interests; *and,*

3.2.3 the Contractor promptly notifies UNDP about such assignment or transfer at the earliest opportunity; *and,*

3.2.4 the assignee or transferee agrees in writing to be bound by all of the terms and conditions of the Contract, and such writing is promptly provided to UNDP following the assignment or transfer.

4. SUBCONTRACTING: In the event that the Contractor requires the services of subcontractors to perform any obligations under the Contract, the Contractor shall obtain the prior written approval of UNDP. UNDP shall be entitled, in its sole discretion, to review the qualifications of any subcontractors and to reject any proposed subcontractor that UNDP reasonably considers is not qualified to perform obligations under the Contract. UNDP shall have the right to require any subcontractor's removal from UNDP premises without having to give any justification therefor. Any such rejection or request for removal shall not, in and of itself, entitle the Contractor to claim any delays in the performance, or to assert any excuses for the non-performance, of any of its obligations under the Contract, and the Contractor shall be solely responsible for all services and obligations performed by its subcontractors. The terms of any subcontract shall be subject to, and shall be construed in a manner that is fully in accordance with, all of the terms and conditions of the Contract.

5. PURCHASE OF GOODS: To the extent that the Contract involves any purchase of goods, whether in whole or in part, and unless specifically stated otherwise in the Contract, the following conditions shall apply to any purchases of goods under the Contract:

5.1 DELIVERY OF GOODS: The Contractor shall hand over or make available the goods, and UNDP shall receive the goods, at the place for the delivery of the goods and within the time for delivery of the goods specified in the Contract. The Contractor shall provide to UNDP such shipment documentation (including, without limitation, bills of lading, airway bills, and commercial invoices) as are specified in the Contract or, otherwise, as are customarily utilized in the trade. All manuals, instructions, displays and any other information relevant to the goods shall be in the English language unless otherwise specified in the Contract. Unless otherwise stated in the Contract (including, but not limited to, in any "INCOTERM" or similar trade term), the entire risk of loss, damage to, or destruction of the goods shall be borne exclusively by the Contractor until physical delivery of the goods to UNDP in accordance with the terms of the Contract. Delivery of the goods shall not be deemed in itself as constituting acceptance of the goods by UNDP.

5.2 INSPECTION OF THE GOODS: If the Contract provides that the goods may be inspected prior to delivery, the Contractor shall notify UNDP when the goods are ready for pre-delivery inspection. Notwithstanding any pre-delivery inspection, UNDP or its designated inspection agents may also inspect the goods upon delivery in order to confirm that the goods conform to applicable specifications or other requirements of the Contract. All reasonable facilities and assistance, including, but not limited to, access to drawings and production data, shall be furnished to UNDP or its designated inspection agents at no charge therefor. Neither the carrying out of any inspections of the goods nor any failure to undertake any such inspections shall relieve the Contractor of any of its warranties or the performance of any obligations under the Contract.

5.3 PACKAGING OF THE GOODS: The Contractor shall package the goods for delivery in accordance with the highest standards of export packaging for the type and quantities and modes of transport of the goods. The goods shall be packed and marked in a proper manner in accordance with the instructions stipulated in the Contract or, otherwise, as customarily done in the trade, and in accordance with any requirements imposed by applicable law or by the transporters and manufacturers of the goods. The packing, in particular, shall mark the Contract or Purchase Order number and any other identification information provided by UNDP as well as such other information as is necessary for the correct handling and safe delivery of the goods. Unless otherwise specified in the Contract, the Contractor shall have no right to any return of the packing materials.

5.4 TRANSPORTATION & FREIGHT: Unless otherwise specified in the Contract (including, but not limited to, in any “INCOTERM” or similar trade term), the Contractor shall be solely liable for making all transport arrangements and for payment of freight and insurance costs for the shipment and delivery of the goods in accordance with the requirements of the Contract. The Contractor shall ensure that UNDP receives all necessary transport documents in a timely manner so as to enable UNDP to take delivery of the goods in accordance with the requirements of the Contract.

