



Request for Proposal (RFP 10/2012)

Date: 19.03.2012

Dear Sir/Madam,

Subject: RFP10/2012 for Training on “Development of Business idea”

1. You are requested to submit a proposal in MKD, VAT exempted for **Training on development of business idea**, as per enclosed Terms of Reference (TOR).
2. 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. General Conditions of Contract..... (Annex IV)
3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than **30 March 2012 by 10:00 am**
UNDP
RFP10/2012 Development of business idea
8ma Udarna Brigada 2
1000 Skopje
4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.
5. You are requested to acknowledge receipt of this letter and to indicate whether or not you intend to submit a proposal at the following e-mail address: procurement.mk@undp.org

Instructions to Offerors

A. Introduction

1. General

Purpose of RFP

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 procurement.mk@undp.org. 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 and will be posted on UNDP web site www.undp.org.mk (Q&A ref. **RFP10/2012**)

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.

Any amendment will be posted at UNDP web site

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.

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.

7. Documents comprising the proposal

The Proposal shall comprise the following components:

- (a) Proposal submission form;
- (b) Operational and technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price proposal shall be structures around deliverables and each deliverable shall have detailed budget break down

8. Export License

n/a

9. Proposal form

The Offeror shall structure the operational and technical part of its Proposal as follows:

- company profile/experience
- methodology and work plan
- Team leader proposed
- experts proposed

10. Proposal prices

The price proposal shall be presented per deliverables and each deliverable shall have detailed budget break down

11. Proposal currencies

All prices shall be quoted in MKD, VAT exempted.

12. Period of validity of proposals

Proposals shall remain valid for hundred twenty (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.

13. Format and signing of proposals

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.

14. Payment

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

D. Submission of Proposals

15. 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 –

UNDP
Ref. **RFP10/2012** for "Development of business idea"
8ma Udarna brigada 2
1000 Skopje

- (b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (*Proposal form*) above. 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.

16. 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 30 March 2012 by 10:00am.

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.

17. 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.

18. 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

19. Opening of proposals

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

20. 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.

21. 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.

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.

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.

22. Evaluation and comparison of proposals-cumulative method

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 of the Proposals will be opened only for submissions that passed the minimum technical score of 70% or 490 points of the obtainable score of 700 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).

The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 700 points in the evaluation of the technical proposals (expertise of the firm in similar projects, methodology and approach and qualifications of the staff with relevant experience) and the price has allocated 300 points.

The offer with the lowest price will receive the total 300 points. Other offers with higher prices will receive their respective scores according the following formula:

$$300 \times \frac{\text{Lowest Bid}}{\text{Proposed Bid}}$$

The company will be awarded a contract with the highest aggregate score based on technical and financial proposal.

| Mandatory required documentation | A | B | C | D | E | F | G | H | I | J |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Copies of original documents defining the constitution or legal status, place of registration | | | | | | | | | | |
| Company profile and evidence of capacity and experience in the similar service provision | | | | | | | | | | |
| Clear presentation of the methodology and approach in implementing the tasks described in the Terms of reference | | | | | | | | | | |
| The qualifications and competence of the personnel proposed for the assignment as per the qualification criteria in the TOR | | | | | | | | | | |
| The qualifications and experience of the personnel proposed for the assignment, as per the requirements in the TOR (CVs and letters of recommendation if available to be submitted) | | | | | | | | | | |

Technical Evaluation Criteria

| Summary of Technical Proposal Evaluation Forms | | Score Weight | Points Obtainable | Company / Other Entity | | | | |
|--|--|--------------|-------------------|------------------------|---|---|---|---|
| | | | | A | B | C | D | E |
| 1. | Expertise of Firm / Organisation submitting Proposal | 20% | 140 | | | | | |
| 2. | Proposed methodology and Approach | 50% | 350 | | | | | |
| 3. | Personnel | 30% | 210 | | | | | |
| Total | | | 700 | | | | | |

Evaluation forms for technical proposals follow on the next two pages.

| | | | | | | | | | |
|--|------------|--|--|--|--|--|--|--|--|
| development of business idea/plan and evaluation. | | | | | | | | | |
| Professional experience Knowledge and understanding employment policy at local level and related fields. | 55 | | | | | | | | |
| Sub-score | 120 | | | | | | | | |

F. Award of Contract

23. 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

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.

