



**REQUEST FOR QUOTATION (RFQ)  
(Vehicle Hire Service)**

<b>NAME &amp; ADDRESS OF FIRM</b>	<b>DATE: September 28, 2015</b>
	<b>REFERENCE: UNDP/RFQ/2015/12</b>

Dear Sir / Madam:

We kindly request you to submit your quotation for Vehicle Hiring Service, as detailed in Annex 1 of this RFQ. When preparing your quotation, please be guided by the form attached hereto as Annex 2.

Quotations may be submitted on or before October 8, 2015 and in a sealed envelope titled "RFQ for Vehicle hiring services" to the address below:

**Procurement unit**  
**United Nations Development Programme**  
Peling Lam, Kawajangsa  
Attention: Tshering Palden

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

Please take note of the following requirements and conditions pertaining to the supply of the above mentioned services:

Function:	<b>Vehicle hiring services for UNDP Bhutan Office</b>
Location of service	Local duty within Thimphu and other Dzongkhags within Bhutan as and when required
Preferred Currency of Quotation	<input checked="" type="checkbox"/> Local Currency: Ngultrum
Deadline for the Submission of Quotation	COB, <i>Thursday, October 08, 2015 before 4PM</i>
All documentations, including catalogs, instructions and operating manuals, shall be in this language	<input checked="" type="checkbox"/> English
Documents to be submitted	<input checked="" type="checkbox"/> Latest Business Registration Certificate; <input checked="" type="checkbox"/> Business Profile of the firm <input checked="" type="checkbox"/> List of vehicles registered in the name of the business firm (list minimum 3 pool vehicles) <input checked="" type="checkbox"/> Insurance and vehicle registration documents <input checked="" type="checkbox"/> List of client list or reference letters from clients would be an added advantage
Period of Validity of Quotes starting the Submission Date	<input checked="" type="checkbox"/> 120 days  In exceptional circumstances, UNDP may request the Vendor to extend the validity of the Quotation beyond what has been initially indicated in this RFQ. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Quotation.
Partial Quotes	<input checked="" type="checkbox"/> Not permitted
Payment Terms	<input checked="" type="checkbox"/> 100% upon complete delivery of service and certification of invoice by relevant UNDP officer

Evaluation Criteria	<input checked="" type="checkbox"/> Technical responsiveness/Full compliance to requirements and lowest price <sup>1</sup> <input checked="" type="checkbox"/> Full acceptance of the PO/Contract General Terms and Conditions
UNDP will award to:	<input checked="" type="checkbox"/> One or more business firm who meets the requirements
Type of Contract to be Signed	<input checked="" type="checkbox"/> Long-Term Agreement <sup>2</sup>
Annexes to this RFQ	<input checked="" type="checkbox"/> Terms of Reference (Annex 1) <input checked="" type="checkbox"/> Price Schedule Format (Annex 2) <input checked="" type="checkbox"/> Contract for the rental of a vehicle with driver (Annex 3) <input checked="" type="checkbox"/> Contract for Rental with General Terms and Conditions (Annex 4)  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) <sup>3</sup>	<i>Tshering Palden</i> <i>Procurement Associate</i> <i>tshering.palden@undp.org</i> Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.

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

<sup>1</sup> UNDP reserves the right not to award the contract to the lowest priced offer, if the second lowest price among the responsive offer is found to be significantly more superior, and the price is higher than the lowest priced compliant offer by not more than 10%, and the budget can sufficiently cover the price difference. The term "more superior" as used in this provision shall refer to offers that have exceeded the pre-determined requirements established in the specifications.

<sup>2</sup> Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation

<sup>3</sup> This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

The quotation that complies with all of the 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 lowest prices

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>  
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**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](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

**Thank you and we look forward to receiving your quotation.**

**Sincerely yours,**

Kesang Choden  
Operations Manager

## **Annex 1**

### **Terms of Reference**

#### **Background:**

The UNDP Country Office would like to avail vehicle hire service with one or more business firm for a duration of one year which is renewable based on satisfactory performance. The vehicle hire service is required for local duty within Thimphu and Paro and for field trips to project areas within Bhutan. UNDP will enter into Long Term Agreement and the vehicle hire will be requested as and when required.

#### **I. Requirement of the Contractor:**

1. Minimum experience of two years in provision of vehicle hire service;
2. Assignment of dedicated contact person who will manage vehicle hiring requests for the UN;
3. Respond to vehicle request with one day advance notice;
4. Fuel should be provided by the Contractor;
5. Maintenance to be carried out by the Contractor;
6. Food and accommodation for the driver during field travel should be borne by the Contractor;
7. The vehicle should be compliant with applicable insurance, safety or other motor vehicle requirements;
8. Registered for operation during the period of Contract with registration documentation in the vehicle and registration/number plates affixed to the vehicle as required by law.