5.5 WARRANTIES: Unless otherwise specified in the Contract, in addition to and without limiting any other warranties, remedies or rights of UNDP stated in or arising under the Contract, the Contractor warrants and represents that:

5.5.1 The goods, including all packaging and packing thereof, conform to the specifications of the Contract, are fit for the purposes for which such goods are ordinarily used and for any purposes expressly made known in writing in the Contract, and shall be of even quality, free from faults and defects in design, material, manufacturer and workmanship;

5.5.2 If the Contractor is not the original manufacturer of the goods, the Contractor shall provide UNDP with the benefit of all manufacturers’ warranties in addition to any other warranties required to be provided under the Contract;

5.5.3 The goods are of the quality, quantity and description required by the Contract, including when subjected to conditions prevailing in the place of final destination;

5.5.4 The goods are free from any right of claim by any third-party, including claims of infringement of any intellectual property rights, including, but not limited to, patents, copyright and trade secrets;

5.5.5 The goods are new and unused;

5.5.6 All warranties will remain fully valid following any delivery of the goods and for a period of not less than one (1) year following acceptance of the goods by UNDP in accordance with the Contract;

5.5.7 During any period in which the Contractor’s warranties are effective, upon notice by UNDP that the goods do not conform to the requirements of the Contract, the Contractor shall promptly and at its own expense correct such non-conformities or, in case of its inability to do so, replace the defective goods with goods of the same or better quality or, at its own cost,

remove the defective goods and fully reimburse UNDP for the purchase price paid for the defective goods; and,

5.5.8 The Contractor shall remain responsive to the needs of UNDP for any services that may be required in connection with any of the Contractor's warranties under the Contract.

5.6 ACCEPTANCE OF GOODS: Under no circumstances shall UNDP be required to accept any goods that do not conform to the specifications or requirements of the Contract. UNDP may condition its acceptance of the goods upon the successful completion of acceptance tests as may be specified in the Contract or otherwise agreed in writing by the Parties. In no case shall UNDP be obligated to accept any goods unless and until UNDP has had a reasonable opportunity to inspect the goods following delivery. If the Contract specifies that UNDP shall provide a written acceptance of the goods, the goods shall not be deemed accepted unless and until UNDP in fact provides such written acceptance. In no case shall payment by UNDP in and of itself constitute acceptance of the goods.

5.7 REJECTION OF GOODS: Notwithstanding any other rights of, or remedies available to UNDP under the Contract, in case any of the goods are defective or otherwise do not conform to the specifications or other requirements of the Contract, UNDP, at its sole option, may reject or refuse to accept the goods, and within thirty (30) days following receipt of notice from UNDP of such rejection or refusal to accept the goods, the Contractor shall, in sole option of UNDP:

5.7.1 provide a full refund upon return of the goods, or a partial refund upon a return of a portion of the goods, by UNDP; *or*,

5.7.2 repair the goods in a manner that would enable the goods to conform to the specifications or other requirements of the Contract; *or*,

5.7.3 replace the goods with goods of equal or better quality; *and*,

5.7.4 pay all costs relating to the repair or return of the defective goods as well as the costs relating to the storage of any such defective goods and for the delivery of any replacement goods to UNDP.

5.8 In the event that UNDP elects to return any of the goods for the reasons specified in Article 5.7, above, UNDP may procure the goods from another source. In addition to any other rights or remedies available to UNDP under the Contract, including, but not limited to, the right to terminate the Contract, the Contractor shall be liable for any additional cost beyond the balance of the Contract price resulting from any such procurement, including, *inter alia*, the costs of engaging in such procurement, and UNDP shall be entitled to compensation from the Contractor for any reasonable expenses incurred for preserving and storing the goods for the Contractor's account.

5.9 TITLE: The Contractor warrants and represents that the goods delivered under the Contract are unencumbered by any third party's title or other property rights, including, but not limited to, any liens or security interests. Unless otherwise expressly provided in the Contract, title in and to the goods shall pass from the Contractor to UNDP upon delivery of the goods and their acceptance by UNDP in accordance with the requirements of the Contract.

5.10 EXPORT LICENSING: The Contractor shall be responsible for obtaining any export license required with respect to the goods, products, or technologies, including software, sold, delivered, licensed or otherwise provided to UNDP under the Contract. The Contractor shall procure any such export license in an expeditious manner. Subject to and without any waiver of the privileges and immunities of UNDP, UNDP shall lend the Contractor all reasonable assistance required for obtaining any such export license. Should any Governmental entity refuse, delay or hinder the Contractor's ability to obtain any such export license, the Contractor shall promptly consult with UNDP to enable UNDP to take appropriate measures to resolve the matter.