24. 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.

25. Signing of the contract

Within 30 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the Purchaser.

26. Performance security

n/a

26. 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>.

_Terms of Reference

National Consulting Agency for developing and conducting training on "Development of a Business Idea" under the Self-employment programme

A. PROJECT TITLE: "Promoting Sustainable Employments and Supporting the Government in implementation of the Operational Plan for Active Labour Market Measures 2012-2013"

B. PROJECT DESCRIPTION

The main objective of the Project is to support the Government and national institutions to better plan, implement and monitor active labour market measures (ALMMs). The programme will contribute to implementation of the 2012-2013 Operational Plan on ALMMs and its components focusing on: Self-employment; Additional employment in SMEs and craftsmen shops; Pilot Programmes for supporting creation of sustainable employments for the vulnerable groups.

More specifically the Programme in close collaboration with the Ministry of Labour and Social Policy (MLSP), Employment Service Agency (ESA) and Agency for Promotion of Entrepreneurship (APE) will support the:

- creation of 980 small businesses through Self-employment programme;
- creation of up to 90 new employments in SMEs and craftsmen shops;
- creation of up to 20 employments in pilot programmes where candidates after obtaining certain skills through trainings will establish sustainable businesses or will get subsidized employment;
- creation of up to 20 new forms of short-term employments through community works/services will enhance the employability of the unemployed who face difficulties in entering the labour market;
- provision of trainings in occupations demanded on the labor market for 216 unemployed candidates.

The Self-employment Programme offers assistance for unemployed to start their own business. Following a public call for application and provision of public information concerning the opportunities under the programmes, the Programme provides training in developing business ideas or in entrepreneurship skills to the selected candidates; support in developing business plan; assistance in registration of firms and provision of small capital grants in amount of maximum 185,000.00 MKD through provision of necessary equipment and/or materials. The target groups are defined within the OP 2012-2013.¹

The Self-employment programme will be implemented in two consecutive cycles. The first call for application was already announced in January 2012 and the second is planned for May 2012. It is

¹ Operational Plan for ALMMs 2012-2013, http://www.mtsp.gov.mk/WBStorage/Files/operative_20122013.pdf

expected that 60% of grants (around 590) will be awarded in the first cycle and the remaining 40% (around 400 beneficiaries) in second round.

In terms of trainings, the project objective is to train a total of 1,350 unemployed candidates. The project will provide two types of trainings:

- a) Two-days training for development of business idea and entrepreneurial skills for approx. 1,000 trainees;
- b) One-day training for candidates with previous entrepreneurial experience on "How to develop a business plan" for approx. 350 trainees.

All selected trainees will be divided in two groups, those who have prior entrepreneurial experience from running informal business and those who have just an idea and vision to start a business.

Subject to these terms of reference is the second target group of candidates, that will need to undergo a two-day training for development of business idea and entrepreneurial skills.

Approximately 1,000 unemployed will receive two-day training for "Development of a Business idea", from which 60% or around 600 will attend the trainings in the first cycle and 40% or 400 in the second cycle.

C. SCOPE OF WORK

The objective of the assignment is to develop, prepare and deliver two-day trainings for development of businesses ideas for candidates under the Self-employment programme. The training programme shall help the candidates to improve their entrepreneurial skills, so as to ensure that they are better prepared to start their own business.

The training will be provided to around 1,000 participants. Approximately 60% of the candidates or 600 will be trained in the first cycle during April 2012, and the remaining 40% or 400 in the second cycle during June-July 2012.