#### **II. Conditions for the vehicle:**

1. The vehicle should be road-worthy, in good running condition, and not more than 5 years old;
2. The vehicle provided for field travel should be 4x4 and robustly built;
3. The vehicle should be equipped with necessary safety items, seat-belt restraints in the front and rear of the vehicle, spare tire, mechanical jack and basic hand tools;
4. The vehicle should have a comprehensive insurance;
5. The vehicle should have good tyres;
6. The vehicle should have a well-maintained Log Book;
7. The vehicle should be clean, inside and out, and free from any unpleasant odor.

### **III. Requirements for the Driver:**

1. The driver should have minimum 5 years' work experience as a Driver; a safe and clean driving record; knowledge of driving rules and regulations and skills in minor vehicle repair;
2. The driver should be able to communicate and write in English;
3. The driver should not consume alcohol, smoke & chew doma while on duty;
4. The driver should be properly trained in the operation and maintenance of the vehicle;
5. The driver should be licensed for operating a motor vehicle which is on duty, including for passenger service if required;
6. Familiar with local routes and destinations;
7. Properly attired during hours of operation;
8. Observes the rules of the road at all times; and
9. Observe at all times basic courtesy to passenger(s), fellow motorists and road authorities.

## Annex 2

### PRICE SCHEDULE FORMAT

<b>Sl No.</b>	<b>Car Type</b>	<b>Rate per km above 100 km (Nu.)</b>	<b>Halt rate for less than 100 km per day (Nu.)</b>	<b>Lump Sum daily rate for local hire within Paro &amp; Thimphu (Nu.)</b>
1	List any vehicle available with your company that meets the criteria			
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### **ANNEX 3**

#### **CONTRACT FOR THE RENTAL OF A VEHICLE WITH DRIVER**

THIS CONTRACT is entered on..... between the United Nations Development Programme (hereinafter referred to as "UNDP") having its address at \_\_\_\_\_ (hereinafter referred to as "Contractor"). UNDP and the Contractor are hereinafter collectively referred to as the "Parties."

#### **I. CONTRACT DOCUMENTS**

This Contract is comprised of the following documents with order of precedence as indicated below in the event of any conflict between or among them:

- a. UNDP General Conditions - Annex A
- b. Terms of reference/detailed specifications - Annex B
- c. This document
- d. Price Schedule - Annex D

#### **II. CONTRACT TERM**

This Contract shall for commence on .....and expire on .....unless otherwise terminated in accordance with Article 15 of the General Conditions attached as Annex A. The contract will be valid for a period of 2 years. Upon completion of the above term, UNDP has the option to renew the Contract for an additional period of one year, on the same terms and conditions.

#### **III. CONTRACTOR'S OBLIGATIONS**

3.1 The Contractor shall make available to UNDP a vehicle and Driver in accordance with Annex B of this Contract for UNDP use during the period of operation as prescribed in 3.2 below.

3.2 The vehicle and Driver shall be made available on request normally during working days Monday-Friday, between the hours of [08.30 am to 5.30 pm.] A weekly schedule will be provided in advance but exceptional requests may be made for operation outside normal hours and weekends. During the period of operation for UNDP, the vehicle shall carry passengers or goods authorized by UNDP.

3.3 The vehicle shall be:

- a. The vehicle should be road-worthy, in good running condition, and not more than 5 years old;
- b. The vehicle provided for field travel should be 4x4 and robustly built;
- c. The vehicle should be equipped with necessary safety items, seat-belt restraints in the front and rear of the vehicle, spare tire, mechanical jack and basic hand tools;
- d. The vehicle should have a comprehensive insurance;
- e. The vehicle should have good tyres;
- f. The vehicle should have a well-maintained Log Book;
- g. The vehicle should be clean, inside and out, and free from any unpleasant odor.

During the period of operation, UNDP reserves the right to require that the vehicle carry markings that identify it as a UNDP vehicle. These markings are to be removed when the vehicle is no longer used exclusively by UNDP.

#### 3.4 The Driver shall be:

- a. The driver should have minimum 5 years' work experience as a Driver; a safe and clean driving record; knowledge of driving rules and regulations and skills in minor vehicle repair;
- b. The driver should be able to communicate and write in English;
- c. The driver should not consume alcohol, smoke & chew doma while on duty;
- d. The driver should be properly trained in the operation and maintenance of the vehicle;
- e. The driver should be licensed for operating a motor vehicle which is on duty, including for passenger service if required;
- f. Familiar with local routes and destinations;
- g. Properly attired during hours of operation;
- h. Observes the rules of the road at all times; and
- i. Observe at all times basic courtesy to passenger(s), fellow motorists and road authorities.