6. INDEMNIFICATION:

6.1 The Contractor shall indemnify, defend, and hold and save harmless, UNDP, and its officials, agents and employees, from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any third party against UNDP, including, but not limited to, all litigation costs and expenses, attorney's fees, settlement payments and damages, based on, arising from, or relating to:

6.1.1 allegations or claims that the possession of or use by UNDP of any patented device, any copyrighted material, or any other goods, property or services provided or licensed to UNDP under the terms of the Contract, in whole or in part, separately or in a combination contemplated by the Contractor's published specifications therefor, or otherwise specifically approved by the Contractor, constitutes an infringement of any patent, copyright, trademark, or other intellectual property right of any third party; *or*,

6.1.2 any acts or omissions of the Contractor, or of any subcontractor or anyone directly or indirectly employed by them in the performance of the Contract, which give rise to legal liability to anyone not a party to the Contract, including, without limitation, claims and liability in the nature of a claim for workers' compensation.

6.2 The indemnity set forth in Article 6.1.1, above, shall not apply to:

6.2.1 A claim of infringement resulting from the Contractor's compliance with specific written instructions by UNDP directing a change in the specifications for the goods, property, materials, equipment or supplies to be or used, or directing a manner of performance of the Contract or requiring the use of specifications not normally used by the Contractor; *or*

6.2.2 A claim of infringement resulting from additions to or changes in any goods, property, materials equipment, supplies or any components thereof furnished under the Contract if UNDP or another party acting under the direction of UNDP made such changes.

6.3 In addition to the indemnity obligations set forth in this Article 6, the Contractor shall be obligated, at its sole expense, to defend UNDP and its officials, agents and employees, pursuant to this Article 6, regardless of whether the suits, proceedings, claims and demands in question actually give rise to or otherwise result in any loss or liability.

6.4 UNDP shall advise the Contractor about any such suits, proceedings, claims, demands, losses or liability within a reasonable period of time after having received actual notice thereof. The Contractor shall have sole control of the defense of any such suit, proceeding, claim or demand and of all negotiations in connection with the settlement or compromise thereof, except with respect to the assertion or defense of the privileges and immunities of UNDP or any matter relating thereto, for which only UNDP itself is authorized to assert and maintain. UNDP shall have the right, at its own expense, to be represented in any such suit, proceeding, claim or demand by independent counsel of its own choosing.

6.5 In the event the use by UNDP of any goods, property or services provided or licensed to UNDP by the Contractor, in whole or in part, in any suit or proceeding, is for any reason enjoined, temporarily or permanently, or is found to infringe any patent, copyright, trademark or other intellectual property right, or in the event of a settlement, is enjoined, limited or otherwise interfered with, then the Contractor, at its sole cost and expense, shall, promptly, either:

6.5.1 procure for UNDP the unrestricted right to continue using such goods or services provided to UNDP;

6.5.2 replace or modify the goods or services provided to UNDP, or part thereof, with the equivalent or better goods or services, or part thereof, that is non-infringing; *or*,

6.5.3 refund to UNDP the full price paid by UNDP for the right to have or use such goods, property or services, or part thereof.

7. INSURANCE AND LIABILITY:

7.1 The Contractor shall pay UNDP promptly for all loss, destruction, or damage to the property of UNDP caused by the Contractor's personnel or by any of its subcontractors or anyone else directly or indirectly employed by the Contractor or any of its subcontractors in the performance of the Contract.

7.2 Unless otherwise provided in the Contract, prior to commencement of performance of any other obligations under the Contract, and subject to any limits set forth in the Contract, the Contractor shall take out and shall maintain for the entire term of the Contract, for any extension thereof, and for a period following any termination of the Contract reasonably adequate to deal with losses:

7.2.1 insurance against all risks in respect of its property and any equipment used for the performance of the Contract;

7.2.2 workers' compensation insurance, or its equivalent, or employer's liability insurance, or its equivalent, with respect to the Contractor's personnel sufficient to cover all claims for injury, death and disability, or any other benefits required to be paid by law, in connection with the performance of the Contract;

7.2.3 liability insurance in an adequate amount to cover all claims, including, but not limited to, claims for death and bodily injury, products and completed operations liability, loss of or damage

to property, and personal and advertising injury, arising from or in connection with the Contractor's performance under the Contract, including, but not limited to, liability arising out of or in connection with the acts or omissions of the Contractor, its personnel, agents, or invitees, or the use, during the performance of the Contract, of any vehicles, boats, airplanes or other transportation vehicles and equipment, whether or not owned by the Contractor; *and*,

7.2.4 such other insurance as may be agreed upon in writing between UNDP and the Contractor.