The training programme shall encompass the following specific areas:

- (a) Entrepreneurship - basic principles/The need of strategic planning
- (b) Legal and Business Environment - introduction
- (c) Marketing, sales and promotion - introduction
- (d) Presentation of product/service, market research and competition
- (e) Energy efficiency and green job concept as asset to sustainable businesses - introduction
- (f) Development of Business idea: vision, mission and goals of the specific business ideas
- (g) Opportunities for growth and sustainability of the businesses (credit opportunities, available sources of financing etc.)

The training programme shall be based on practical skills and examples so that trainees (beneficiaries) could gain substantive understanding of the entrepreneurship and market principals, so to be equipped with knowledge that will enable them to finalize the training with a developed business idea.

Training sessions shall envisage work in groups of 20-25 trainees. Training programme modules shall be organized in a way that each theoretical session is followed with a practical exercise, which shall help the participants to complete that particular aspect in the Business idea template.

In addition, the methodology of training shall take into account the differential approach that should be applied to different target groups/beneficiaries when conducting training sessions.

D. EXPECTED OUTPUTS

In the course of the assignment and in close collaboration with the UNDP staff, the Consulting Agency with its team is expected to study the Project cycle (*Annex 1 - Project cycle*) and the project activities in order to establish a proper understanding of the overall project goals.

The Consultant Agency is expected to deliver the following outputs:

- ✓ To develop forms for the exercises and templates for business idea development during the training sessions based on successful practices in similar interventions;
- ✓ To produce and distribute training materials and handouts for 1,000 trainees and 30 copies for Employment Centers focal points;
- ✓ To produce a training methodology adjustable to the capacities of different target groups with various social and educational background;
- ✓ To design and deliver the training programme "Introductory Training on Entrepreneurship, Business Planning and Developing a Business Idea", along the key aspects of the modules (a-g) and objectives listed above;
- ✓ To deliver around 50 training workshops with duration of 2 days each, with approximately 20 - 25 trainees per group, within timeframe (to be agreed upon the approval of work plan);
- ✓ To evaluate developed business ideas after every training session, using the previously prepared and approved evaluation criteria (see Annex 2 – Evaluation criteria). The evaluation of the business idea will be conducted at the end of each two days session in cooperation with the focal points from Employment Centers and shall be completed within a two days period;
- ✓ To prepare and submit report at the end of each cycle (interim report) as well as Final report that should include recommendations for further support and development of similar interventions and policy adjustments directly related to the labor market policies, particularly self-employment and start-up of businesses in the country;
- ✓ Documents such as training programme, training handouts, recommendations and interim reports as well as final report shall be produced both in Macedonian and English language;
- ✓ All required written documents, forms and training proposals stipulated above that shall be provided by the Consulting Agency are subject of mandatory approval by UNDP.

E. INSTITUTIONAL ARRANGEMENT

Consultant Agency will operate under dally supervision of UNDP Project Manager and overall supervision of UNDP Programme Unit;

Consulting Agency shall prepare and submit to the UNDP Project two interim reports after the completion of each training cycle and one final report 10 days after the completion of training delivery;

UNDP Project staff in cooperation with focal point from the Employment Centers will actively participate and facilitate the trainings through clarifications and discussions on the topics related to the project activities;

Training will be delivered in the Job Clubs of the 30 Employment Centers. Refreshment for the participants will be provided by Employment Centers during the trainings;

Consulting Agency shall utilize audio-visual equipment (LCD projector and lap-top) during the entire trainings. In addition the Consulting Agency shall prepare the logistical arrangements related to the training requirements i.e. the travel and accommodation costs will not be covered by the UNDP project or any other entity;

The Consulting Agency shall remain available for all trainees for a period of 2 weeks to answer to any additional queries of the trainees once the trainings are completed;

F. DURATION OF THE WORK

The assignment shall be completed as per the agreed timeframe for every training cycle in a period of maximum four months. The assignment is expected to start with the first round of trainings in the first cycle by mid April 2012 and the second shall start in mid June 2012. Project Work plan envisages that the trainings shall be delivered in 2 (two) cycles. The first will cover approx. 600 trainees and the second 400.