The Driver shall conform to the standards set forth in Article 3 of the General Conditions of Contract (Annex A). UNDP reserves the right to review the qualifications of the Driver before commencement of service, or at any other time during the term of this Contract, but shall have no obligation to do so. At UNDP request, the Driver shall be replaced with another meeting the above conditions.

#### 3.5 The Contractor shall be:

- a. Minimum experience of two years in provision of vehicle hire service;
- b. Assignment of dedicated contact person who will manage vehicle hiring requests

- for the UN;
- c. Respond to vehicle request with one day advance notice;
  - d. Fuel should be provided by the Contractor;
  - e. Maintenance to be carried out by the Contractor;
  - f. Food and accommodation for the driver during field travel should be borne by the Contractor;
  - g. The vehicle should be compliant with applicable insurance, safety or other motor vehicle requirements;
  - h. Registered for operation during the period of Contract with registration documentation in the vehicle and registration/number plates affixed to the vehicle as required by law.

The Contractor shall be fully responsible for operation of the vehicle and ensure that the Driver operates the vehicle in accordance with applicable law. The Contractor shall be fully responsible for payment of salary and other benefits to its Driver as required by the governing labor laws. UNDP shall not be liable for any action, omission, negligence or misconduct of such Driver, nor for any costs, expenses or claims associated with any illness, injury, death or disability of such Driver performing services in connection with this Contract. UNDP shall have no responsibility vis-a-vis the Driver.

3.6 During the period of operation for UNDP, the Driver shall receive instructions solely from the UNDP authorized passenger and travel the most efficient, safe and secure route to any indicated destination, without deviation for personal or other reasons not associated with UNDP interests, and without interruption of UNDP's purposes for the trip.

3.7 The Contractor shall be fully responsible for any and all maintenance, servicing and repair needs of the vehicle during the term of this Contract, and all costs related thereto, and shall ensure that the vehicle operates properly during the term of this Contract. Except in the case of emergencies, the Contractor shall ensure that service and repair does not take place during the hours that UNDP requires the vehicle, or at any other time that will interfere with UNDP's purposes for the use of the vehicle.

3.8 UNDP reserves the right to inspect the vehicle before putting it into service under the terms of this Contract, or at any other time during the term of this Contract, but shall have no obligation to do so. In the event UNDP opts to inspect the vehicle, such inspection shall be carried out in the presence of the Contractor or the Contractor's designate. If an inspection reveals that the vehicle is not in a road worthy condition, requires service or repair or does not otherwise comply with the terms of this Contract, the Contractor shall promptly have such work done, at its costs and expense, failing which UNDP reserves the right to terminate the Contract for cause.

3.9 The Contractor is responsible for any items left in the vehicle by UNDP passengers. Such items shall be returned to UNDP promptly upon discovery.

3.10 Third party liability insurance required under Article 8.3 of the General Conditions, attached hereto as Annex A, shall include coverage for all passengers including UNDP personnel and other authorized passengers.

#### IV. PAYMENT

4.1 For the satisfactory completion of the services under this Contract, UNDP shall pay based on the agreed rates of this contract (Annex1- Price Schedule) upon certification by UNDP designated official.

4.2 Payments shall be made within (15) days of the submission of an invoice by the Contractor, together with vehicle log book with detailed kilometer reading signed off by UNDP staff who used the vehicle.

4.3 The price of this Contract is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the Contractor in the performance of the Contract.

4.4 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.

**V. NOTICES**

Any notices required to be given hereunder shall be delivered by hand delivery, recognized courier service [or registered mail] and shall be deemed to have been received on the earlier of (i) the date of actual receipt, or (ii) one (1) business day after being given to an express courier with a reliable system for tracking delivery.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have signed this agreement.

For and on behalf:

UNITED NATIONS DEVELOPMENT  
PROGRAMME

FOR THE CONTRACTOR

**Resident Representative**

**Date:** \_\_\_\_\_

**Name:**

**Designation:**

**Date:** \_\_\_\_\_

## **ANNEX 4**

### **UNITED NATIONS DEVELOPMENT PROGRAMME GENERAL CONDITIONS OF CONTRACT**

#### **1. LEGAL STATUS**

The Contractor shall be considered as having the legal status of an independent contractor vis-a-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.

## **17. 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.

## **18. 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.

## **20. MINES**

19.2 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.

19.3 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.

## **20 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.

## **21 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.