7.3 The Contractor's liability policies shall also cover subcontractors and all defense costs and shall contain a standard "cross liability" clause.

7.4 The Contractor acknowledges and agrees that UNDP accepts no responsibility for providing life, health, accident, travel or any other insurance coverage which may be necessary or desirable in respect of any personnel performing services for the Contractor in connection with the Contract.

7.5 Except for the workers' compensation insurance or any self-insurance program maintained by the Contractor and approved by UNDP, in its sole discretion, for purposes of fulfilling the Contractor's requirements for providing insurance under the Contract, the insurance policies required under the Contract shall:

7.5.1 name UNDP as an additional insured under the liability policies, including, if required, as a separate endorsement under the policy;

7.5.2 include a waiver of subrogation of the Contractor's insurance carrier's rights against UNDP;

7.5.3 provide that UNDP shall receive written notice from the Contractor's insurance carrier not less than thirty (30) days prior to any cancellation or material change of coverage; *and*,

7.5.4 include a provision for response on a primary and non-contributing basis with respect to any other insurance that may be available to UNDP.

7.6 The Contractor shall be responsible to fund all amounts within any policy deductible or retention.

7.7 Except for any self-insurance program maintained by the Contractor and approved by UNDP for purposes of fulfilling the Contractor's requirements for maintaining insurance under the Contract, the Contractor shall maintain the insurance taken out under the Contract with reputable insurers that are in good financial standing and that are acceptable to UNDP. Prior to the commencement of any obligations under the Contract, the Contractor shall provide UNDP with evidence, in the form of certificate of insurance or such other form as UNDP may reasonably require, that demonstrates that the Contractor has taken out insurance in accordance with the requirements of the Contract. UNDP reserves the right, upon written notice to the Contractor, to obtain copies of any insurance policies or insurance program descriptions required to be maintained by the Contractor under the Contract. Notwithstanding the provisions of Article 7.5.3, above, the Contractor shall promptly notify UNDP concerning any cancellation or material change of insurance coverage required under the Contract.

7.8 The Contractor acknowledges and agrees that neither the requirement for taking out and maintaining insurance as set forth in the Contract nor the amount of any such insurance, including, but not limited to, any deductible or retention relating thereto, shall in any way be construed as limiting the Contractor's liability arising under or relating to the Contract.

8. ENCUMBRANCES AND LIENS: The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with UNDP against any monies due to the Contractor or that may become due for any work done or against any goods supplied or materials furnished under the Contract, or by reason of any other claim or demand against the Contractor or UNDP.

9. EQUIPMENT FURNISHED BY UNDP TO THE CONTRACTOR: Title to any equipment and supplies that may be furnished by UNDP to the Contractor for the performance of any obligations under the Contract shall rest with UNDP, and any such equipment shall be returned to UNDP at the conclusion of the Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear, and the Contractor shall be liable to compensate UNDP for the actual costs of any loss of, damage to, or degradation of the equipment that is beyond normal wear and tear.

10. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

10.1 Except as is otherwise expressly provided in writing in the Contract, UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract. The Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for UNDP.

10.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

10.3 At the request of UNDP, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to UNDP in compliance with the requirements of the applicable law and of the Contract.

10.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of UNDP, shall be made available for use or inspection by UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

11. PUBLICITY, AND USE OF THE NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS: The Contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill that it has a contractual relationship with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or the United Nations, or any abbreviation of the name of UNDP or the United Nations in connection with its business or otherwise without the written permission of UNDP.

12. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION: Information and data that is considered proprietary by either Party or that is delivered or disclosed by one Party (“Discloser”) to the other Party (“Recipient”) during the course of performance of the Contract, and that is designated as confidential (“Information”), shall be held in confidence by that Party and shall be handled as follows:

12.1 The Recipient shall:

12.1.1 use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser’s Information as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; *and*,

12.1.2 use the Discloser’s Information solely for the purpose for which it was disclosed.