The Consulting Agency shall act in line with the prepared detailed work plan (by UNDP Project and ESA) that is taking into consideration all the possibilities for combining the participants from neighboring Employment Centers when necessary, in order to achieve maximum impact.

G. DUTY STATION

The trainings will be held in the premises of the 30 Employment Centers of ESA. (*Annex 3. List of 30 ESAs Employment Centers*)

H. QUALIFICATIONS OF THE SUCCESSFUL CONTRACTOR

Team

The assignment shall be undertaken by a Consulting Agency which will provide evidence of at least three similar assignments and that will offer the best teams of experienced national experts.

The Consulting Agency shall provide one **Team leader and a list of six teams, each composed of two experts (both having a role of trainers)**. The specific role of the Team leader will be to coordinate and support work of team experts as well as to provide reports to the Contracting Party.

Each team is expected to have an in-depth knowledge of the objectives of the project, practical and theoretical business experience as well as knowledge and experience of local economic development processes at the local level, specific experience in training delivery and employment policies.

Each two-day workshop shall be covered by one team of experts (based on the approved schedule) by requiring presence of both team members.

Qualification of the team members

The **Team leader** engaged to undertake the assignment must fulfill the following minimum requirements:

- Master degree – preferably in economics, business management and related sciences;
- Strong background and expertise in developing training curricula and strong training experience in the areas of: start up businesses, development of business plan and evaluation;
- At least 3 years of practical business experience in the field of entrepreneurship;
- Knowledge and understanding of employment policy and related fields;
- Excellent communication skills.

The **Team experts** engaged to undertake the assignment must fulfill the following minimum requirements:

- University Degree in economics or other related sciences (preferably)
- Strong background and expertise in developing training curricula and strong training experience in the areas of: start up businesses, development of business idea/plan and evaluation;
- Knowledge and understanding of employment policy on a local level and related fields.
- Excellent communication skills;

The Consulting Agency related to the Team experts must provide at least two (2) Albanian speaking experts distributed in different teams.

I. SCOPE OF BID PRICE AND SCHEDULE OF PAYMENTS

The Price matrix shall be presented per each Milestone

| <u>MILESTONE</u> | <u>Installation</u> | <u>TARGET DATE</u> | <u>AMOUNT in MKD</u> |
|---|---------------------|---|----------------------|
| Training Programme designed and submitted | 20% | 7 days upon contract signing | |
| First training cycle delivered (First interim report for 1 st - cycle) | 40% | (duration - 3 weeks) in April-May 2012 | |
| Second training cycle delivered (Second Interim report 2 nd - cycle) | 30% | (duration - 2 weeks) in June-July 2012 | |
| After submission of Final Report | 10% | 10 days after completion of training delivery | |
| Total: | | | |

Note: Training will be delivered in the Job Clubs of the Employment Centers. Refreshment for the participants will be provided by Employment Centers during the training it is not within the Consulting Agency to cover the refreshments of the participants.

J. ANNEXES TO THE TOR

Annex A. The Project Cycle

Project: "Promoting Sustainable Employments and Supporting the Government in implementation of the Operational Plan for Active Labour Market Measures 2012-2013"

Self-employment programme in 2012 will be implemented through two cycles, and the main steps of the each project cycle are:

| Phase/Step | Activity |
|-------------------|---|
| Phase 1 | |
| Step 1 | Launching a public call and receiving applications - ESA |
| Step 2 | Selection of applicants – Selection Committee (ESA, APE and UNDP) |
| Phase 2 | |
| Step 3 | Training with counseling for independent development of a business plan and Training on how to plan and run a business "Development of business idea" –, ESA, APE and UNDP |
| Step 4 | Support to Business Plan development and Field visits of candidates who have developed their own Business plan– ESA, APE and UNDP |
| Step 5 | Selection of the best Business Plans – Experts Committee, ESA, APE and UNDP |
| Phase 3 | |
| Step 6 | Support for the registration of the best Business Plans, Registration of companies and Contract signing - UNDP, APE, ESA, Central Registry Office and Craftsmen Chambers, beneficiaries |
| Phase 4 | |
| Step 7 | Provision of a grant for procurement of equipment and/or materials for starting the business – UNDP and beneficiaries |