12.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 12, the Recipient may disclose Information to:

12.2.1 any other party with the Discloser’s prior written consent; *and*,

12.2.2 the Recipient’s employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, *provided that*, for these purposes a controlled legal entity means:

12.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; *or*,

12.2.2.2 any entity over which the Party exercises effective managerial control; *or*,

12.2.2.3 for the United Nations, a principal or subsidiary organ of the United Nations established in accordance with the Charter of the United Nations.

12.3 The Contractor may disclose Information to the extent required by law, *provided that*, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give UNDP sufficient prior notice of a request for the disclosure of Information in order to allow UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

12.4 UNDP may disclose Information to the extent as required pursuant to the Charter of the United Nations, or pursuant to resolutions or regulations of the General Assembly or rules promulgated thereunder.

12.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

12.6 These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

13. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS:

13.1 In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the affected Party shall give notice and full particulars in writing to the other Party, of such occurrence or cause if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under the Contract. The affected Party shall also notify the other Party of any other changes in condition or the occurrence of any event which interferes or threatens to interfere with its performance of the Contract. Not more than fifteen (15) days following the provision of such notice of *force majeure* or other changes in condition or occurrence, the affected Party shall also submit a statement to the other Party of estimated expenditures that will likely be incurred for the duration of the change in condition or the event of *force majeure*. On receipt of the notice or notices required hereunder, the Party not affected by the occurrence of a cause constituting *force majeure* shall take such action as it reasonably considers to be appropriate or necessary in the circumstances, including the granting to the affected Party of a reasonable extension of time in which to perform any obligations under the Contract.

13.2 If the Contractor is rendered unable, wholly or in part, by reason of *force majeure* to perform its obligations and meet its responsibilities under the Contract, UNDP shall have the right to suspend or terminate the Contract on the same terms and conditions as are provided for in Article 14, "Termination," except that the period of notice shall be seven (7) days instead of thirty (30) days. In any case, UNDP shall be entitled to consider the Contractor permanently unable to perform its obligations under the Contract in case the Contractor is unable to perform its obligations, wholly or in part, by reason of *force majeure* for any period in excess of ninety (90) days.

13.3 *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts

of a similar nature or force, *provided that* such acts arise from causes beyond the control and without the fault or negligence of the Contractor. The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in areas in which UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas, or to any incidents of civil unrest occurring in such areas, shall not, in and of itself, constitute *force majeure* under the Contract.

14. TERMINATION:

14.1 Either Party may terminate the Contract for cause, in whole or in part, upon thirty (30) day's notice, in writing, to the other Party. The initiation of conciliation or arbitral proceedings in accordance with Article 17 "Settlement of Disputes," below, shall not be deemed to be a "cause" for or otherwise to be in itself a termination of the Contract.

14.2 UNDP may terminate the Contract at any time by providing written notice to the Contractor in any case in which the mandate of UNDP applicable to the performance of the Contract or the funding of UNDP applicable to the Contract is curtailed or terminated, whether in whole or in part. In addition, unless otherwise provided by the Contract, upon sixty (60) day's advance written notice to the Contractor, UNDP may terminate the Contract without having to provide any justification therefor.

14.3 In the event of any termination of the Contract, upon receipt of notice of termination that has been issued by UNDP, the Contractor shall, except as may be directed by UNDP in the notice of termination or otherwise in writing:

14.3.1 take immediate steps to bring the performance of any obligations under the Contract to a close in a prompt and orderly manner, and in doing so, reduce expenses to a minimum;

14.3.2 refrain from undertaking any further or additional commitments under the Contract as of and following the date of receipt of such notice;

14.3.3 place no further subcontracts or orders for materials, services, or facilities, except as UNDP and the Contractor agree in writing are necessary to complete any portion of the Contract that is not terminated;

14.3.4 terminate all subcontracts or orders to the extent they relate to the portion of the Contract terminated;

14.3.5 transfer title and deliver to UNDP the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the portion of the Contract terminated;

14.3.6 deliver all completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to UNDP thereunder;

14.3.7 complete performance of the work not terminated; *and,*

14.3.8 take any other action that may be necessary, or that UNDP may direct in writing, for the minimization of losses and for the protection and preservation of any property, whether tangible or intangible, related to the Contract that is in the possession of the Contractor and in which UNDP has or may be reasonably expected to acquire an interest.

14.4 In the event of any termination of the Contract, UNDP shall be entitled to obtain reasonable written accountings from the Contractor concerning all obligations performed or pending in accordance with the Contract. In addition, UNDP shall not be liable to pay the Contractor except for those goods delivered and services provided to UNDP in accordance with the requirements of the Contract, but only if such goods or services were ordered, requested or otherwise provided prior to the Contractor's receipt of notice of termination from UNDP or prior to the Contractor's tendering of notice of termination to UNDP.

14.5 UNDP may, without prejudice to any other right or remedy available to it, terminate the Contract forthwith in the event that:

14.5.1 the Contractor is adjudged bankrupt, or is liquidated, or becomes insolvent, or applies for a moratorium or stay on any payment or repayment obligations, or applies to be declared insolvent;

14.5.2 the Contractor is granted a moratorium or a stay, or is declared insolvent;

14.5.3 the Contractor makes an assignment for the benefit of one or more of its creditors;

14.5.4 a Receiver is appointed on account of the insolvency of the Contractor;

14.5.5 the Contractor offers a settlement in lieu of bankruptcy or receivership; *or*,

14.5.6 UNDP reasonably determines that the Contractor has become subject to a materially adverse change in its financial condition that threatens to substantially affect the ability of the Contractor to perform any of its obligations under the Contract.

14.6 Except as prohibited by law, the Contractor shall be bound to compensate UNDP for all damages and costs, including, but not limited to, all costs incurred by UNDP in any legal or non-legal proceedings, as a result of any of the events specified in Article 14.5, above, and resulting from or relating to a termination of the Contract, even if the Contractor is adjudged bankrupt, or is granted a moratorium or stay or is declared insolvent. The Contractor shall immediately inform UNDP of the occurrence of any of the events specified in Article 14.5, above, and shall provide UNDP with any information pertinent thereto.

14.7 The provisions of this Article 14 are without prejudice to any other rights or remedies of UNDP under the Contract or otherwise.

15. NON-WAIVER OF RIGHTS: The failure by either Party to exercise any rights available to it, whether under the Contract or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Contract.

16. NON-EXCLUSIVITY: Unless otherwise specified in the Contract, UNDP shall have no obligation to purchase any minimum quantities of goods or services from the Contractor, and UNDP shall have no limitation on its right to obtain goods or services of the same kind, quality and quantity described in the Contract, from any other source at any time.

17. SETTLEMENT OF DISPUTES:

17.1 AMICABLE SETTLEMENT: The Parties shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Contract 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 Conciliation Rules then obtaining of the United Nations Commission on International Trade Law (“UNCITRAL”), or according to such other procedure as may be agreed between the Parties in writing.

17.2 ARBITRATION: Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 17.1, above, within sixty (60) days after receipt by one Party of the other Party’s written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 (“Interim measures”) and Article 34 (“Form and effect of the award”) of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate (“LIBOR”) then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

18. PRIVILEGES AND IMMUNITIES: Nothing in or relating to the Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

19. TAX EXEMPTION:

19.1 Article II, 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 public utility services, and is exempt from customs restrictions, 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 the exemptions of UNDP from such taxes, restrictions, duties, or charges, the Contractor shall immediately consult with UNDP to determine a mutually acceptable procedure.

19.2 The Contractor authorizes UNDP to deduct from the Contractor's invoices any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNDP before the payment thereof and UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties, or charges under written protest. In that event, the Contractor shall provide UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized, and UNDP shall reimburse the Contractor for any such taxes, duties, or charges so authorized by UNDP and paid by the Contractor under written protest.

20. MODIFICATIONS:

20.1 Pursuant to the Financial Regulations and Rules of UNDP, only the Chief Procurement Officer of UNDP, or such other contracting authority as UNDP has made known to the Contractor in writing, possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, 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 Contract signed by the Contractor and the Chief Procurement Officer of UNDP, or such other contracting authority as UNDP has made known to the Contractor in writing.

20.2 If the Contract shall be extended for additional periods in accordance with the terms and conditions of the Contract, the terms and conditions applicable to any such extended term of the Contract shall be the same terms and conditions as set forth in the Contract, unless the Parties shall have agreed otherwise pursuant to a valid amendment concluded in accordance with Article 20.1, above.