Annex B. List of Employment Centers

| No. | Employment Center |
|------------|-------------------------------|
| 1 | <i>Berovo</i> |
| 2 | <i>Bitola</i> |
| 3 | <i>Valandovo</i> |
| 4 | <i>Veles</i> |
| 5 | <i>Vinica</i> |
| 6 | <i>Gevgelija</i> |
| 7 | <i>Gostivar</i> |
| 8 | <i>Debar</i> |
| 9 | <i>Delcevo</i> |
| 10 | <i>Demir Hisar</i> |
| 11 | <i>Kavadarci</i> |
| 12 | <i>Kicevo</i> |
| 13 | <i>Kocani</i> |
| 14 | <i>Kratovo</i> |
| 15 | <i>Kriva Palanka</i> |
| 16 | <i>Krusevo</i> |
| 17 | <i>Kumanovo</i> |
| 18 | <i>Makedonski Brod</i> |
| 19 | <i>Negotino</i> |
| 20 | <i>Ohrid</i> |
| 21 | <i>Prilep</i> |
| 22 | <i>Probistip</i> |
| 23 | <i>Radovis</i> |
| 24 | <i>Resen</i> |
| 25 | <i>Sveti Nikole</i> |
| 26 | <i>Skopje</i> |
| 27 | <i>Struga</i> |
| 28 | <i>Strumica</i> |
| 29 | <i>Tetovo</i> |
| 30 | <i>Stip</i> |

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

E. Signature

(In the capacity of)

Duly authorised to sign Proposal for and on behalf of

Annex IV



ANNEX 1 General Conditions for Professional Services

1. LEGAL STATUS

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis UNDP. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2. SOURCE OF INSTRUCTIONS

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action which may adversely affect UNDP or the United Nations and shall fulfil its commitments with the fullest regard to the interests of UNDP.

3. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4. ASSIGNMENT

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5. SUB-CONTRACTING

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.

6. OFFICIALS NOT TO BENEFIT

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award

thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7. INDEMNIFICATION

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8. INSURANCE AND LIABILITIES TO THIRD PARTIES

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

(i) Name UNDP as additional insured;

(ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNDP;

(iii) Provide that UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

8.5 The Contractor shall, upon request, provide UNDP with satisfactory evidence of the insurance required under this Article.

9. ENCUMBRANCES/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 or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10. TITLE TO EQUIPMENT

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this 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. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

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, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the UNDP's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNDP in compliance with the requirements of the applicable law.

12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor 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.

13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNDP, shall be treated as confidential and shall be delivered only to UNDP authorized officials on completion of work under this Contract.

13.2 The Contractor may not communicate at any time to any other person, Government or authority external to UNDP, any information known to it by reason of its association with UNDP which has not been made public except with the authorization of UNDP; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.

14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify UNDP of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, UNDP shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the

circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

- 14.3 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

15. TERMINATION

- 15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.

- 15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

- 15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.

- 15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, UNDP may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform UNDP of the occurrence of any of the above events.

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 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 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 Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article 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.

PRIVILEGES AND IMMUNITIES

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

TAX EXEMPTION

18.1 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 public utility 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 the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice 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 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.

19 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers 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.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

MINES

20.1 The Contractor represents and warrants that neither it nor any of its suppliers 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.

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

OBSERVANCE OF THE LAW

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

AUTHORITY TO MODIFY

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the authorized official of UNDP.