20.3 The terms or conditions of any supplemental undertakings, licenses, or other forms of agreement concerning any goods or services provided under the Contract shall not be valid and enforceable against UNDP nor in any way shall constitute an agreement by UNDP thereto unless any such undertakings, licenses or other forms are the subject of a valid amendment concluded in accordance with Article 20.1, above.

21. AUDITS AND INVESTIGATIONS:

21.1 Each invoice paid by UNDP shall be subject to a post-payment audit by auditors, whether internal or external, of UNDP or by other authorized and qualified agents of UNDP at any time during the term of the Contract and for a period of three (3) years following the expiration or prior termination of the Contract. UNDP shall be entitled to a refund from the Contractor for any

amounts shown by such audits to have been paid by UNDP other than in accordance with the terms and conditions of the Contract.

21.2 UNDP may conduct investigations relating to any aspect of the Contract or the award thereof, the obligations performed under the Contract, and the operations of the Contractor generally relating to performance of the Contract at any time during the term of the Contract and for a period of three (3) years following the expiration or prior termination of the Contract.

21.3 The Contractor shall provide its full and timely cooperation with any such inspections, post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the Contractor's obligation to make available its personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions and to grant to UNDP access to the Contractor's premises at reasonable times and on reasonable conditions in connection with such access to the Contractor's personnel and relevant documentation. The Contractor shall require its agents, including, but not limited to, the Contractor's attorneys, accountants or other advisers, to reasonably cooperate with any inspections, post-payment audits or investigations carried out by UNDP hereunder.

22. LIMITATION ON ACTIONS:

22.1 Except with respect to any indemnification obligations in Article 6, above, or as are otherwise set forth in the Contract, any arbitral proceedings in accordance with Article 17.2, above, arising out of the Contract must be commenced within three years after the cause of action has accrued.

22.2 The Parties further acknowledge and agree that, for these purposes, a cause of action shall accrue when the breach actually occurs, or, in the case of latent defects, when the injured Party knew or should have known all of the essential elements of the cause of action, or in the case of a breach of warranty, when tender of delivery is made, except that, if a warranty extends to future performance of the goods or any process or system and the discovery of the breach consequently must await the time when such goods or other process or system is ready to perform in accordance with the requirements of the Contract, the cause of action accrues when such time of future performance actually begins.

23. ESSENTIAL TERMS: The Contractor acknowledges and agrees that each of the provisions in Articles 24 to 29 hereof constitutes an essential term of the Contract and that any breach of any of these provisions shall entitle UNDP to terminate the Contract or any other contract with UNDP immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

24. SOURCE OF INSTRUCTIONS: The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its obligations under the Contract. Should any authority external to UNDP seek to impose any instructions concerning

or restrictions on the Contractor's performance under the Contract, the Contractor shall promptly notify UNDP and provide all reasonable assistance required by UNDP. The Contractor shall not take any action in respect of the performance of its obligations under the Contract that may adversely affect the interests of UNDP or the United Nations, and the Contractor shall perform its obligations under the Contract with the fullest regard to the interests of UNDP.

25. OFFICIALS NOT TO BENEFIT: The Contractor warrants that it has not and shall not offer to any representative, official, employee, or other agent of UNDP or the United Nations any direct or indirect benefit arising from or related to the performance of the Contract or of any other contract with UNDP or the United Nations or the award thereof or for any other purpose intended to gain an advantage for the Contractor.

26. OBSERVANCE OF THE LAW: The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the Contract. In addition, the Contractor shall maintain compliance with all obligations relating to its registration as a qualified vendor of goods or services to UNDP, as such obligations are set forth in UNDP vendor registration procedures.

27. CHILD LABOR: The Contractor represents and warrants that neither it, its parent entities (if any), nor any of the Contractor's subsidiary or affiliated entities (if any) 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.

28. MINES: The Contractor represents and warrants that neither it, its parent entities (if any), nor any of the Contractor's subsidiaries or affiliated entities (if any) is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

29. SEXUAL EXPLOITATION:

29.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled 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 reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for

sexual favors or activities, or from engaging any sexual activities that are exploitive or degrading to any person.

29.2 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.